

Michigan Insurance Exam Content Outlines

Effective June 18, 2007

The following outlines describe the content of each of the Michigan insurance examinations. The outlines are the basis of the examinations. Each exam has questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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.

All references are to the Michigan Insurance Code, MCLA 500.100 et seq., MCLA 550.1 et seq. When preceded by "R," refer to Michigan Regulations. RL refers to Michigan Related Laws. All references to MCLA 418 et seq. are to the Worker's Disability Compensation Act.

Note that Sections 1.0 and 2.0 (Insurance Regulation and General Insurance) are common to many of the exams. Details of these two sections are presented only once, immediately below. Similarly, combination exams contain all of the content of the single-line exams they combine and you are referred to the single-line outlines for details. Note, however, that the section weights differ. You should refer to the outline of the exam you plan to take for the individual section weights. Customized outlines are available through our Web site at www.prometric.com/michigan.

Section 1.0: Insurance Regulation and Section 2.0: General Insurance

One or both of the following sections are common to outlines for Series 16-65 through 16-69, 16-73, 16-75, 16-76, 16-78, 16-80 and 16-81.

Individual section percentages are located with the particular series outline. Be sure to study material that covers Sections 1.0 and 2.0 in addition to particular line(s) you are studying.

1.0 Insurance Regulation

1.1 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)
Adjuster (500.1222, 500.1224)
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 address (500.1206(5), .1238)
Reporting of actions (500.1208b, .1239, .1244, .1246, .1247)
Assumed names (500.1211a)
Continuing education requirements (500.1204, 1204c, 1204d, .1204e, .1206; 418.207)
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, .1379, .2029, .2043)

Penalties and fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)

1.2 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)
Rates (500.1609, .1615, .1904, .2106, .2403, 2411, .2603)
Forms (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 (500.251, .1201a, .1202, .1203)
Prohibited conduct (500.1207, .1216, .2003, .2059, .2062)
Commissions (500.1240, .2011)

Fiduciary capacity (500.1207)
 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), 550.1496)
 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 (500.1242, .2024, .2069, .2070)
 Illegal inducement (500.2005a, .2024, .2069, .2070; 550.1496)
 Examination of books and records (500.249, .222)
 Insurance fraud regulation (500.2088, 500.4501, 500.4503, 500.4507, 500.4509, 500.4511, 500.8197; 752.1003, 752.1005)
 Consumer privacy regulation (500.501, .505, .507, .515, .535, .2005a, .4501, .4507, .4509)
1.3 Federal regulation
 Fair Credit Reporting Act (15 USC 1681–1681d)
 Fraud and false statements (18 USC 1033, 1034)
 Patriot Act
 Violent Control Act

2.0 General Insurance 5% - 5 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
 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
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
 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

Series 16-65 Life Producer

100 questions – Two-hour time limit

1.0 Insurance Regulation 25% - 25 items

(See Page 1)

2.0 General Insurance 5% - 5 items

(See Page 2)

3.0 Life Insurance Basics 17% - 17 items

3.1 Michigan life insurance laws (500.2207, .2211)
 Insurable interest (500.2207, .2211)
 Viatical settlements (500.521–.528)
 Regulation of variable products (SEC, NASD and Michigan) (R500.830–.852, .863–.864)
 Solicitation and sales presentations (500.1371–.1383)
 Advertising (R500.1371–.1387)
 Life and Health Insurance Guaranty Association (500.7702)
 Illustrations (R500.863)
 Policy summary (R500.863)
 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)
3.2 Personal uses of life insurance
 Survivor protection
 Estate creation
 Cash accumulation
 Security
 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
 Corporate-owned life insurance
3.5 Classes of life insurance policies
 Group versus individual
 Permanent versus term
 Participating versus nonparticipating
 Fixed versus variable life insurance and annuities
3.6 Premiums

Factors in premium determination
 Mortality
 Interest
 Expense
 Premium concepts
 Net single premium
 Gross annual premium
 Premium payment mode

3.7 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

3.8 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

4.0 Life Insurance Policies 16% - 16 items

4.1 Term life insurance

Level term
 Annual renewable term
 Level premium term
 Decreasing term

4.2 Whole life insurance

Continuous premium (straight life)
 Limited payment
 Single premium
 Graded premium
 Modified life
 Interest sensitive
 Equity index

4.3 Flexible premium policies

Adjustable 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

4.6 Life insurance policy law

Credit life insurance (individual versus group) (500.601–.624; R550.201–.216)
 Group life conversion to individual policy (500.4438)
 Universal life (500.4001, .4037, .4038)

5.0 Life Insurance Policy Provisions, Options and Riders 18% - 18 items

5.1 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)

5.2 Beneficiaries

Designation options
 Individuals
 Classes
 Estates
 Minors
 Trusts
 Succession
 Facility of payment clause
 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 stipulated premium

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

5.8 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

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

6.0 Annuities 10% - 10 items

6.1 Annuity principles and concepts

Accumulation period versus annuity period
 Owner, annuitant and beneficiary
 Insurance aspects of annuities

6.2 Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)
 Deferred annuities
 Premium payment options
 Nonforfeiture
 Surrender and withdrawal charges
 Death benefits

6.3 Annuity (benefit) payment options

Life contingency options
 Pure life versus life with guaranteed minimum
 Single life versus multiple life
 Annuities certain (types)

6.4 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)

6.5 Uses of annuities

Lump-sum settlements
 Qualified retirement plans
 Group versus individual annuities

Personal uses
 Individual retirement annuities (IRAs)
 Tax-deferred growth
 Retirement income
 Education funds

7.0 Federal Tax Considerations for Life Insurance and Annuities 6% - 6 items

- 7.1 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
- 7.2 Modified endowment contracts (MECs)**
 Modified endowment versus life insurance
 Seven-pay test
 Distributions
- 7.3 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
- 7.4 Taxation of individual retirement annuities (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
- 7.5 Rollovers and transfers (IRAs and qualified plans)**
- 7.6 Section 1035 exchanges**

8.0 Qualified Plans 3% - 3 items

- 8.1 General requirements**
- 8.2 Federal tax considerations**
 Tax advantages for employers and employees
 Taxation of distributions (age-related)

- 8.3 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 annuities (TSAs)

**Series 16-66
 Accident and Health Producer**

100 questions – Two-hour time limit

1.0 Insurance Regulation 25% - 25 items

(See Page 1)

2.0 General Insurance 7% - 7 items

(See Page 2)

3.0 Health Insurance Basics 10% - 10 items

- 3.1 Definitions of perils**
 Accidental injury
 Sickness
- 3.2 Principal types of losses and benefits**
 Loss of income from disability
 Hospital/medical expense
 Dental expense
 Long-term care expense/home health care
- 3.3 Classes of health insurance policies**
 Individual versus group
 Private versus government
 Limited versus comprehensive
- 3.4 Limited policies**
 Limited benefits
 Required notice to insured
 Types of limited policies
 Accident-only
 Critical illness
 Hospital indemnity (income)
 Credit disability
 Blanket insurance (500.3636, .3640, .3650)
 Prescription drugs
 Dental
 Vision care
 Medicare supplements
- 3.5 Common exclusions from coverage**
- 3.6 Producer responsibilities in individual health insurance**
 Marketing requirements
 Advertising (R500.651-.658, .660-.668)
 Life and Health Insurance Guaranty Association (500.7702)

- Sales presentations
 Outline of coverage (R500.656-.658, .661)
- Field underwriting
 Nature and purpose
 Disclosure of information about individuals
 Application procedures
 Requirements at delivery of policy
 Common situations for errors/omissions
- 3.7 Individual underwriting by the insurer**
 Underwriting criteria
 Sources of underwriting information
 Application
 Producer report
 Attending physician statement
 Investigative consumer (inspection) report
 Medical Information Bureau (MIB)
 Medical examinations and lab tests (including HIV consent)
 Use of genetic information (500.3407b)
 Unfair discrimination (500.2020, .2027, .2082)
 Classification of risks
 Preferred
 Standard
 Substandard
- 3.8 Considerations in replacing health insurance**
 Pre-existing conditions (500.3406f, .3607; R500.657)
 Credit for previously satisfied pre-existing condition exclusion (R500.657)
 Benefits, limitations and exclusions
 Underwriting requirements
 Producer liability for errors and omissions

4.0 Individual Health Insurance Policy General Provisions 6% - 6 items

- 4.1 Required provisions**
 Entire contract; changes (500.3407)
 Time limit on certain defenses (500.3408)
 Grace period (500.3410)
 Reinstatement (500.3411)
 Claim procedures (500.2006, .3412-.3418)
 Physical examinations and autopsy (500.3420)
 Legal actions (500.1247, 3422)
 Change of beneficiary (500.3424)
 Right to examine (free look) (500.3409)

4.2 Optional provisions

- Change of occupation (500.3432)
- Misstatement of age (500.2218, .3434)
- Other insurance in this insurer (500.3436)
- Insurance with other insurers
 - Expense-incurred basis (500.3438)
 - Other benefits (500.3439, .3440)
- Unpaid premium (500.3446)
- Conformity with state statutes (500.3450)
- Illegal occupation (500.3452)

4.3 Other general provisions

- Insuring clause
- Consideration clause
- Renewability clause (500.2213b; R500.658)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)

5.0 Disability Income and Related Insurance 7% - 7 items**5.1 Qualifying for disability benefits**

- Inability to perform duties
 - Own occupation
 - Any occupation
- Pure loss of income (income replacement contracts)
- Presumptive disability
- Requirement to be under physician care

5.2 Individual disability income insurance

- Basic total disability plan
 - Income benefits (monthly indemnity)
 - Elimination and benefit periods
 - Waiver of premium feature
- Coordination with social insurance and workers compensation benefits
 - Additional monthly benefit (AMB)
 - Social insurance supplement (SIS)
 - Occupational versus nonoccupational coverage
- At-work benefits
 - Partial disability benefit
 - Residual disability benefit
- Other provisions affecting income benefits
 - Cost of living adjustment (COLA) rider
 - Future increase option rider
 - Relation of earnings to insurance (500.3444)

- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
 - Return of premium
- Exclusions

5.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

5.4 Group disability income insurance

- Group versus individual plans
- Short-term disability (STD)
- Long-term disability (LTD)

5.5 Business disability insurance

- Key person disability income
- Disability buy-sell policy

5.6 Social Security disability

- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

5.7 Workers compensation

- Eligibility
- Benefits

6.0 Medical Plans 15% - 15 items**6.1 Medical plan concepts**

- Fee-for-service basis versus prepaid basis
- Specified coverages versus comprehensive care
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants

6.2 Types of plans

- Major medical insurance (indemnity plans)
 - Characteristics
 - Common limitations
 - Exclusions from coverage
 - Provisions affecting cost to insured
- Health Maintenance Organizations (HMOs)
 - General characteristics
 - Preventive care services
 - Primary care physician versus referral (specialty) physician
 - Emergency care
 - Hospital services
 - Other basic services
- Preferred provider arrangements and point-of-service (POS) plans

