

Series 16-84

130 Items - 2 1/2 Hours

73% (95 Correct to Pass)

Insurance Regulation 12% (16 items)

Company Regulation

Producer Appointment (500.1208a, .1208b, .1209, .1411)

Termination of Appointment (500.1208b, .1209)

Producer Regulation

Duties (500.1201a, .1202)

Commissions (500.1240, .2011)

Types of Licensees (500.1206)

Producer (500.240, 500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)

Business Entity (500.1201, .1205)

Maintenance and Duration

Change of Name and Address (500.1206(5), .1238(1))

Reporting of Actions (500.1208b, .1239, .1244, .1246, .1247)

Assumed Names (500.1211a)

Continuing Education Requirements (500.1204, .1204c, .1204d, .1204e, .1204f, .1206)

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)

Unfair and Prohibited Insurance Trade Practices (500.1207, .1216, 1239, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029, .2059, .2062)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)

False Information and Advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064; R500.1371-.1387)

Twisting (500.2005(f), .2064(2))

False Statement (500.1015, .2014, .2018, .2055, .2062, .2474, .2666)

Boycott, Coercion, and Intimidation (500.1242, .2012)

Unfair Discrimination (500.2019, .2020, .2027, .2082)

Rebating (500.2024, .2066, .2069, .2070)

Illegal Inducement (500.2024, .2066, .2069, .2070)

Fiduciary Responsibilities (500.1207)

Forgery (500.1239)

Insurance Fraud Regulation (500.2088, .4501, .4503, .4507, .4509, .4511, .8197; 752.1003, .1005)

Consumer Privacy Regulation (500.501, .505, .507, .515, .533, .535, .2005a, .4501, .4507, .4509; R500.551 -.560)

General Insurance 12% (16 items)

Concepts

Risk Management Key Terms

Risk

Loss

Methods of Handling Risk

Avoidance

Retention

Sharing

Transfer

Elements of Insurable Risks

Adverse Selection

Law of Large Numbers

Insurers

Types of Insurers

Stock Companies
Mutual Companies
Private versus Government Insurers
Financial Status (Independent Rating Services)
Producers and General Rules of Agency
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
Personal Contract
Unilateral Contract
Legal Interpretations affecting Contracts
Indemnity
Utmost Good Faith
Warranties
Concealment
Fraud
Waiver and Estoppel
Life Insurance Basics 15% (19 items)
Michigan Life Insurance Laws
Insurable Interest (500.2207, .2211)
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
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
Classes of Life Insurance Policies
Group versus Individual
Permanent versus Term
Participating versus Nonparticipating
Fixed versus Variable Life Insurance and Annuities
Premiums
Premium Payment Mode
Producer Responsibilities
Field Underwriting
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 8.5% (11 items)
Term Life Insurance
Level Term
Renewable Term
Level Premium 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
Group Life Insurance
Characteristics of Group Plans
Group Underwriting Requirements
Life Insurance Policy Law
Group Life Conversion to Individual Policy (500.4438)

Universal Life (500.4001, .4037, .4038)
Life Insurance Policy Provisions, Options, and Riders 15% (20 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
Revocable versus Irrevocable
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
Regulation of Variable Products 5% (7 items)
Securities Act of 1933 (15 U.S.C. § 77a et seq.)
Securities Exchange Act of 1934 (15 U.S.C. § 78a et seq.)
Suitability
Compliance
Investment Company Act of 1940 (15 U.S.C. §§ 80a-1-80a-64)
State Regulation of Variable Products
Nature of Variable Life Products 14% (18 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
Annuities 9% (12 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)
Variable Annuities
Free Look
Contract Charges
Sales Charge
Deferred Sales Charge

Annual Contract Fee
Mortality and Expense Charge
Investment Management Charge
Accumulation Period - Units
Annuity Period - Units
Assumed Interest Rate (AIR)
Combination Annuities - Contracts with Fixed and Variable Accounts
Riders (Living Benefits and Death Benefits)
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)
Retirement Income
Education Funds
Federal Tax Considerations for Life Insurance and Annuities 5% (6 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
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
Required Minimum Distributions
Roth IRAs

Contributions and Limits
Distributions
Rollovers and Transfers (IRAs and Qualified Plans)
Section 1035 Exchanges
Qualified Plans 4% (5 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)
SIMPLE Plans
Loans