

Your Exam Content Outline

The following outline describes the content of one of the Nebraska insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn

Nebraska Producer's Examination for Funeral Insurance Series 13-24

60 questions (plus 5 unscored items)
1-hour time limit
Effective date: January 27, 2020

1.0 Insurance Regulation 35% (21 Items)

1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
 - Producers (44-4049, 4054)
 - Consultants (44-2606–2635)
 - Resident versus nonresident (44-2625, 4055, 4063)
 - Temporary (44-4058)
 - Pre-need agents and sellers (12-1103 – 12-1111)
- Maintenance and duration Renewal (44-4054)
- Name or address change (44-4054(8))
- Reporting of actions (44-4065)
- Assumed names (44-4057)
- Continuing education requirements including ethics education (44-3901–3908)
- Disciplinary actions
 - Right to hearing (44-4059(2))
 - Suspension, revocation or refusal to issue or renew (44-2633, 4059)
 - Fines (44-2634, 4059(4))
 - Cease and desist order (44-1529, 1542)

1.2 State regulation

- Director's general duties and powers (44-101.01, 2635)
- Producer regulation
 - Sharing commissions (44-4060)
 - Controlled business (44-361.01, .02)
 - Prohibited fees or charges (44-354)
 - Records retention (44-5905)
- Unfair trade practices
 - Misrepresentation (44-1525(1))
 - False advertising (44-1525(2))
 - Defamation of insurer (44-1525(3))
 - Boycott, coercion or intimidation (44-1525(4))
 - Unfair discrimination (44-1525(7))

- Rebating (44-361, 1525(8))
- Insurance Fraud Act (44-6601–6608)
- Privacy of Insurance Consumer Information Act (44-901–925)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements
- Federal trade commission requirements

1.4 Other

- Medicaid eligibility

2.0 General Insurance 5% (3 Items)

2.1 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of licensees
 - Express
 - Implied
 - Apparent
- Responsibilities to the applicant/insured

3.0 Life Insurance Basics 20% (12 Items)

3.1 Insurable interest (44-704)

3.2 Premiums

- Factors in premium determination
 - Mortality
 - Interest
 - Expense
- Premium payment mode

3.3 Producer responsibilities

- Solicitation and sales presentations (Reg Ch 33)
- Advertising (Reg Ch 50)
- Life and Health Insurance Guaranty Association (44-2719.01)
- Buyer's Guide and Policy Summary (Reg Ch 33 Sec 005, NAIC Current Model Buyer's Guide)
- Illustrations (Reg Ch 72)
- Replacement (Reg Ch 19)
- Use and disclosure of insurance information
- Annuity suitability (44-8101–8109)
- Field underwriting
 - Notice of information practices
 - Application procedures

Delivery
Policy review
Effective date of
coverage Premium
collection Statement of
good health

3.4 Individual underwriting by the insurer

4.0 Life Insurance Policies 5% (3 Items)

4.1 Whole life insurance

Continuous premium (straight
life) Limited payment
Single premium
Indeterminate premium
Graded premium
Current assumption

5.0 Life Insurance Policy Provisions, Options and Riders 25% (15 Items)

5.1 Required provisions (44-502)

Entire contract (44-502(3))
Right to examine (free look) (44-502.05)
Payment of premiums (44-502(1))
Grace period (44-502(2))
Reinstatement (44-502(11))
Incontestability (44-502(5))
Misstatement of age (44-502(6))
Exclusions (44-502(5))
Statements of the insured (44-502(4))
Payment of claims (44-502(12))
Interest on proceeds (44-3,143)
Prohibited provisions including backdating (44-503)

5.2 Ownership and beneficiaries

Ownership
Assignment
Clarification of remaining proceeds
Beneficiary designation options
Individuals
Classes
Estates
Minors
Trusts

Succession
Revocable versus irrevocable
Common disaster clause
Spendthrift clause

5.3 Nonforfeiture options

Cash surrender value
Extended term
Reduced paid-up insurance

5.4 Policy loan and withdrawal options

Cash loans
Automatic premium loans

Information sources and regulation
Application
Producer report
Selection criteria and unfair discrimination (44-1525(7)(a))
Classification of risks

Withdrawals or partial surrenders

5.5 Dividend options

Cash payment
Reduction of premium payments
Accumulation at interest
One-year term option
Paid-up additions
Pre-need contract provision

5.6 Disability riders

Waiver of premium Waiver of
cost of insurance Disability
income benefit
Payor benefit life/disability (juvenile insurance)

5.7 Riders covering additional insureds

Spouse/other-insured term rider
Children's term rider
Family term rider

5.8 Riders affecting the death benefit amount

Accidental death
Guaranteed insurability
Cost of living
Return of premium
No lapse guarantee

5.9 Pre-need contract provision

6.0 Annuities 5% (3 Items)

6.1 Annuity principles and concepts

Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities
Nebraska Protection in Annuity Transactions Act
(44-8101-8109)
Applicable annuities for pre-need

7.0 Federal Tax Considerations for Life Insurance and Annuities 5% (3 Items)

7.1 Taxation of personal life insurance

Amounts available to policyowner
Cash value increases
Dividends
Policy loans
Surrenders
Amounts received by beneficiary
General rule and exceptions
Settlement options
Values included in insured's estate