- General characteristics
- In-network and out-of-network provider access
- PCP referral
- Indemnity plan features

6.3 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Hospital outpatient benefits
 - Alternatives to hospital services
- Utilization review
 - Prospective review
 - Concurrent review

6.4 Michigan eligibility requirements (individual and/or group)

- Dependent child age limit (500.2264, .3402, .3406h)
- Child enrollment; non-custodial parents (500.2264, .3406g, .3406h)
- Newborn child coverage (500.3403)
- Adopted children

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

7.0 Group Health Insurance 15% - 15 items**7.1 Characteristics of group insurance**

- Group contract
- Certificate of coverage (500.2242, .3606, .3608)
- Experience rating versus community rating

7.2 Types of eligible groups

- Employment-related groups
 - Individual employer groups
- Associations (alumni, professional, other)
- Customer groups (depositors, creditor-debtor, other)

7.3 Marketing considerations

- Advertising (500.2005, .2007, .2055, .2091; R500.654-.668)
- Regulatory jurisdiction/place of delivery

7.4 Employer group health insurance

- Insurer underwriting criteria
 - Characteristics of group
 - Plan design factors
 - Persistency factors
 - Administrative capability
- Eligibility for coverage
 - Annual open enrollment
 - Employee eligibility
 - Dependent eligibility

Coordination of benefits provision (500.3610a; 550.253)
 Change of insurance companies or loss of coverage
 Coinsurance and deductible carryover
 No-loss no-gain
 Events that terminate coverage
 Extension of benefits (500.3607)
 Continuation of coverage under COBRA and Michigan specific rules
 Conversion privilege (500.3607; 550.1491)

7.5 Small employer medical plans

Definition of small employer (550.3701)
 Eligibility of employees (500.3701, .3707)
 Renewability (500.3701, .3711)

8.0 Dental Insurance 3% - 3 items

8.1 Types of dental treatment

Diagnostic and preventive
 Restorative
 Oral surgery
 Endodontics
 Periodontics
 Prosthodontics
 Orthodontics

8.2 Indemnity plans

Choice of providers
 Scheduled versus nonscheduled plans
 Benefit categories
 Diagnostic/preventive services
 Basic services
 Major services
 Deductibles and coinsurance
 Combination plans
 Exclusions
 Limitations
 Predetermination of benefits

8.3 Employer group dental expense

Integrated deductibles versus stand-alone plans
 Minimizing adverse selection

9.0 Insurance for Senior Citizens and Special Needs Individuals 8% - 8 items

9.1 Medicare

Nature, financing and administration
 Part A — Hospital Insurance
 Individual eligibility requirements
 Enrollment
 Coverages and cost-sharing amounts
 Part B — Medical Insurance

Individual eligibility requirements
 Enrollment
 Coverages and cost-sharing amounts
 Exclusions
 Claims terminology and other key terms
 Part C — Medicare Advantage
 Part D — Prescription Drug Insurance

9.2 Medicare supplements (500.3803-.3861)

Purpose
 Open enrollment
 Standardized Medicare supplement plans (500.3811)
 Core benefits
 Additional benefits
 Michigan regulations and required provisions
 Advertising (500.3819, .3847)
 Standards for marketing (500.3835)
 Permitted compensation
 Appropriateness of recommended purchase and excessive insurance (500.3835)
 Required disclosure provisions (500.3815)
 Reporting of multiple policies (500.3827)
 Buyer's guide (500.3813)
 Right to return (500.3815)
 Replacement (500.3815)
 Benefit standards (500.3819)
 Pre-existing conditions (500.3831)
 Outline of coverage (500.3831)
 Guaranteed issue for eligible persons (500.3830)
 Medicare Select (500.3817)

9.3 Other options for individuals with Medicare

Employer group health plans
 Disabled employees
 Employees with kidney failure
 Individuals age 65 or older
 Medicaid
 Eligibility
 Benefits

9.4 Long-term care (LTC) insurance (500.1204f)

LTC, Medicare and Medicaid compared
 Eligibility for benefits
 Levels of care
 Skilled care
 Intermediate care
 Custodial care
 Home health care (500.3913)
 Adult day care
 Respite care

Benefit periods
 Benefit amounts
 Optional benefits
 Guarantee of insurability
 Return of premium
 Qualified LTC plans (state and federal)
 Exclusions
 Underwriting considerations
 Michigan regulations and required provisions (500.3901-.3955)
 Standards for marketing (500.3942)
 Shopper's guide (500.3937)
 Outline of coverage (500.3933)
 Required disclosure provisions (500.3923)
 Replacement (500.3917)
 Right to return (500.3943)
 Inflation protection (500.3909)

10.0 Federal Tax Considerations for Health Insurance 4% - 4 items

10.1 Personally-owned health insurance

Disability income insurance
 Medical expense insurance
 Dental insurance
 Long-term care insurance

10.2 Employer group health insurance

Disability income (STD, LTD)
 Benefits subject to FICA
 Medical and dental expense
 Long-term care insurance
 Accidental death and dismemberment

10.3 Medical expense coverage for sole proprietors, partners and limited liability corporations

10.4 Business disability insurance

Key person disability income
 Buy-sell policy

**Series 16-67
 Property Producer/Solicitor**

100 questions – Two-hour time limit

1.0 Insurance Regulation 25% - 25 items

(See Page 1)

2.0 General Insurance 8% - 8 items

(See Page 2)

3.0 Property Insurance Basics 27% - 27 items

3.1 Principles and concepts

Insurable interest
 Underwriting
 Function
 Loss ratio
 Rates
 Types
 Loss costs
 Components
 Hazards
 Physical
 Moral
 Morale
 Causes of loss (perils)
 Named perils versus special (open) perils
 Direct loss
 Consequential or indirect loss
 Blanket versus specific insurance
 Basic types of construction
 Loss valuation
 Actual cash value
 Replacement cost
 Functional replacement cost
 Market value / repair cost
 Agreed value
 Stated amount
 Valued policy

3.2 Policy structure

Declarations
 Definitions
 Insuring agreement or clause
 Additional/supplementary coverage
 Conditions
 Exclusions
 Endorsements

3.3 Common policy provisions

Insureds — named, first named, additional
 Policy period
 Policy territory
 Cancellation and nonrenewal
 Deductibles
 Other insurance
 Nonconcurrency
 Primary and excess
 Pro rata
 Property limits
 Restoration/nonreduction of limits
 Coinsurance
 Vacancy or unoccupancy
 Named insured provisions
 Duties after loss
 Assignment
 Abandonment
 Insurer provisions
 Liberalization
 Subrogation
 Salvage
 Claim settlement options
 Third-party provisions
 Standard mortgage clause
 Loss payable clause
 No benefit to the bailee

3.4 Michigan laws, regulations and required provisions

Michigan Property and Casualty Guaranty Association (500.7901–.7949)
 Standard fire policy (500.2833)
 Cancellation and nonrenewal (500.2833)
 Appraisal (500.2833)
 Concealment, misrepresentation or fraud (500.2833)
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109–144)
 Essential Insurance Act (500.2101–.2131)
 Termination of authority to represent insurer (500.1209)

4.0 Dwelling ('02) Policy 5% - 5 items**4.1 Characteristics and purpose****4.2 Coverage forms — Perils insured against**

Basic
 Broad
 Special

4.3 Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Fair rental value
 Coverage E — Additional living expense
 Other coverages

4.4 General exclusions**4.5 Conditions****4.6 Selected endorsements**

Special provisions — Michigan (DP 01 21)
 Automatic increase in insurance (DP 04 11)
 Broad theft coverage (DP 04 72)
 Dwelling under construction (DP 11 43)

4.7 Personal liability supplement**5.0 Homeowners ('00) Policy 15% - 15 items****5.1 Coverage forms**

HO-2 through HO-6

5.2 Definitions**5.3 Section I — Property coverages**

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Loss of use
 Additional coverages

5.4 Perils insured against**5.5 Exclusions****5.6 Conditions****5.7 Selected endorsements**

Special provisions — Michigan (HO 01 21)

Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
 Permitted incidental occupancies (HO 04 42)
 Earthquake (HO 04 54)
 Scheduled personal property (HO 04 61)
 Personal property replacement cost (HO 04 90)
 Home day care (HO 04 97)

6.0 Commercial Package Policy (CPP) 10% - 10 items**6.1 Components of a commercial policy**

Common policy declarations
 Common policy conditions
 Interline endorsements
 One or more coverage parts

6.2 Commercial property ('02)

Commercial property conditions form
 Coverage forms
 Building and personal property
 Condominium association
 Condominium commercial unit-owners
 Builders risk
 Business income
 Legal liability
 Extra expense
 Causes of loss forms
 Basic
 Broad
 Special
 Selected endorsements
 Ordinance or law (CP 04 05)
 Spoilage (CP 04 40)
 Peak season limit of insurance (CP 12 30)
 Value reporting form (CP 13 10)

6.3 Commercial inland marine

Nationwide marine definition
 Commercial inland marine conditions form
 Inland marine coverage forms
 Accounts receivable
 Bailee's customer
 Commercial articles
 Contractors equipment floater
 Electronic data processing
 Equipment dealers
 Installation floater
 Jewelers block
 Signs
 Valuable papers and records
 Transportation coverages
 Common carrier cargo liability
 Motor truck cargo forms
 Transit coverage forms

6.4 Boiler and machinery ('01)

Equipment breakdown protection coverage form (BM 00 20)

Selected endorsements
 Business income — Report of values (BM 15 31)
 Actual cash value (BM 99 59)

6.5 Farm coverage

Farm property coverage form ('03)
 Coverage A — Dwellings
 Coverage B — Other private structures
 Coverage C — Household personal property
 Coverage D — Loss of use
 Coverage E — Scheduled farm personal property
 Coverage F —
 Unscheduled farm personal property
 Coverage G — Other farm structures
 Mobile agriculture machinery and equipment coverage form
 Livestock coverage form
 Definitions
 Causes of loss (basic, broad and special)
 Conditions
 Exclusions
 Limits
 Additional coverages

7.0 Businessowners ('06) Policy 8% - 8 items

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property

Coverage
 Exclusions
 Limits of insurance
 Deductibles
 Loss conditions
 General conditions
 Optional coverages
 Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

Protective safeguards (BP 04 30)
 Utility services — direct damage (BP 04 56)
 Utility services — time element (BP 04 57)

8.0 Other Coverages and Options 2% - 2 items

8.1 National Flood Insurance Program

"Write your own" versus government
 Eligibility
 Coverage
 Limits
 Deductibles

8.2 Other policies

Boatowners

8.3 Residual markets

Joint underwriting or joint reinsurance pool (500.2658)

Series 16-68 Casualty Producer/Solicitor
100 questions – Two-hour time limit

1.0 Insurance Regulation 25% - 25 items

(See Page 1)

2.0 General Insurance 6% - 6 items

(See Page 2)

