

# EXAMINATION CONTENT OUTLINE

## MICHIGAN VARIABLE ANNUITIES PRODUCER SERIES 16-83

# of Questions	Minimum Passing Score	Time Allowed
60	77% (46 correct)	60 Minutes

### CONTENT OUTLINE

Insurance Regulation 10% (6 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
<b>General Insurance 10% (6 items)</b>
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
<b>Regulation of Variable Products 10% (6 items)</b>
Securities Act of 1933
Securities Exchange Act of 1934
Suitability
Compliance
Investment Company Act of 1940
State Regulation of Variable Products
<b>Nature of Variable Life Products 23% (14 items)</b>
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
<b>Annuities 25% (15 items)</b>
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
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)

<b>Federal Tax Considerations for Life Insurance and Annuities 10% (6 items)</b>
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
Required Minimum Distributions
Roth IRAs
Contributions and Limits
Distributions
Rollovers and Transfers (IRAs and Qualified Plans)
Section 1035 Exchanges
<b>Qualified Plans 12% (7 items)</b>
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)
Defined Benefit Pension Plans
Section 457 Deferred Compensation