

EXAMINATION CONTENT OUTLINE

MICHIGAN LIFE AND VARIABLE ANNUITIES PRODUCER SERIES 16-84

# of Questions	Minimum Passing Score	Time Allowed
130	73% (95 correct)	150 Minutes

CONTENT OUTLINE

Insurance Regulation 18% (23 items)
Licensing
Process (500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)
Types of Licensees (500.1206)
Producer (500.240, 500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)
Counselor (500.1232, .1234, .1236)
Managing General Agent (500.1401(b), .1405)
Limited (R501.157)
Business Entity (500.1201, .1205)
Financial Institutions (500.1206, .1243)
Resident versus Nonresident (500.1201, 500.1201a, 500.1204-.1206b, 500.1240; R500.635)
Temporary (500.1211b)
Maintenance and Duration
Continuation (24.291; 500.1206, .134, .1153)
Change of Name and Address (500.1206(5))
Reporting of Actions (500.1208b, .1239, .1244, .1246, .1247)
Assumed Names (500.1211a)
Continuing Education Requirements (500.1204, .1204c, .1204d, .1204e, .1204f, .1206)
Bond (500.1153, .1407, .1504)
Disciplinary Actions
Cease and Desist Order (500.1244, .2038)
Suspension, Revocation, Refusal to Issue or Renew (500.1200, .1209, .1239, .1244, .1379, .2029, .2043)

Penalties and Fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)
State Regulation
Commissioner's General Duties and Powers (500.102, .200, .202, .210)
Company Regulation
Certificate of Authority (500.108, .402)
Solvency (500.408, .410, .436a, .438)
Rates (500.1609, .1615, .1904, .2106, .2403, 2411, .2603)
Forms and Exceptions (500.2236)
Unfair Claims Settlement Practices (500.2006, .2026)
Producer Appointment (500.1208a, .1208b, .1209, .1411)
Termination of Appointment (500.1208b, .1209)
Producer Regulation
Acting without a License (500.1201a, .1202)
Prohibited Conduct (500.1207, .1208, .1216, .2003, .2059, .2062)
Commissions (500.1240, .2011)
Fiduciary Capacity (500.1207)
Types of Compensation - Disclosures
Unfair Insurance Trade Practices (500.1239, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029)
Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)
False Information and Advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064)
Twisting (500.2005(f), .2064(2))
False Financial Statements (500.1015, .2014, .2018, .2055, .2062, .2474, .2666)
Defamation (500.2007, .2009; 600.2911; 750.389; R500.662, .1377(14))
Boycott, Coercion, and Intimidation (500.1242, .2012)
Unfair Discrimination (500.2019, .2020, .2027, .2082)
Rebating (500.2024, .2069, .2070)
Illegal Inducement (500.2024, .2066, .2069, .2070)
Examination of Books and Records (500.222, .249)
Insurance Fraud Regulation (500.2088, .4501, .4503, .4507, .4509, .4511, .8197; 752.1003, .1005)



Consumer Privacy Regulation (500.501, .505, .507, .515, .535, .2005a, .4501, .4507, .4509)
Federal Regulation
Fair Credit Reporting Act (15 USC 1681-1681d)
Patriot Act
Violent Control Act
General Insurance 5% (7 items)
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
Insurers
Types of Insurers
Stock Companies
Mutual Companies
Fraternal Benefit Societies
Lloyd's Associations
Risk Retention Groups
Private versus Government Insurers
Authorized versus Unauthorized Insurers
Domestic, Foreign, and Alien Insurers
Financial Status (independent rating services)
Marketing (distribution) Systems
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
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
Unilateral 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
Life Insurance Basics 14% (18 items)
Michigan Life Insurance Laws
Insurable Interest (500.2207, .2211)
Viatical Settlements (550.521-.528)
Regulation of Variable Products (SEC, FINRA, and Michigan) (R500.830-.839, .841-.842; Bul 09-15)
Solicitation and Sales Presentations (500.1371-.1383)
Advertising (R500.1371-.1387)
Life and Health Insurance Guaranty Association (500.7702)



Illustrations
Policy Summary
Buyer's Guides for Life Insurance and Annuities
Life Insurance Policy Cost Comparison Methods
Replacement (R500.601-.606)
Use and Disclosure of Insurance Information
Selection Criteria and Unfair Discrimination (500.2027)
Personal Uses of Life Insurance
Survivor Protection
Estate Creation
Cash Accumulation
Security
Liquidity
Estate Conservation
Determining Amount of Personal Life Insurance
Human Life Value Approach
Needs Approach
Types of Information Gathered
Determining Lump-Sum Needs
Planning for Income Needs
Business Uses of Life Insurance
Buy-Sell Funding
Key Person
Executive Bonuses
Corporate-Owned Life Insurance
Classes of Life Insurance Policies
Group versus Individual
Permanent versus Term
Participating versus Nonparticipating
Fixed versus Variable Life Insurance and Annuities
Premiums
Factors in Premium Determination
Mortality
Interest
Expense
Premium Payment Mode
Producer Responsibilities
Field Underwriting

Notice of Information Practices
Application Procedures including Conditional Receipts
Delivery
Policy Review
Effective Date of Coverage
Premium Collection
Statement of Good Health
Individual Underwriting by the Insurer
Information Sources and Regulation
Application
Producer Report
Attending Physician Statement
Investigative Consumer (inspection) Report
Medical Information Bureau (MIB)
Medical Examinations and Lab Tests including HIV
Classification of Risks
Preferred
Standard
Substandard
Life Insurance Policies 11% (14 items)
Term Life Insurance
Level Term
Renewable Term
Level Premium Term
Decreasing Term
Whole Life Insurance
Continuous Premium (straight life)
Limited Payment
Single Premium
Graded Premium
Modified Life
Interest Sensitive
Equity Index
Flexible Premium Policies
Adjustable Life
Specialized Policies
Joint Life (first-to-die)
Survivorship Life (second-to-die)