3.0 Casualty Insurance Basics 20% - 20 items

3.1 Principles and concepts

Insurable interest
 Underwriting
 Function
 Loss ratio
 Rates
 Types
 Loss costs
 Components
 Hazards
 Physical
 Moral
 Morale
 Negligence
 Elements of a negligent act
 Defenses against negligence

Damages
 Compensatory — special versus general
 Punitive
 Absolute liability
 Strict liability
 Vicarious liability

3.2 Policy structure

Declarations
 Definitions
 Insuring agreement or clause
 Additional/supplementary coverage
 Conditions
 Exclusions
 Endorsements

3.3 Common policy provisions

Insureds — named, first named, additional
 Policy period
 Policy territory
 Cancellation and nonrenewal
 Deductibles
 Other insurance
 Nonconcurrency
 Primary and excess
 Pro rata
 Contribution by equal shares
 Limits of liability
 Per occurrence (accident)
 Per person

Aggregate — general versus products — completed operations
 Split
 Combined single
 Named insured provisions
 Duties after loss
 Assignment
 Insurer provisions
 Liberalization
 Subrogation
 Duty to defend

3.4 Michigan laws, regulations and required provisions

Michigan Property and Casualty Guaranty Association (500.7901–7949)
 Cancellation and nonrenewal (500.3020)
 Concealment, misrepresentation or fraud (500.2833)
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109–144)
 Essential Insurance Act (500.2101–2131)
 Termination of authority to represent insurer (500.1209)

4.0 Homeowners ('00) Policy 10% - 10 items

4.1 Coverage forms

HO-2 through HO-6

4.2 Definitions

4.3 Section II — Liability coverages

Coverage E — Personal liability
 Coverage F — Medical payments to others
 Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Michigan (HO 01 21)
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
 Permitted incidental occupancies (HO 04 42)
 Home day care (HO 04 97)
 Business pursuits (HO 24 71)
 Watercraft (HO 24 75)
 Personal injury (HO 24 82)

5.0 Auto Insurance 14% - 14 items

5.1 Laws

Michigan Motor Vehicle Financial Responsibility Law
 Required limits of liability (RL 257.520)
 Required proof of insurance (RL 257.518)
 Michigan Automobile Insurance Placement Facility (500.3301)
 No-fault coverage (500.3101)

Personal injury protection
 (500.3107)
 Property protection
 (500.3121)
 Residual liability
 (500.3131)
 Uninsured/underinsured motorist
 (500.1502)
 Definitions
 Bodily injury
 UM/UIM rejection
 Required limits
 Cancellation/nonrenewal
 Grounds (500.3220)
 Notice (500.3204, .3224)
 Notice of eligibility in
 Automobile Insurance
 Placement Facility
 (500.3301, .3365)
 Rental vehicle coverage
 Medical payments
 Aftermarket crash parts
 regulation (RL 257.1361–
 .1364)
5.2 Personal ('05) auto policy
 Definitions
 Liability coverage
 Bodily injury and property
 damage
 Supplementary payments
 Exclusions
 Medical payments coverage
 Uninsured motorists coverage
 Coverage for damage to your
 auto
 Collision
 Other than collision
 Deductibles
 Transportation expense
 Exclusions
 Duties after an accident or loss
 General provisions
 Selected endorsements
 Amendment of policy
 provisions — Michigan
 (PP 01 80)
 Towing and labor costs
 (PP 03 03)
 Miscellaneous type vehicle
 (PP 03 23)
 Extended non-owned
 coverage — vehicles
 furnished or available for
 regular use — Michigan
 (PP 03 53)
 Personal injury protection
 coverage — Michigan
 (PP 05 90)
5.3 Commercial auto ('06)
 Commercial auto coverage forms
 Business auto
 Garage
 Business auto physical
 damage
 Truckers
 Motor carrier
 Coverage form sections
 Covered autos
 Liability coverage

Garagekeepers coverage
 Physical damage coverage
 Exclusions
 Conditions
 Definitions
 Selected endorsements
 Lessor — additional insured
 and loss payee
 (CA 20 01)
 Mobile equipment
 (CA 20 15)
 Michigan personal injury
 protection (CA 22 21)
 Auto medical payments
 coverage (CA 99 03)
 Drive other car coverage
 (CA 99 10)
 Individual named insured
 (CA 99 17)
 Commercial carrier regulations
 The Motor Carrier Act of
 1980
 Endorsement of motor
 carrier policies of
 insurance for public
 liability (MCS-90)

6.0 Commercial Package Policy (CPP) 5% - 5 items

6.1 Components of a commercial policy

Common policy declarations
 Common policy conditions
 Interline endorsements
 One or more coverage parts

6.2 Commercial general liability (‘04)

Commercial general liability
 coverage forms
 Bodily injury and property
 damage liability
 Personal and advertising
 injury liability
 Medical payments
 Exclusions
 Supplementary payments
 Who is an insured
 Limits of insurance
 Conditions
 Definitions
 Occurrence versus claims-made
 Claims-made features
 Trigger
 Retroactive date
 Extended reporting periods
 — basic versus
 supplemental
 Claim information
 Premises and operations
 Products and completed
 operations
 Insured contract

6.3 Commercial crime ('06)

General definitions
 Burglary
 Theft
 Robbery
 Crime coverage forms

Commercial crime coverage
 forms (discovery/loss
 sustained)
 Government crime coverage
 forms (discovery/loss
 sustained)
 Coverages
 Employee theft
 Forgery or alteration
 Inside the premises — theft
 of money and securities
 Inside the premises —
 robbery or safe burglary
 of other property
 Outside the premises
 Computer fraud
 Funds transfer fraud
 Money orders and
 counterfeit money
 Other crime coverages
 Extortion — commercial
 entities (CR 04 03)
 Lessees of safe deposit
 boxes (CR 04 09)
 Securities deposited with
 others (CR 04 10)
 Guests' property
 (CR 04 11)
 Safe depository (CR 04 12)

6.4 Farm Coverage

Farm liability coverage form
 ('06)
 Coverage H — Bodily
 injury and property
 damage liability
 Coverage I — Personal and
 advertising injury liability
 Coverage J — Medical
 payments
 Definitions
 Conditions
 Exclusions
 Limits
 Additional coverages

7.0 Businessowners ('06) Policy 5% - 5 items

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

Coverages
 Exclusions
 Who is an insured
 Limits of insurance
 General conditions
 Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsement

Hired auto and non-owned auto
 liability (BP 04 04)

8.0 Workers Compensation Insurance 12% - 12 items

8.1 Workers compensation laws

Types of laws
 Monopolistic versus
 competitive

Compulsory versus elective
Michigan Worker's Disability
Compensation Act (Ch. 418)
Exclusive remedy
(418.131)
Employer covered
(required) (418.115)
Covered injuries (418.301)
Occupational disease
(418.401, .405, .411,
.415, .425, .431, .435,
.441)
Benefits provided
(418.301, .315, .321,
.345, .351)
Second injury fund
(418.521)
Federal workers compensation
laws
Federal Employer Liability
Act (FELA)
(45 USC 51–60)
U.S. Longshore and Harbor
Workers Compensation
Act (33 USC 904)
The Jones Act
(46 USC 688)

8.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers
compensation insurance
Part Two — Employers liability
insurance
Part Three — Other states
insurance
Part Four — Your duties if injury
occurs
Part Five — Premium
Part Six — Conditions
Selected endorsement
Voluntary compensation

8.3 Premium computation

Job classification — payroll and
rates
Experience modification factor
Premium discounts

8.4 Other sources of coverages

Self-insured employers and
employer groups
(408.43–.43m; 418-611)

**9.0 Other Coverages and Options
3% - 3 items**

9.1 Umbrella/excess liability policies

Personal (DL 98 01)
Commercial (CU 00 01)

9.2 Specialty liability insurance

Errors and omissions
Professional liability
Directors and officers liability
Fiduciary liability
Liquor liability
Employment practices liability

9.3 Surplus lines

Definitions and markets

Licensing requirements

9.4 Surety bonds

Principal, obligee, surety
Contract bonds
License and permit bonds
Judicial bonds

9.5 Other policies

Boatowners

9.6 Residual markets

Joint underwriting or joint
reinsurance pool (500.2464)

**Series 16-69
Personal Lines**
**100 questions – Two-hour time
limit**

**1.0 Insurance Regulation 25% -
25 items**

(See Page 1)

**2.0 General Insurance 7% -
7 items**

(See Page 2)

**3.0 Property and Casualty
Insurance Basics 20% -
20 items**

3.1 Principles and concepts

Insurable interest
Underwriting
Function
Loss ratio
Rates
Types
Loss costs
Components
Hazards
Physical
Moral
Morale
Negligence
Elements of a negligent act
Defenses against negligence
Damages
Compensatory — special
versus general
Punitive
Absolute liability
Strict liability
Vicarious liability
Causes of loss (perils)
Named perils versus special
(open) perils
Direct loss
Consequential or indirect loss
Blanket versus specific insurance
Basic types of construction
Loss valuation
Actual cash value
Replacement cost
Functional replacement cost
Market value / repair cost
Agreed value
Stated amount
Valued policy

3.2 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary
coverage
Conditions
Exclusions
Endorsements

3.3 Common policy provisions

Insureds — named, first named,
additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata
Limits of liability
Per occurrence (accident)
Per person
Split
Combined single
Property limits
Restoration/nonreduction of
limits
Coinsurance
Vacancy or unoccupancy
Named insured provisions
Duties after loss
Assignment
Abandonment
Insurer provisions
Liberalization
Subrogation
Salvage
Claim settlement options
Duty to defend
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee

**3.4 Michigan laws, regulations
and required provisions**

Michigan Property and Casualty
Guaranty Association
(500.7901–.7949)
Standard fire policy (500.2833)
Cancellation and nonrenewal
(500.2833, .3020)
Appraisal (500.2833)
Concealment, misrepresentation
or fraud (500.2833)
Essential Insurance Act
(500.2101–.2131)
Termination of authority to
represent insurer (500.1209)

**4.0 Dwelling ('02) Policy 6% -
6 items**

4.1 Characteristics and purpose

**4.2 Coverage forms — Perils
insured against**

Basic
Broad
Special

4.3 Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Fair rental value
 Coverage E — Additional living expense
 Other coverages

4.4 General exclusions**4.5 Conditions****4.6 Selected endorsements**

Special provisions — Michigan (DP 01 21)
 Automatic increase in insurance (DP 04 11)
 Broad theft coverage (DP 04 72)
 Dwelling under construction (DP 11 43)

4.7 Personal liability supplement**5.0 Homeowners ('00) Policy 17% - 17 items****5.1 Coverage forms**

HO-2 through HO-6

5.2 Definitions**5.3 Section I — Property coverages**

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Loss of use
 Additional coverages

5.4 Section II — Liability coverages

Coverage E — Personal liability
 Coverage F — Medical payments to others
 Additional coverages

