

Your Exam Content Outline

The following outline describes the content of one of the Massachusetts 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 on a 150-question exam.

Massachusetts Producer's Examination for Limited Lines Credit Insurance Series 16-59

**60 questions (plus 5 unscored items) –
1-hour time limit
Live Date August 25, 2019**

1.0 Insurance Regulation 5% (3 Items)

1.1 Licensing

Process (175:162G–X)

Types of licensees

Producers (175:162H, L, M)

Business entity producers (175:162L)

Nonresident producers (175:162N, U)

Temporary (175:162Q)

Special brokers (175:168)

Advisers (175:177A, B)

Public insurance adjusters (175:172)

Reinsurance intermediaries (175:177M–W)

Life settlement broker (175:212–223E)

Portable Electronics Insurance Limited Lines license (175:162Y)

Maintenance and duration

Reinstatement and renewal (175:162M(b–d), 177B, 177O)

Address change (175:162M(f))

Reporting of actions (175:162V)

Assumed names (175:162P)

Continuing education requirements, exemptions and penalties (175:177E; Reg 211 CMR 50.00)

Disciplinary actions

Cease and desist order (176D:7)

Hearings (175:162R; 176D:6)

Probation, suspension, revocation, refusal to issue or renew (175:162R, 177B; 176D:7, 10; 30A:13)

Penalties and fines (175:162R(b–e), 170, 174, 175, 176, 177, 194; 176D:7, 10)

1.2 State regulation

Commissioner's general duties and powers (175:3A; 176D:5)

Company regulation

Certificate of authority (175:4, 32, 151)

Solvency (175:6, 180A–L; 175J)

Rates (175:113B; 175A; 175E; 176A:6; 176H:6; 176J:3; 176M:4)

Policy forms (175:2B, 192)

Examination of books and records (175:4)

Producer appointments (175:162S)

Termination of producer appointment (175:162T)

Producer regulation

Impersonation (175:175)

Larceny (175:176)

Unlicensed persons compensation (175:177)

Unfair or deceptive insurance practices

Misrepresentation (175:181, 186; 176D:3(1), (11))

False advertising (175:181; 176D:3(1),(2))

Defamation of insurer (176D:3(3))

Boycott, coercion and intimidation (176D:3(4), 3A)

False financial statements (176D:3(5))

Failure to maintain complaint record (176D:3(10))

Unfair discrimination (176D:3(7))

Unfair claims settlement practices (176D:3(9))

Rebating (175:182–184; 176D:3(8))

Insurance fraud regulation (175:170, 181; 176D:3)

Insurance Information and Privacy Protection (175I)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements including 1033 waiver (18 USC 1033, 1034)

2.0 General Insurance 5% (3 Items)

2.1 Concepts

Risk management key terms

Risk

Exposure

Hazard

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Risk retention and risk purchasing groups

Self-insurance groups

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal

Producer/insurer relationship

Authority and powers of producers

Express

Implied

Apparent

Responsibilities to the applicant/insured

2.4 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Distinct characteristics of an insurance contract

Contract of adhesion

Aleatory contract

Personal contract

Conditional contract

Legal interpretations affecting contracts

Ambiguities in a contract of adhesion

Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations

Warranties

Concealment

Fraud

Waiver and estoppel

Advantages for debtors and for creditors

Markets

Banks and savings and loan associations

Credit unions

Finance companies

Credit card companies

Automobile dealers and manufacturers

Retailers

Types of credit covered — closed-end versus open-end

3.2 Coverage characteristics

Group coverage

Underwriting considerations

Eligibility of groups (175:110, 133)

Underwriting of the debtor/insured (group and individual)

Evidence of insurability

Premiums

Single premium versus monthly premium

Basis and payment of premiums

Group policy general provisions

Grace period (175:132(1))

Incontestability (175:132(2))

Entire contract (175:132(3))

Misstatement of age (175:132(4))

Policy maximums (175:110(A)(j), 133(c))

Autopsy provision

Benefit payments

Effect on insured's debt

Payment of excess benefits

3.3 Regulation

Massachusetts regulation

Approval of forms (175:2B)

Amounts to be insured (RL Title IV 255:12G, 255B:10, 255C:14A, 255D:26)

Term of insurance (RL Title IV 255:12G, 255B:10, 255C:14A, 255D:26(C))

Premium rates (175:117C, RL Title IV 255:12G, 255B:10, 255C:14A, 255D:26(C))

Premium refunds (RL Title IV 255:12G, 255B:10, 255C:14A, 255D:26)

Choice of insurer

Life and Health Insurance Guaranty Association (175:146B(19))

Evidence of coverage (Reg 143.00)

Termination of group coverage

Claims processing

Prohibited transactions

Federal regulation

Consumer Credit Protection Act (Truth-in-Lending Act) (RL Title XX 140D:4; Title IV 255C:23)

3.4 Disclosure requirements (Reg 143.01-.02, RL Title IV 255D:26(C))

3.0 Consumer Credit Insurance Basics 45% (27 Items)

3.1 Nature of consumer credit insurance

Parties involved

Debtor/insured

Creditor/beneficiary

Insurer

4.0 Types of Consumer Credit Insurance 45% (27 Items)

4.1 Credit life insurance

- Eligibility of the individual insured
- Contributory versus non-contributory
- Gross coverage versus net payoff coverage
- Types of insurance coverages
 - Decreasing term
 - Level term
 - Monthly outstanding balance
 - Joint credit life
 - Truncated life
- Suicide clause

4.2 Credit disability insurance (30-day non-retroactive only)

- Eligibility of the individual insured
- Qualifying for benefits
 - Sickness or injury
 - Definition of disability (own occupation versus any occupation)
 - Elimination period
 - Benefit period
- Benefit amount
- Special types of coverage
 - Critical period
- Common exclusions
 - Pre-existing conditions
 - Intentionally self-inflicted injury
 - Normal pregnancy
 - Act of War

4.3 Credit unemployment insurance (175:117D, 255:12G, 255B:10, 255C:14A, 255D:26)

- Eligibility of the individual insured
- Qualifying for benefits
 - Definition of involuntary unemployment
 - Elimination period
- Benefit period
- Benefit amount
- Special types of coverage
 - Joint unemployment
 - Limited Benefit
 - Truncated unemployment