Juvenile Life
Group Life Insurance
Characteristics of Group Plans
Types of Plan Sponsors
Group Underwriting Requirements
Life Insurance Policy Law
Credit Life Insurance (individual versus group) (550.601-.624; R550.201-.216)
Group Life Conversion to Individual Policy (500.4438)
Universal Life (500.4001, .4037, .4038)
Life Insurance Policy Provisions, Options, and Riders 15% (19 items)
Standard Provisions
Ownership
Assignment
Entire Contract (500.4014)
Modifications
Right to Examine (Free Look) (500.4015, .4073)
Payment of Premiums (500.4010)
Grace Period (500.4012)
Reinstatement (500.4028)
Incontestability (500.4014)
Misstatement of Age Or Gender (500.4018)
Exclusions and Restrictions (500.4046)
Interest on Insurance Proceeds (500.4060)
Beneficiaries
Designation Options
Individuals
Classes
Estates
Minors
Trusts
Succession
Facility of Payment Clause
Revocable versus Irrevocable
Common Disaster Clause
Spendthrift Clause
Settlement Options
Cash Payment

Interest Only
Fixed-Period Installments
Fixed-Amount Installments
Life Income
Single Life
Joint and Survivor
Nonforfeiture Options
Cash Surrender Value
Extended Term
Reduced Paid-Up Insurance
Policy Loan and Withdrawal Options
Cash Loans
Automatic Premium Loans
Withdrawals Or Partial Surrenders
Dividend Options
Cash Payment
Reduction of Premium Payments
Accumulation at Interest
One-Year Term Option
Paid-Up Additions
Disability Riders
Waiver of Premium/Waiver of Stipulated Premium (Universal Life)
Waiver of Cost of Insurance
Disability Income Benefit
Payor Benefit Life/Disability (Juvenile Insurance)
Living Benefit Provisions/Riders (500.3928, .3949)
Accelerated
Conditions For Payment
Effect on Death Benefit
Long-Term Care
Conditions For Payment
Effect on Death Benefit
Riders Covering Additional Insureds
Spouse/Other-Insured Term Rider
Children's Term Rider
Family Term Rider
Riders Affecting the Death Benefit Amount



Accidental Death
Guaranteed Insurability
Cost of Living
Return of Premium
Annuities 11% (14 items)
Annuity Principles and Concepts
Accumulation Period versus Annuity Period
Owner, Annuitant, and Beneficiary
Insurance Aspects of Annuities
Immediate versus Deferred Annuities
Single Premium Immediate Annuities (SPIAs)
Deferred Annuities
Premium Payment Options
Nonforfeiture
Surrender and Withdrawal Charges
Death Benefits
Annuity (Benefit) Payment Options
Life Contingency Options
Pure Life versus Life with Guaranteed Minimum
Single Life versus Multiple Life
Annuities Certain (Types)
Annuity Products
Fixed Annuities
General Account Assets
Interest Rate Guarantees (Minimum versus Current)
Level Benefit Payment Amount
Equity Indexed Annuities
Market Value Adjusted Annuities (Modified Guaranteed Annuities)
Uses of Annuities
Lump Sum Settlements
Qualified Retirement Plans
Group versus Individual Annuities
Personal Uses
Individual Retirement Accounts (IRAs)
Tax-Deferred Growth
Retirement Income
Education Funds

Variable Annuities
Assets in a Separate Account
Free Look
Contract Charges
Sales Charge
Deferred Sales Charge
Annual Contract Fee
Mortality and Expense Charge
Investment Management Charge
State Premium Tax
Accumulation Period - Units
Annuity Period - Units
Assumed Interest Rate (AIR)
Combination Annuities - Contracts with Fixed and Variable Accounts
Riders (Living Benefits and Death Benefits)
Federal Tax Considerations for Life Insurance and Annuities 5% (7 items)
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
Modified Endowment Contracts (MECs)
Modified Endowment versus Life insurance
Seven-Pay Test
Distributions
Taxation of Non-Qualified Annuities
Individually-Owned
Accumulation Phase (Tax Issues Related to Withdrawals)
Annuity Phase and the Exclusion Ratio
Distributions at Death
Corporate-Owned
Taxation of individual Retirement Accounts (IRAs)



Traditional IRAs
Contributions and Deductible Amounts
Premature Distributions (including Taxation Issues)
Annuity Phase Benefit Payments
Values included in the Annuitant's Estate
Amounts Received by Beneficiary
Roth IRAs
Contributions and Limits
Distributions
Rollovers and Transfers (IRAs and Qualified Plans)
Section 1035 Exchanges
Qualified Plans 5% (7 items)
General Requirements
Federal Tax Considerations
Tax Advantages for Employers and Employees
Taxation of Distributions (Age-Related)
Plan Types, Characteristics, and Purchasers
Simplified Employee Pensions (SEPs)
Self-Employed Plans (HR 10 or Keogh Plans)
Money Purchase Plans
Profit-Sharing and 401(k) Plans
SIMPLE Plans
403(b) Tax-Sheltered Accounts (TSAs)
Regulation of Variable Products 5% (7 items)
Securities Act of 1933
Securities Exchange Act of 1934
Suitability
Compliance
Investment Company Act of 1940
State Regulation of Variable Products
Nature of Variable Life Products 11% (14 items)
Variable Life versus Variable Universal Life
Fixed Premium Payment versus Flexible Payment
Face Value versus Death Benefit
Cash Values
Separate Accounts
Charges and Fees
Loans