5.5 Perils insured against**5.6 Exclusions****5.7 Conditions****5.8 Selected endorsements**

Special provisions — Michigan (HO 01 21)
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
 Permitted incidental occupancies (HO 04 42)
 Earthquake (HO 04 54)
 Scheduled personal property (HO 04 61)
 Personal property replacement cost (HO 04 90)
 Home day care (HO 04 97)
 Business pursuits (HO 24 71)
 Watercraft (HO 24 75)
 Personal injury (HO 24 82)

6.0 Auto Insurance 22% - 22 items**6.1 Laws**

Michigan Motor Vehicle Financial Responsibility Law
 Required limits of liability (RL 257.520)

Required proof of insurance (RL 257.518)
 Michigan Automobile Insurance Placement Facility (500.3301)
 No-fault coverage (500.3101)
 Personal injury protection (500.3107)
 Property protection (500.3121)
 Residual liability (500.3131)
 Uninsured/underinsured motorist (500.1502)
 Definitions
 Bodily injury
 UM/UIM rejection
 Required limits
 Cancellation/nonrenewal Grounds (500.3220)
 Notice (500.3204, .3224)
 Notice of eligibility in Automobile Insurance Placement Facility (500.3301, .3365)
 Rental vehicle coverage
 Medical payments
 Aftermarket crash parts regulation (RL 257.1361–.1364)

6.2 Personal ('05) auto policy

Definitions
 Liability coverage
 Bodily injury and property damage
 Supplementary payments
 Exclusions
 Medical payments coverage
 Uninsured motorists coverage
 Coverage for damage to your auto
 Collision
 Other than collision
 Deductibles
 Transportation expense
 Exclusions
 Duties after an accident or loss
 General provisions
 Selected endorsements
 Amendment of policy provisions — Michigan (PP 01 80)
 Towing and labor costs (PP 03 03)
 Miscellaneous type vehicle (PP 03 23)
 Extended non-owned coverage — vehicles furnished or available for regular use — Michigan (PP 03 53)
 Personal injury protection coverage — Michigan (PP 05 90)
 Property protection coverage — Michigan (PP 05 91)

7.0 Other Coverages and Options 3% - 3 items**7.1 Umbrella/excess liability policies**

Personal (DL 98 01)

7.2 National Flood Insurance Program

"Write your own" versus government
 Eligibility
 Coverage
 Limits
 Deductibles

7.3 Other policies

Boatowners

**Series 16-70
Public Adjuster**

100 questions – Two-hour time limit

1.0 Insurance Regulation 20% - 20 items**1.1 Licensing requirements**

Qualifications (500.1222, .1224)
 Fees (500.1226)

1.2 Maintenance and duration

Renewal (500.1206)
 Contract requirements (500.1226, .1228)
 Change of address (500.1206(5), .1238)

1.3 Disciplinary actions

Cease and desist orders (500.251, .1244, .2038)
 Suspension and revocation (500.1209, .1239, .1242)
 Penalties and fines (500.1242, .1244, .2038, .2040, 2064, .2069)

1.4 Claim settlement laws and regulations (500.2026)

Unfair claim practices (500.2026)
 Prohibited practices (500.1227)

1.5 Unfair Insurance trade practices (500.1239, .1244, .2003, .2006–.2010, .2012–.2014, .2017, .2026, .2029)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)
 False information and advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057)
 Twisting (500.2005(f))
 False financial statements (500.2014, .2018, .2055, .2062, .2666)
 Defamation (500.2007, .2009; 600.2911; 750.389)
 Boycott, coercion and intimidation (500.1242, .2012)
 Rebating (500.1242)
 Illegal inducement (500.2005a)

1.6 Federal regulation

Fraud and false statements
(18 USC 1033, 1034)

2.0 Insurance Basics 22% - 22 items

2.1 Contracts

Elements of a legal contract
Offer and acceptance
Consideration
Competent parties
Legal purpose
Legal interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/ misrepresentations
Warranties
Concealment
Fraud

2.2 Insurance principles and concepts

Insurable interest
Hazards
Physical
Moral
Morale
Causes of loss (perils)
Named perils versus special (open) perils
Direct loss
Consequential or indirect loss
Blanket versus specific insurance
Basic types of construction
Loss valuation
Actual cash value
Replacement cost
Functional replacement cost
Market value / repair cost
Agreed value
Stated amount

2.3 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements

2.4 Common policy provisions

Insureds — named, first named, additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata
Policy limits
Restoration/nonreduction of limits
Coinsurance
Vacancy or unoccupancy

Assignment
Liberalization
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee

2.5 Michigan laws, regulations and required provisions

Michigan Property and Casualty Guaranty Association (500.7901–.7949)
Standard fire policy (500.2833)
Cancellation and nonrenewal
Private residential (500.2833)
Commercial (500.2833)
Basic property insurance (500.2901)
Binders (500.2250)
Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 USC 6701; Public Law 109–144)
Termination of authority to represent insurer (500.1209)

3.0 Adjusting Losses 25% - 25 items

3.1 Role of the adjuster

Duties and responsibilities
Staff and independent adjuster versus public adjuster
Relationship to the legal profession

3.2 Property losses

Duties of insured after a loss
Notice to insurer
Minimizing the loss
Proof of loss
Special requirements
Production of books and records
Abandonment
Determining value and loss
Burden of proof of value and loss
Estimates
Depreciation
Salvage

Claim settlement options
Payment and discharge

3.3 Coverage problems

Waiver and estoppel
Dealing with coverage disputes
Reservation of rights letter
Nonwaiver agreement
Declaratory judgment action

3.4 Claims adjustment procedures

Settlement procedures
Advance payments
Draft authority
Execution of releases
Subrogation procedures
Alternative dispute resolution
Appraisal
Arbitration
Competitive estimates

Mediation
Negotiation

4.0 Dwelling ('02) Policy 4% - 4 items

4.1 Characteristics and purpose

4.2 Coverage forms — Perils insured against

Basic
Broad
Special

4.3 Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Fair rental value
Coverage E — Additional living expense
Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Michigan (DP 01 21)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy — Section I 6% - 6 items

5.1 Coverage forms

HO-2 through HO-6

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages

5.4 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements

Special provisions — Michigan (HO 01 21)
Limited fungi, wet or dry rot, or bacteria (HO 04 26, HO 04 27)
Scheduled personal property (HO 04 61)
Personal property replacement cost — Michigan (HO 04 90)
Home day care (HO 04 97)

6.0 Commercial Package Policy (CPP) 9% - 9 items

6.1 Components of a commercial policy

Common policy declarations
Common policy conditions
Interline endorsements
One or more coverage parts

6.2 Commercial property ('02)

- Commercial property conditions form
- Coverage forms
 - Building and personal property
 - Condominium commercial unit-owners
 - Builders risk
 - Business income
 - Legal liability
- Causes of loss
 - Basic
 - Broad
 - Special
- Selected endorsements
 - Ordinance or law (CP 04 05)
 - Spoilage (CP 04 40)
 - Peak season limit of insurance (CP 12 30)
 - Value reporting form (CP 13 10)

6.3 Commercial inland marine

- Commercial inland marine conditions form
- Inland marine coverage forms
 - Accounts receivable
 - Bailee's customer
 - Commercial articles
 - Electronic data processing
 - Signs
 - Valuable papers and records
- Transportation coverages
 - Common carrier cargo liability

6.4 Farm coverage

- Farm property coverage form ('03)
 - Coverage A — Dwellings
 - Coverage B — Other private structures
 - Coverage C — Household personal property
 - Coverage D — Loss of use
 - Coverage E — Scheduled farm personal property
 - Coverage F — Unscheduled farm personal property
 - Coverage G — Other farm structures
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

7.0 Businessowners ('06) Policy — Property 8% - 8 items**7.1 Characteristics and purpose****7.2 Businessowners Section I — Property**

- Coverage
- Exclusions
- Limits of insurance
- Deductibles
- Loss conditions

- General conditions
- Optional coverages
- Definitions

7.3 Businessowners Section III — Common Policy Conditions**7.4 Selected endorsements**

- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

8.0 Other Coverages and Options 6% - 6 items**8.1 National Flood Insurance Program**

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

8.2 Ocean marine insurance

- Major coverages
 - Cargo insurance
 - Freight insurance
- Implied warranties
- Perils
- General and particular average

8.3 Other policies

- Aircraft hull
- Boatowners
- Federal Crop Insurance (RMA)

Series 16-71 Independent Adjuster without Worker's Compensation Authority**100 questions – Two-hour time limit****1.0 Insurance Regulation 20% - 20 items****1.1 Licensing requirements**

- Qualifications (500.1222, .1224)
- Process (500.1201, .1201a, .1204, .1206, .1206b)
- Licensing exemptions (500.1202, .1203)

1.2 Maintenance and duration

- Continuation (24.291, 500.134)
- Records (500.1228)
- Duty to notify of changes (500.1206(5), .1238)

1.3 Disciplinary actions

- Cease and desist order (500.251, .1244, .2038)
- Suspension or revocation (500.1209, .1239, .1242)
- Penalties and fines (500.1242, .1244, .2038, .2040, .2064, .2069)

1.4 Claim settlement laws and regulations

- Unfair claim practices (500.2026)

- Prohibited practices (500.1227)

1.5 Unfair insurance trade practices (500.1239, .1244, .2003, .2006–.2010, .2012–.2014, .2017, .2026, .2029)

- Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)
- False information and advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057)
- Twisting (500.2005(f))
- False financial statement (500.2014, .2018, .2055, .2062, .2666)
- Defamation (500.2007, .2009; 600.2911; 750.389)
- Boycott, coercion and intimidation (500.1242, .2012)
- Rebating (500.1242)
- Illegal inducement (500.2005a)

1.6 Federal regulation

- Fraud and false statements (18 USC 1033, 1034)

2.0 Insurance Basics 20% - 20 items**2.1 Contract basics**

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Legal interpretations affecting contracts
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Utmost good faith
 - Representations/ misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

2.2 Insurance principles and concepts

- Insurable interest
- Hazards
 - Physical
 - Moral
 - Morale
- Negligence
 - Elements of a negligent act
 - Defenses against negligence
- Damages
 - Compensatory — special versus general
 - Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss

Consequential or indirect loss
 Blanket versus specific insurance
 Basic types of construction
 Loss valuation
 Actual cash value
 Replacement cost
 Functional replacement cost
 Market value / repair cost
 Agreed value
 Stated amount
 Valued policy

2.3 Policy structure

Declarations
 Definitions
 Insuring agreement or clause
 Additional/supplementary coverage
 Conditions
 Exclusions
 Endorsements

