

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 on a 150-question exam

Nebraska Viatical Life Settlement Examination Series 13-26

60 questions (plus 5 unscored items) 1-hour time limit

Effective Date: January 27, 2020

1.0 Insurance Regulation 5% (3 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)
 - Renewal (44-4054)
 - Name or address change (44-4054(8))
 - Reporting of actions (44-4065) Assumed names (44-4057)

1.2 State regulation

- Director's general duties and powers (44-101.01)
- Company regulation
 - Certificate of authority (44-303) Examination of books and records (44-1527, 5904)
 - Appointment (44-4061 / 210 Neb. Admin. Code 76-004)
 - Termination of appointment (44-4062) Unfair trade practices (44-1117)
- Producer regulation
 - Sharing commissions (44-4060)
 - Records retention (44-5905, 1111)
- Insurance Fraud Act (44-6601-6608, 1112)
- 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 including 1033 waiver (18 USC 1033, 1034)

2.0 General Insurance (3 Items)

2.1 Agents and general rules of agency (44-110 (14))

- Agent/insurer relationship
- Authority and powers of agents
 - Express
 - Implied
 - Apparent
- Responsibilities to the viator/broker fiduciary duty

2.2 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Distinct characteristics of insurance contracts
 - Contract of adhesion
 - Aleatory contract
 - Personal contract
 - Unilateral contract
 - Conditional contract
- Legal concepts and interpretations affecting contracts
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Utmost good faith
 - Representations/misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

3.0 Life Insurance Basics 10% (6 Items)

3.1 Insurable interest (44-704)

3.2 Personal uses of life insurance

- Survivor protection
- Estate creation
- Cash accumulation
- Liquidity
- Estate conservation

3.3 Determining amount of personal life insurance

- Human life value

approach Needs approach
 Types of information gathered
 Determining lump-sum needs Planning
 for income needs

3.4 Business uses of life insurance

Buy-sell funding
 Key person
 Executive bonuses

3.5 Classes of life insurance policies

Group versus individual
 Permanent versus term
 Participating versus nonparticipating
 Fixed versus variable life insurance and annuities
 Regulation of variable products (SEC, FINRA
 and Nebraska) (44-2212, 2216; Reg Ch 15
 Sec
 006, 011)

4.0 Life Insurance Policies 15% (9 Items)

4.1 Term life insurance

Level term
 Annual renewable
 term Level premium
 term Term-to-65
 contract

4.2 Whole life insurance

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

4.3 Flexible premium policies

Adjustable life
 Universal life - Indexed universal life

4.4 Specialized policies

Joint life (first-to-die)
 Survivorship life (second-to-
 die) Juvenile life

4.5 Group life insurance

Characteristics of group
 plans Types of plan sponsors
 Group underwriting requirements
 Required provisions (44-1607)
 Assignability (44-1619)
 Conversion to individual policy (44-1607(8-10),
 1613, 1614)

5.0 Life Insurance Policy Provisions, Options and Riders 15% (9 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
 Beneficiary designation options
 Individuals
 Classes
 Estates
 Minors
 Trusts

Succession
 Revocable versus irrevocable
 Common disaster clause
 Spendthrift clause

5.3 Settlement

options Cash
 payment Interest
 only
 Fixed-period installments
 Fixed-amount installments
 Life income
 Single life
 Joint and survivor

5.4 Nonforfeiture

options Cash
 surrender value
 Extended term
 Reduced paid-up insurance

5.5 Policy loan and withdrawal options

Cash loans
 Automatic premium loans
 Withdrawals or partial surrenders

5.6 Dividend options

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

5.7 Disability riders

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

5.8 Accelerated (living) benefit provisions/riders

Conditions for payment

Effect on death
benefit

- 5.9 Riders covering additional insureds** Spouse/other-insured term rider Children's term rider Family term rider

- 5.10 Riders affecting the death benefit amount**
Accidental death
Guaranteed insurability Cost of living
Return of premium No lapse guarantee

6.0 Viatical Settlement 50% (30 Items)

- 6.1 Definitions** (44-1102)
- 6.2 License Requirements** (44-1103)
- 6.3 Reporting Requirements** (44-1106)
- 6.4 Disclosure to Consumers** (44-1108)
- 6.5 General Rules** (44-1109)
- 6.6 Prohibited Acts** (44-1110)
- 6.7 Fraudulent Acts** (44-1112)
- 6.8 Stranger Owned Life** (44-1110)
- 6.9 Advertising Guidelines and Standards** (44-1111)
- 6.10 Continuing ED (210 Neb.Admin.Code 76-003)**
- 6.11 Disciplinary Actions (Neb.Rev.Stat 44-1113/1117)**