2.4 Common policy provisions

Insureds — named, first named, additional
 Policy period
 Policy territory
 Cancellation and nonrenewal
 Deductibles
 Other insurance
 Nonconcurrency
 Primary and excess
 Pro rata
 Contribution by equal shares
 Limits of liability
 Per occurrence (accident)
 Per person
 Aggregate — general versus products — completed operations
 Split
 Combined single
 Restoration/nonreduction of limits
 Coinsurance
 Vacancy or unoccupancy
 Assignment
 Insurer provisions
 Liberalization
 Duty to defend
 Third-party provisions
 Standard mortgage clause
 Loss payable clause
 No benefit to the bailee

2.5 Michigan laws, regulations and required provisions

Michigan Property and Casualty Guaranty Association (500.7901–.7949)
 Standard fire policy (500.2833)
 Cancellation and nonrenewal (500.2833, .3020)
 Appraisal (500.2833)
 Concealment, misrepresentation or fraud (500.2833)
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109–144)

Termination of authority to represent insurer (500.1209)

3.0 Adjusting Losses 23% - 23 items

3.1 Role of the adjuster

Duties and responsibilities
 Staff and independent adjuster versus public adjuster
 Relationship to the legal profession

3.2 Claim reporting

Claim investigation
 Claim file documentation of events
 Types of reports
 Initial or first field
 Interim or status
 Full formal

3.3 Property losses

Duties of insured after a loss
 Notice to insurer
 Minimizing the loss
 Proof of loss
 Special requirements
 Production of books and records
 Abandonment
 Determining value and loss
 Burden of proof of value and loss
 Estimates
 Depreciation
 Salvage

Claim settlement options
 Payment and discharge

3.4 Liability losses

Investigation procedures
 Verify coverage
 Determine liability
 Gathering evidence
 Physical evidence
 Witness statements
 Determining value of intangible damages

3.5 Coverage problems

Dealing with coverage disputes
 Reservation of rights letter
 Nonwaiver agreement
 Declaratory judgment action

3.6 Claims adjustment procedures

Settlement procedures
 Advance payments
 Draft authority
 Execution of releases
 Subrogation procedures
 Alternative dispute resolution
 Appraisal
 Arbitration
 Competitive estimates
 Mediation
 Negotiation

4.0 Dwelling ('02) Policy 3% - 3 items

4.1 Characteristics and purpose

4.2 Coverage forms — Perils insured against

Basic
 Broad
 Special

4.3 Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Fair rental value
 Coverage E — Additional living expense
 Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Michigan (DP 01 21)
 Automatic increase in insurance (DP 04 11)
 Broad theft coverage (DP 04 72)
 Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy 5% - 5 items

5.1 Coverage forms

HO-2 through HO-6

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Loss of use
 Additional coverages

5.4 Section II — Liability coverages

Coverage E — Personal liability
 Coverage F — Medical payments to others
 Additional coverages

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

Special provisions — Michigan (HO 01 21)
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
 Scheduled personal property (HO 04 61)
 Personal property replacement cost (HO 04 90)
 Home day care (HO 04 97)
 Business pursuits (HO 24 71)
 Personal injury (HO 24 82)

6.0 Auto Insurance 14% - 14 items

6.1 Laws

Michigan Motor Vehicle Financial Responsibility Law

Required limits of liability (RL 257.520)
 Required proof of insurance (RL 257.518)
 Michigan Automobile Insurance Placement Facility (500.3301)
 No-fault coverage (500.3101)
 Personal injury protection (500.3107)
 Property protection (500.3121)
 Residual liability (500.3131)
 Uninsured/underinsured motorist (500.1502)
 Definitions
 Bodily injury
 UM/UIM rejection
 Required limits
 Rental vehicle coverage
 Medical payments
 Aftermarket crash parts regulation (RL 257.1361-.1364)

6.2 Personal ('05) auto policy
 Definitions
 Liability coverage
 Bodily injury and property damage
 Supplementary payments
 Exclusions
 Medical payments coverage
 Uninsured motorists coverage
 Coverage for damage to your auto
 Collision
 Other than collision
 Deductibles
 Transportation expense
 Exclusions
 Duties after an accident or loss
 General provisions
 Selected endorsements
 Amendment of policy provisions — Michigan (PP 01 80)
 Towing and labor costs (PP 03 03)
 Miscellaneous type vehicle (PP 03 23)
 Extended non-owned coverage — vehicles furnished or available for regular use—Michigan (PP 03 53)
 Personal injury protection coverage — Michigan (PP 05 90)
 Property Protection coverage — Michigan (PP 05 91)

6.3 Commercial auto ('06)
 Commercial auto coverage forms
 Business auto
 Garage
 Business auto physical damage
 Truckers
 Motor carrier

Coverage form sections
 Covered autos
 Liability coverage
 Garagekeepers coverage
 Physical damage coverage
 Exclusions
 Conditions
 Definitions
 Selected endorsements
 Lessor — additional insured and loss payee (CA 20 01)
 Mobile equipment (CA 20 15)
 Michigan personal injury protection (CA 22 21)
 Michigan property protection coverage (CA 22 24)
 Drive other car coverage (CA 99 10)
 Individual named insured (CA 99 17)

7.0 Commercial Package Policy (CPP) 6% - 6 items

7.1 Components of a commercial policy
 Common policy declarations
 Common policy conditions
 Interline endorsements
 One or more coverage parts

7.2 Commercial general liability ('04)
 Commercial general liability coverage forms
 Bodily injury and property damage liability
 Personal and advertising injury liability
 Medical payments
 Exclusions
 Supplementary payments
 Who is an insured
 Limits of insurance
 Conditions
 Definitions
 Premises and operations
 Products and completed operations
 Insured contract

7.3 Commercial property ('02)
 Commercial property conditions form
 Coverage forms
 Building and personal property
 Condominium association
 Condominium commercial unit-owners
 Builders risk
 Business income
 Legal liability
 Extra expense
 Causes of loss forms
 Basic
 Broad
 Special

7.4 Commercial crime ('06)

General definitions
 Burglary
 Theft
 Robbery

Coverages
 Employee theft
 Forgery or alteration
 Inside the premises — theft of money and securities
 Inside the premises — robbery or safe burglary of other property
 Outside the premises
 Computer fraud

7.5 Commercial inland marine

Commercial inland marine conditions form
 Inland marine coverage forms
 Accounts receivable
 Bailee's customer
 Commercial articles
 Electronic data processing
 Signs
 Valuable papers and records
 Transportation coverages
 Common carrier cargo liability

7.6 Farm Coverage

Farm property coverage form ('03)
 Coverage A — Dwellings
 Coverage B — Other private structures
 Coverage C — Household personal property
 Coverage D — Loss of use
 Coverage E — Scheduled farm personal property
 Coverage F — Unscheduled farm personal property
 Coverage G — Other farm structures
 Farm liability coverage form ('06)
 Coverage H — Bodily injury and property damage liability
 Coverage I — Personal and advertising injury liability
 Coverage J — Medical payments
 Definitions
 Causes of loss (basic, broad and special)
 Conditions
 Exclusions
 Limits
 Additional coverages

8.0 Businessowners ('06) Policy 7% - 7 items

8.1 Characteristics and purpose
8.2 Businessowners Section I — Property
 Coverage
 Exclusions
 Limits
 Deductibles
 Loss conditions

General conditions
Optional coverages
Definitions

8.3 Businessowners Section II — Liability

Coverages
Exclusions
Who is an insured
Limits of insurance
General conditions
Definitions

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)

**9.0 Other Coverages and Options
2% - 2 items**

9.1 Umbrella/excess liability policies

Personal (DL 98 01)
Commercial (CU 00 01)

9.2 Ocean marine insurance

Major coverages
Cargo insurance
Freight insurance
Protection and indemnity

**Series 16-72
Independent Adjuster with
Worker's Compensation Authority**

**100 questions — Two-hour time
limit**

**1.0 Insurance Regulation 20% -
20 items**

1.1 Licensing requirements

Qualifications (500.1222, .1224)
Process (500.1201, .1201a, .1204, .1206, .1206b)
Licensing exemptions (500.1202, .1203)

1.2 Maintenance and duration

Continuation (24.291, 500.134)
Records (500.1228)
Duty to notify of changes (500.1206(5), .1238)

1.3 Disciplinary actions

Cease and desist order (500.251, .1244, .2038)
Suspension or revocation (500.1209, .1239, .1242)
Penalties and fines (500.1242, .1244, .2038, .2040, .2064, .2069)

1.4 Claim settlement laws and regulations

Unfair claim practices (500.2026)

Prohibited practices (500.1227)

1.5 Unfair insurance trade practices (500.1239, .1244, .2003, .2006–.2014, .2016–.2018, .2026, .2029)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)
False information and advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057)
Twisting (500.2005(f))
False financial statements (500.2014, .2018, .2055, .2062, .2666)
Defamation (500.2007, .2009; 600.2911; 750.389)
Boycott, coercion and intimidation (500.1242, .2012)
Rebating (500.1242)
Illegal inducement (500.2005a)

1.6 Federal regulation

Fraud and false statements (18 USC 1033, 1034)

**2.0 Insurance Basics 13% -
13 items**

2.1 Contract basics

Elements of a legal contract
Offer and acceptance
Consideration
Competent parties
Legal purpose
Legal interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel

2.2 Insurance principles and concepts

Insurable interest
Hazards
Physical
Moral
Morale
Negligence
Elements of a negligent act
Defenses against negligence
Damages
Compensatory — special versus general
Punitive
Absolute liability
Strict liability
Vicarious liability
Causes of loss (perils)
Named perils versus special (open) perils
Direct loss

Consequential or indirect loss
Blanket versus specific insurance
Basic types of construction
Loss valuation
Actual cash value
Replacement cost
Functional replacement cost
Market value / repair cost
Agreed value
Stated amount
Valued policy

2.3 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements

2.4 Common policy provisions

Insureds — named, first named, additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata
Contribution by equal shares
Limits of liability
Per occurrence (accident)
Per person
Aggregate — general versus products — completed operations
Split
Combined single
Restoration/nonreduction of limits
Coinsurance
Vacancy or unoccupancy
Assignment
Insurer provisions
Liberalization
Duty to defend
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee

2.5 Michigan laws, regulations and required provisions

Michigan Property and Casualty Guaranty Association (500.7901–.7949)
Standard fire policy (500.2833)
Cancellation and nonrenewal (500.2833, .3020)
Appraisal (500.2833)
Concealment, misrepresentation or fraud (500.2833)
Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109–144)

Termination of authority to represent insurer (500.1209)

3.0 Adjusting Losses 13% - 13 items

3.1 Role of the adjuster

Duties and responsibilities
Staff and independent adjuster versus public adjuster
Relationship to the legal profession

3.2 Claim reporting

Claim investigation
Claim file documentation of events

Types of reports

Initial or first field
Interim or status
Full formal

3.3 Property losses

Duties of insured after a loss
Notice to insurer
Minimizing the loss
Proof of loss
Special requirements
Production of books and records

Abandonment

Determining value and loss
Burden of proof of value and loss

Estimates
Depreciation
Salvage

Claim settlement options

Payment and discharge

3.4 Liability losses

Investigation procedures

Verify coverage
Determine liability

Gathering evidence

Physical evidence
Witness statements

Determining value of intangible damages

3.5 Coverage problems

Dealing with coverage disputes
Reservation of rights letter
Nonwaiver agreement
Declaratory judgment action

3.6 Claims adjustment procedures

Settlement procedures

Advance payments
Draft authority
Execution of releases

Subrogation procedures

Alternative dispute resolution

Appraisal
Arbitration
Competitive estimates
Mediation
Negotiation

4.0 Dwelling ('02) Policy 3% - 3 items

4.1 Characteristics and purpose

4.2 Coverage forms — Perils insured against

Basic
Broad
Special

4.3 Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Fair rental value
Coverage E — Additional living expense
Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Michigan (DP 01 21)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy 3% - 3 items

5.1 Coverage forms

HO-2 through HO-6

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages

5.4 Section II — Liability coverages

Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

Special provisions — Michigan (HO 01 21)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Personal injury (HO 24 82)

6.0 Auto Insurance 10% - 10 items

6.1 Laws

Michigan Motor Vehicle Financial Responsibility Law

Required limits of liability (RL 257.520)

Required proof of insurance (RL 257.518)

Michigan Automobile Insurance Placement Facility (500.3301)

No-fault coverage (500.3101)
Personal injury protection (500.3107)

Property protection (500.3121)

Residual liability (500.3131)

Uninsured/underinsured motorist (500.1502)

Definitions

Bodily injury

UM/UIM rejection

Required limits

Rental vehicle coverage

Medical payments

Aftermarket crash parts

regulation

(RL 257.1361–1364)

6.2 Personal ('05) auto policy

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured motorists coverage

Coverage for damage to your auto

Collision

Other than collision

Deductibles

Transportation expense

Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Amendment of policy provisions — Michigan (PP 01 80)

Towing and labor costs (PP 03 03)

Miscellaneous type vehicle (PP 03 23)

Extended non-owned coverage — vehicles furnished or available for regular use—Michigan (PP 03 53)

Personal injury protection coverage — Michigan (PP 05 90)

Property protection coverage — Michigan (PP 05 91)

6.3 Commercial auto ('06)

Commercial auto coverage forms

Business auto

Garage

Business auto physical

damage

Truckers

Motor carrier

Coverage form sections
 Covered autos
 Liability coverage
 Garagekeepers coverage
 Physical damage coverage
 Exclusions
 Conditions
 Definitions
 Selected endorsements
 Lessor — additional insured and loss payee (CA 20 01)
 Mobile equipment (CA 20 15)
 Michigan personal injury protection (CA 22 21)
 Michigan property protection coverage (CA 22 24)
 Drive other car coverage (CA 99 10)
 Individual named insured (CA 99 17)

7.0 Commercial Package Policy (CPP) 3% - 3 items

7.1 Components of a commercial policy

Common policy declarations
 Common policy conditions
 Interline endorsements
 One or more coverage parts

7.2 Commercial general liability ('04)

Commercial general liability coverage forms
 Bodily injury and property damage liability
 Personal and advertising injury liability
 Medical payments
 Exclusions
 Supplementary payments
 Who is an insured
 Limits of insurance
 Conditions
 Definitions

Premises and operations
 Products and completed operations
 Insured contract

7.3 Commercial property ('02)

Commercial property conditions form
 Coverage forms
 Building and personal property
 Condominium association
 Condominium commercial unit-owners
 Builders risk
 Business income
 Legal liability
 Extra expense
 Causes of loss forms
 Basic
 Broad
 Special

7.4 Commercial crime ('06)

General definitions
 Burglary
 Theft
 Robbery
 Crime coverage forms
 Commercial crime coverage forms (discovery/loss sustained)
 Government crime coverage forms (discovery/loss sustained)

Coverages

Employee theft
 Forgery or alteration
 Inside the premises — theft of money and securities
 Inside the premises — robbery or safe burglary of other property
 Outside the premises
 Computer fraud
 Funds transfer fraud
 Money orders and counterfeit money

Other crime coverages

Extortion — commercial entities (CR 04 03)
 Lessees of safe deposit boxes (CR 04 09)
 Securities deposited with others (CR 04 10)
 Guests' property (CR 04 11)
 Safe depository (CR 04 12)

7.5 Commercial inland marine

Commercial inland marine conditions form
 Inland marine coverage forms
 Accounts receivable
 Bailee's customer
 Commercial articles
 Electronic data processing
 Signs
 Valuable papers and records
 Transportation coverages
 Common carrier cargo liability
 Motor truck cargo forms
 Transit coverage forms

7.6 Farm Coverage

Farm property coverage form ('03)
 Coverage A — Dwellings
 Coverage B — Other private structures
 Coverage C — Household personal property
 Coverage D — Loss of use
 Coverage E — Scheduled farm personal property
 Coverage F — Unscheduled farm personal property
 Coverage G — Other farm structures
 Farm liability coverage form ('06)
 Coverage H — Bodily injury and property damage liability

Coverage I — Personal and advertising injury liability
 Coverage J — Medical payments
 Definitions
 Causes of loss (basic, broad and special)
 Conditions
 Exclusions
 Limits
 Additional coverages

8.0 Businessowners ('06) Policy 3% - 3 items

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverage
 Exclusions
 Limits
 Deductibles
 Loss conditions
 General conditions
 Optional coverages
 Definitions

8.3 Businessowners Section II — Liability

Coverages
 Exclusions
 Who is an insured
 Limits of insurance
 General conditions
 Definitions

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)
 Protective safeguards (BP 04 30)
 Utility services — direct damage (BP 04 56)
 Utility services — time element (BP 04 57)

9.0 Workers Compensation Insurance 30% - 30 items

9.1 Workers compensation laws

Types of laws
 Monopolistic versus competitive
 Compulsory versus elective
 Michigan Worker's Disability Compensation Act (Ch. 418)
 Exclusive remedy (418.131)
 Employment covered (required) (418.115)
 Covered injuries (418.301)
 Occupational disease (418.401)
 Benefits provided (418.301, .315, .321, .345, .351)
 Second injury fund (418.521)
 Federal workers compensation laws

Federal Employer Liability Act (FELA)
(45 USC 51–60)
U.S. Longshore and Harbor Workers Compensation Act (33 USC 904)
The Jones Act
(46 USC 688)

9.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers compensation insurance
Part Two — Employers liability insurance
Part Three — Other states insurance
Part Four — Your duties if injury occurs
Part Five — Premium
Part Six — Conditions
Selected endorsement
Voluntary compensation

9.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

9.4 Other sources of coverages

Self-insured employers and employer groups
(408.43–.43m)

10.0 Other Coverages and Options 2% - 2 items

10.1 Umbrella/excess liability policies

Personal (DL 98 01)
Commercial (CU 00 01)

Series 16-73 Life Counselor

100 questions – Two-hour time limit

1.0 Insurance Regulation 25% - 25 items

(See Page 1)

2.0 General Insurance 5% - 5 items

(See Page 2)

3.0 Life Insurance Basics 16% - 16 items

3.1 Michigan life insurance laws

Insurable interest (500.2207, .2211)
Viatical settlements
(500.521–.528)
Regulation of variable products
(SEC, NASD and Michigan)
(R500.830–.852, 863–.864)

Solicitation and sales presentations
(500.1371–.1383)
Advertising
(R500.1371–.1387)
Life and Health Insurance Guaranty Association
(500.7702)
Illustrations (R500.863)
Policy summary
(R500.863)
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)

3.2 Personal uses of life insurance

Survivor protection
Estate creation
Cash accumulation
Security
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
Deferred compensation funding
Split dollar plans
Corporate-owned life insurance
Change of insured rider
Minimum deposit

3.5 Classes of life insurance policies

Group versus individual
Permanent versus term
Participating versus nonparticipating
Fixed versus variable life insurance and annuities

3.6 Premiums

Factors in premium determination
Mortality
Interest
Expense
Premium concepts
Net single premium
Gross annual premium
Premium payment mode

3.7 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

3.8 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

4.0 Life Insurance Policies 16% - 16 items

4.1 Term life insurance

Level term
Annual renewable term
Level premium term
Life expectancy contract
Term to 65 (or older) contract

Decreasing term

4.2 Whole life insurance

Continuous premium (straight life)
Limited payment
Single premium
Graded premium
Modified life
Interest sensitive
Equity index

4.3 Flexible premium policies

Adjustable 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

4.6 Life insurance policy law (550.601–.624; R550.201–.216)

Credit life insurance (individual versus group) (550.601–.624; R550.201–.216)
Universal life (500.4001, .4037, .4038)

Group life conversion to individual policy (500.4438)

5.0 Life Insurance Policy Provisions, Options and Riders 18% - 18 items

5.1 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)

5.2 Beneficiaries

Designation options
Individuals
Classes
Estates
Minors
Trusts
Succession
Facility of payment clause
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 stipulated premium (universal life)
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 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

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

6.0 Annuities 10% - 10 items

6.1 Annuity principles and concepts

Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities

6.2 Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)
Deferred annuities
Premium payment options
Nonforfeiture
Surrender and withdrawal charges
Death benefits

6.3 Annuity (benefit) payment options

Life contingency options
Pure life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain (types)

6.4 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)

6.5 Uses of annuities

Lump-sum settlements
Qualified retirement plans
Group versus individual annuities
Personal uses
Individual retirement annuities (IRAs)
Tax-deferred growth
Retirement income

Education funds

7.0 Federal Tax Considerations for Life Insurance and Annuities 6% - 6 items

7.1 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

7.2 Modified endowment contracts (MECs)

Modified endowment versus life insurance
Seven-pay test
Distributions

7.3 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

7.4 Taxation of individual retirement annuities (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

7.5 Rollovers and transfers (IRAs and qualified plans)

7.6 Section 1035 exchanges

8.0 Qualified Plans 4% - 4 items

8.1 General requirements

8.2 Federal tax considerations
Tax advantages for employers and employees
Taxation of distributions (age-related)

8.3 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
 Pension plans
 Section 457 deferred compensation
 403(b) tax-sheltered annuities (TSAs)

8.4 Special rules for life insurance

Incidental limitation
 Taxation to economic benefit
 Taxation to life insurance distributions

Series 16-74 Surplus Lines

60 questions – One-hour time limit

1.0 Insurance Regulation (500.1901–.1955) 25% - 15 items

1.1 Licensing regulation for surplus lines

Purpose
 Definitions
 Who may be licensed
 Individuals
 Corporations and partnerships
 Current licensing requirements
 Disciplinary actions
 Grounds
 Penalties
 Renewals
 Authority of license

1.2 State Regulation

Prohibited acts
 Unfair insurance practices
 Commissions and fees
 Producer disclosure

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
 Reciprocal

Lloyd's associations
 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
 Powers and authority 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
 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

3.0 Surplus Lines Markets and Practices (500.1901–.1955) 70% - 42 items

3.1 United States nonadmitted market

Foreign nonadmitted market

3.2 Alien insurers

London market
 Lloyd's of London
 Other London companies
 Other alien markets
 United States trust funds

3.3 Alternative markets (Chapter 18)

Risk retention groups
 Purchasing groups
 Independently procured insurance

3.4 Eligible surplus lines insurers Requirements

List of eligible surplus lines insurers
 Withdrawal of eligibility
 Service of process

3.5 Surplus lines coverages

Characteristics and uses
 Types of coverages available

3.6 Requirements for placement of surplus lines insurance

Diligent search
 Declarations
 Exempt risks
 Notice to insured
 Unlicensed insurer
 Michigan Property and Casualty Guaranty Association
 Evidence of insurance

3.7 Authority of surplus lines licensee

Binding

3.8 Records of licensee

Content of records
 Maintenance
 Reporting

3.9 Surplus lines tax

Amount
 Collection
 Remittance
 Tax report

Series 16-75 Limited Lines Property and Casualty

50 questions – One-hour time limit

1.0 Insurance Regulation 25% - 13 items

(See Page 1)

2.0 General Insurance 29% - 14 items

(See Page 2)

3.0 Property and Casualty Insurance Basics 46% - 23 items

3.1 Principles and concepts

Insurable interest
 Underwriting
 Function
 Loss ratio
 Rates
 Types
 Loss costs
 Components
 Hazards
 Physical
 Moral
 Morale
 Negligence
 Elements of a negligent act
 Defenses against negligence
 Damages

- Compensatory — special versus general
- Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
- Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
 - Actual cash value
 - Replacement cost
 - Functional replacement cost
 - Market value/repair cost
 - Agreed value
 - Stated amount
 - Valued policy

3.2 Policy structure

- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

3.3 Common policy provisions

- Insureds — named, first named, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
 - Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Property limits
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Salvage
 - Claim settlement options
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause

No benefit to the bailee

3.4 Michigan laws, regulations and required provisions

- Michigan Property and Casualty Guaranty Association (500.7901–.7949)
- Standard fire policy (500.2833)
- Cancellation and nonrenewal (500.2833, .3020)
- Appraisal (500.2833)
- Concealment, misrepresentation or fraud (500.2833)
- Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109–144)
- Essential Insurance Act (500.2101–.2131)
- Termination of authority to represent insurer (500.1209)

Series 16-76
Property and Casualty Counselor

150 questions – 2.5-hour time limit

1.0 Insurance Regulation 17% - 26 items

(See Page 1)

2.0 General Insurance 6% - 9 items

(See Page 2)

3.0 Property and Casualty Insurance Basics 12% - 18 items

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Loss ratio
- Rates
 - Types
 - Loss costs
 - Components
- Hazards
 - Physical
 - Moral
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 - Elements of a negligent act
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 - Combined single
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- Restoration/nonreduction of limits
- Coinsurance
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 - Liberalization
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Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 U.S.C. 6701; Public Law 109-144)
 Essential Insurance Act (500.2101-.2131)
 Termination of authority to represent insurer (500.1209)

4.0 Dwelling ('02) Policy 3% - 4 items

4.1 Characteristics and purpose

4.2 Coverage forms — Perils insured against

Basic
 Broad
 Special

4.3 Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Fair rental value
 Coverage E — Additional living expense
 Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Michigan (DP 01 21)
 Automatic increase in insurance (DP 04 11)
 Broad theft coverage (DP 04 72)
 Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy 3% - 5 items

5.1 Coverage forms

HO-2 through HO-6

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
 Coverage B — Other structures
 Coverage C — Personal property
 Coverage D — Loss of use
 Additional coverages

5.4 Section II — Liability coverages

Coverage E — Personal liability
 Coverage F — Medical payments to others
 Additional coverages

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

Special provisions — Michigan (HO 01 21)
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
 Permitted incidental occupancies (HO 04 42)

Earthquake (HO 04 54)
 Scheduled personal property (HO 04 61)
 Personal property replacement cost (HO 04 90)
 Home day care (HO 04 97)
 Business pursuits (HO 24 71)
 Watercraft (HO 24 75)
 Personal injury (HO 24 82)

6.0 Auto Insurance 11% - 17 items

6.1 Laws

Michigan Motor Vehicle Financial Responsibility Law
 Required limits of liability (RL 257.520)
 Required proof of insurance (RL 257.518)
 Michigan Automobile Insurance Placement Facility (500.3301)
 No-fault coverage (500.3101)
 Personal injury protection (500.3107)
 Property protection (500.3121)
 Residual liability (500.3131)
 Uninsured/underinsured motorist (500.1502)
 Definitions
 Bodily injury
 UM/UIM rejection
 Required limits
 Cancellation/nonrenewal Grounds (500.3220)
 Notice (500.3204, .3224)
 Notice of eligibility in Automobile Insurance Placement Facility (500.3301, .3365)
 Rental vehicle coverage
 Medical payments
 Aftermarket crash parts regulation (RL 257.1361-.1364)

6.2 Personal ('05) auto policy

Definitions
 Liability coverage
 Bodily injury and property damage
 Supplementary payments
 Exclusions
 Medical payments coverage
 Uninsured motorists coverage
 Coverage for damage to your auto
 Collision
 Other than collision
 Deductibles
 Transportation expense
 Exclusions
 Duties after an accident or loss
 General provisions
 Selected endorsements
 Amendment of policy provisions — Michigan (PP 01 80)

Towing and labor costs (PP 03 03)
 Miscellaneous type vehicle (PP 03 23)
 Extended non-owned coverage — vehicles furnished or available for regular use—Michigan (PP 03 53)
 Personal injury protection coverage — Michigan (PP 05 90)

Property protection coverage — Michigan (PP 05 91)

6.3 Commercial auto ('06)

Commercial auto coverage forms
 Business auto
 Garage
 Business auto physical damage
 Truckers
 Motor carrier
 Coverage form sections
 Covered autos
 Liability coverage
 Garagekeepers coverage
 Physical damage coverage
 Exclusions
 Conditions
 Definitions
 Selected endorsements
 Deductible liability (CA 03 01)
 Lessor — additional insured and loss payee (CA 20 01)
 Mobile equipment (CA 20 15)
 Michigan personal injury protection (CA 22 21)
 Michigan property protection coverage (CA 22 24)
 Broad form products (CA 25 01)
 False pretense coverage (CA 25 03)
 Auto medical payments coverage (CA 99 03)
 Drive other car coverage (CA 99 10)
 Hired autos specified as covered autos you own (CA 99 16)
 Individual named insured (CA 99 17)
 Employees as insureds (CA 99 33)
 Pollution liability — broadened coverage (CA 99 48; CA 99 55)
 Commercial carrier regulations
 The Motor Carrier Act of 1980
 Endorsement of motor carrier policies of insurance for public liability (MCS-90)

7.0 Commercial Package Policy (CPP) 15% - 22 items

7.1 Components of a commercial policy

Common policy declarations
Common policy conditions
Interline endorsements
One or more coverage parts

7.2 Commercial general liability ('04)

Commercial general liability coverage forms
Bodily injury and property damage liability
Personal and advertising injury liability
Medical payments
Exclusions
Supplementary payments
Who is an insured
Limits of insurance
Conditions
Definitions
Occurrence versus claims-made
Claims-made features
Trigger
Retroactive date
Extended reporting periods — basic versus supplemental
Claim information
Premises and operations
Products and completed operations
Insured contract
Owners and contractors protective liability coverage form (CG 00 09)
Pollution liability
Pollution liability coverage extension (CG 04 22)

7.3 Commercial property ('02)

Commercial property conditions form
Coverage forms
Building and personal property
Condominium association
Condominium commercial unit-owners
Builders risk
Business income
Legal liability
Extra expense
Causes of loss forms
Basic
Broad
Special
Selected endorsements
Ordinance or law (CP 04 05)
Spoilage (CP 04 40)
Peak season limit of insurance (CP 12 30)
Value reporting form (CP 13 10)

7.4 Commercial crime ('06)

General definitions

Burglary
Theft
Robbery
Crime coverage forms
Commercial crime coverage forms (discovery/loss sustained)
Government crime coverage forms (discovery/loss sustained)
Coverages
Employee theft
Forgery or alteration
Inside the premises — theft of money and securities
Inside the premises — robbery or safe burglary of other property
Outside the premises
Computer fraud
Funds transfer fraud
Money orders and counterfeit money
Other crime coverages
Extortion — commercial entities (CR 04 03)
Lessees of safe deposit boxes (CR 04 09)
Securities deposited with others (CR 04 10)
Guests' property (CR 04 11)
Safe depository (CR 04 12)

7.5 Commercial inland marine

Nationwide marine definition
Commercial inland marine conditions form
Inland marine coverage forms
Accounts receivable
Bailee's customer
Commercial articles
Contractors equipment floater
Electronic data processing
Equipment dealers
Installation floater
Jewelers block
Signs
Valuable papers and records
Transportation coverages
Common carrier cargo liability
Motor truck cargo forms
Transit coverage forms

7.6 Boiler and machinery ('01)

Equipment breakdown protection coverage form (BM 00 20)
Selected endorsements
Business income — Report of values (BM 15 31)
Actual cash value (BM 99 59)

7.7 Farm Coverage

Farm property coverage form ('03)
Coverage A — Dwellings
Coverage B — Other private structures

Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled farm personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures
Farm liability coverage form ('06)
Coverage H — Bodily injury and property damage liability
Coverage I — Personal and advertising injury liability
Coverage J — Medical payments
Mobile agriculture machinery and equipment coverage form
Livestock coverage form
Definitions
Causes of loss (basic, broad and special)
Conditions
Exclusions
Limits
Additional coverages

8.0 Businessowners ('06) Policy 6% - 9 items

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverage
Exclusions
Limits of insurance
Deductibles
Loss conditions
General conditions
Optional coverages
Definitions

8.3 Businessowners Section II — Liability

Coverages
Exclusions
Who is an insured
Limits of insurance
General conditions
Definitions

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)

9.0 Workers Compensation Insurance 15% - 22 items

9.1 Workers compensation laws

Types of laws
Monopolistic versus competitive

Compulsory versus elective
Michigan Worker's Disability
Compensation Act (Ch. 418)
Exclusive remedy
(418.131)
Employer covered
(required) (418.115)
Covered injuries (418.301)
Occupational disease
(418.401, .405, .411,
.415, .425, .431, .435,
.441)
Benefits provided
(418.301, .315, .321,
.345, .351)
Second injury fund
(418.521)
Federal workers compensation
laws
Federal Employer Liability
Act (FELA)
(45 USC 51–60)
U.S. Longshore and Harbor
Workers Compensation
Act (33 USC 904)
The Jones Act
(46 USC 688)

9.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers
compensation insurance
Part Two — Employers liability
insurance
Part Three — Other states
insurance
Part Four — Your duties if injury
occurs
Part Five — Premium
Part Six — Conditions
Selected endorsements
Voluntary compensation
Foreign coverage
endorsement

9.3 Premium computation

Job classification — payroll and
rates
Experience modification factor
Premium discounts
Participating (dividend) plans
Retrospective rating

9.4 Other sources of coverages

Self-insured employers and
employer groups (408.43–
.43m; 418.611)

10.0 Other Coverages and Options 12% - 18 items

10.1 Umbrella/excess liability policies

Personal (DL 98 01)
Commercial (CU 00 01)

10.2 Specialty liability insurance

Errors and omissions
Professional liability
Directors and officers liability
Fiduciary liability

Liquor liability
Employment practices liability

10.3 Surplus lines

Definitions and markets
Licensing requirements

10.4 Surety bonds

Principal, obligee, surety
Contract bonds
License and permit bonds
Judicial bonds

10.5 Aviation insurance

Aircraft hull
Aircraft liability
Airport liability
Hangarkeepers legal liability

10.6 Ocean marine insurance

Major coverages
Hull insurance
Cargo insurance
Freight insurance
Protection and indemnity
Implied warranties
Perils
General and particular average

10.7 National Flood Insurance Program

"Write your own" versus
government
Eligibility
Coverage
Limits
Deductibles

10.8 Other policies

Boatowners
Difference in conditions

10.9 Residual markets

Joint underwriting or joint
reinsurance pool (500.2464,
.2658)

10.10 Alternative funding mechanisms

Self-insured
Pooling
Risk retention groups
(500.1801)
Captives

Series 16-77 Title Insurance

60 questions – One-hour time
limit

1.0 Insurance Regulation 33% - 20 items

1.1 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)
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 address
(500.1206(5), .1238)
Reporting of actions
(500.1208b, .1239,
.1244, .1246, .1247)
Assumed names
(500.1211a)
Disciplinary actions
Cease and desist order
(500.1244, .2038)
Suspension, revocation,
refusal to issue or renew
(500.1200, .1209, .1239,
.1379, .2029, .2043)
Penalties and fines
(500.1242, .1244, .1379,
.2038, .2040, .2064,
.2069)

1.2 State regulation

Commissioner's general duties
and powers (500.102, .200,
.202, .210)
Company regulation
Rates (500.1609, .1615,
.1904, .2106, .2403,
2411, .2603)
Forms (500.2236)
Producer appointment
(500.1208a, .1208b,
.1209, .1411)
Termination of appointment
(500.1208b, .1209)
Producer regulation
Acting without a license
(500.251, .1201a, .1202,
.1203)
Prohibited conduct
(500.1207, .1216, .2003,
.2059, .2062)
Commissions (500.1240,
.2011)
Fiduciary capacity
(500.1207)
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)
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 (500.1242, .2024,
.2069, .2070)
Illegal inducement
(500.2005a, .2024,
.2069, .2070; 550.1496)
Examination of books and
records (500.249, .222)
Insurance fraud regulation
(500.2088, 500.4501,
500.4503, 500.4507,
500.4509, 500.4511,
500.8197; 752.1003,
752.1005)

1.3 Federal regulation

Fair Credit Reporting Act
(15 USC 1681–1681d)
Fraud and false statements
(18 USC 1033, 1034)

2.0 Real Property 11% - 7 items

2.1 Concepts, principles and practices

Definition of real property
Types of real property
Title to real property
Marketable title

2.2 Acquisition and transfer of real property

Conveyances
Encumbrances
Adverse possession
Condemnation
Escheats – money and property
Abandonment
Judicial sales
Decedents' estates
Intestate
Testate

Trusts
Types of joint ownership
Tenants in common
Joint tenancy
Acknowledgments
Legal capacity of parties
Individuals
Corporations
General partnerships
Limited partnerships
Fictitious names
Trust agreements
Limited Liability Company
(LLC)

2.3 Legal descriptions

Types of legal descriptions
Types of measurements used
Language of real descriptions
Structure and format
Interpretation

2.4 Escrow principles

Escrow terminology
Types of escrows
Escrow contracts
Fiduciary responsibilities of
escrow agents

2.5 Recording

Types of records
Types of recording systems
Requirements to record
Recording steps
Acknowledgments
Presumptions

3.0 Title Insurance 29% - 18 items

3.1 Title insurance principles

Risks covered by title insurance
Risk of error in public
records
Hidden off-record title risks
Entities that can be insured;
need for insurance
Legal forms of ownership
Interests that can be insured
Types of estates
Easements
Title insurance forms
Commitments
Owner's policy
Loan policy
Leasehold policies
Expanded policies
Title insurance policy structure
and provisions
Insuring provisions
Schedule A
Schedule B — Exceptions
from coverage
Exclusions from coverage
Conditions and stipulations
Endorsements

3.2 Title searching techniques

Hard copy index
Computer index
Chain sheet

4.0 Title Exceptions and Procedures for Clearing Title 27% - 15 items

4.1 Principles and concepts

General exceptions
Voluntary and involuntary liens
Federal liens
Mortgage
Judgments
Taxes and assessments
Surveys
Condominiums
Water rights
Equitable interests
Attachments
Executions
Covenants
Conditions
Restrictions

4.2 Special problem areas and concerns

Acknowledgments
Mechanic's lien
Bankruptcy
Probate
Good faith
Foreclosure
Claims against the title

4.3 Principles of clearing title

Releases
Assignments
Subordinations
Affidavits
Reconveyances
Deeds and land contracts (quit
claim, warranty and sheriff's
deeds)

4.4 Settlement or closing procedures

Real Estate Settlement
Procedures Act (RESPA)
Insured closing protection letters

**Series 16-78
Credit Insurance**

**60 questions – One-hour time
limit**

**1.0 Insurance Regulation 25% -
15 items**

(See Page 1)

**2.0 General Insurance 7% - 4
items**

(See Page 2)

**3.0 Consumer Credit Insurance
Basics 43% - 26 items**

3.1 Nature of consumer credit insurance

Parties involved
Debtor/insured
Creditor/beneficiary
Insurer
Factors for debtors and for
creditors to consider
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 versus individual coverage
(500.608)
Underwriting considerations
Eligibility of groups
Underwriting of the
debtor/insured (group
and individual)
Evidence of insurability
Premiums
Basis and payment of
premiums
Single premium versus
monthly outstanding
balance
Group policy general provisions
Right to examine (free look)
Grace period

Incontestability
Entire contract
Benefit payments
Effect on insured's debt
Payment of excess benefits
(500.609)

3.3 Regulation

Michigan regulation
(R500.602-.624; 493.13a,
.110; R550.202-.216)
Approval of policy forms
Amounts to be insured
Term of insurance
Premium rates
Premium refunds
Solicitation including
insurance sales through
lenders
Evidence of coverage
Termination of group policy
Claims processing
Prohibited transactions
Federal regulation
Consumer Credit Protection
Act (Truth-in-Lending
Act)

4.0 Types of Consumer Credit Insurance 25% - 15 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
Suicide clause (Bul 87-7)

4.2 Credit accident and health insurance

Eligibility of the individual
insured
Qualifying for benefits
Sickness or injury
Definition of disability —
own occupation versus
any occupation
Total and permanent
Elimination period
Benefit period
Benefit amount
Common exclusions
Pre-existing conditions
Intentionally self-inflicted
injury
Normal pregnancy

4.3 Guaranteed automobile protection (GAP)

Eligibility
Insured event
Benefit conditions

4.4 Mortgage guaranty

Series 16-79 Debt Management

50 questions – One-hour time
limit

1.0 Definitions 15% - 7 items

1.1 Definitions (451.412; R451.1221)

2.0 Michigan debt management laws, rules and regulations 85% - 43 items

2.1 Commissioner

Broad powers and duties
(451.419, .421, .432, .433)
Examination of licensee
(451.427)
Violations, penalties, statute of
limitations (451.433, .434,
.435)

2.2 Licensing requirements and limitations

Exceptions/exemptions
(451.413(2), .414)
Employment conditions
(R451.1231, .1236, .1238(2))
License expiration, termination,
revocation or suspension
(451.415, .419;
R451.1238(3))
Application (451.415, .418;
R451.1222, .1223, .1229,
.1231, .1233)
License; investigation; grounds
for issuance or nonissuance;
examination; fee
(451.413(1)-.417, .421;
R451.1231, .1232, .1238,
.1245)
Duties of licensee (451.426;
R451.1231, .1238(2))
License renewal (451.415(4),
.418; R451.1233)

2.3 Marketing practices

Unfair/prohibited practices
(451.429; R451.1234)
Licensee responsibilities
(451.422, .426;
R451.1223(3), .1227, .1228,
.1235-.1237, .1240)
Advertising regulation (451.429,
.430; R451.1244)
Contracts (451.424, .426(c)(h),
.428(3)(4), .431;
R451.1226(1), .1230, .1240)
Budget analysis (451.422;
R451.1226(2)(3), .1239)

2.4 Simple math computation

2.5 Other provisions

Waiver or modification
(R451.1243)
Consent of creditors (451.423)
Trust account (451.425;
R451.1241)
Allowable debt management fees
(451.423(1), .428)

Bond requirements
(451.415(2)(c), .425(5);
R451.1225)

Series 16-80 Life and Health Producer

150 questions – 2.5-hour time
limit

For the detailed outline of the
following subject matter, refer to the
like-named sections in the Series
16-65 Life Producer outline beginning
on Page 2 and in the Series 16-66
Accident and Health Producer outline
beginning on Page 4.

1.0 Insurance Regulation 17% - 26 items

(See Page 1)

2.0 General Insurance 3% - 4 items

(See Page 2)

3.0 Life Insurance Basics 8% - 13 items

4.0 Life Insurance Policies 8% - 12 items

5.0 Life Insurance Policy Provisions, Options and Riders 10% - 15 items

6.0 Annuities 5% - 7 items

7.0 Federal Tax Considerations for Life Insurance and Annuities 4% - 6 items

8.0 Qualified Plans 2% - 3 items

9.0 Health Insurance Basics 6% - 9 items

10.0 Individual Health Insurance Policy General Provisions 6% - 9 items

11.0 Disability Income and Related Insurance 5% - 7 items

12.0 Medical Plans 8% - 12 items

13.0 Group Health Insurance 6% - 9 items

14.0 Dental Insurance 2% - 3 items

15.0 Insurance for Senior Citizens and Special Needs Individuals 7% - 11 items

16.0 Federal Tax Considerations for Health Insurance 3% - 4 items

Series 16-81 Property and Casualty Producer/Solicitor

150 questions – 2.5-hour time
limit

For the detailed outline of the
following subject matter, refer to the
like-named sections in the Series
16-67 Property Producer/Solicitor

outline beginning on Page 6 and in the Series 16-68 Casualty Producer/Solicitor outline beginning on Page 8.

1.0 Insurance Regulation 17% - 26 items

(See Page 1)

2.0 General Insurance 10% - 15 items

(See Page 2)

3.0 Property and Casualty Insurance Basics 14% - 21 items

4.0 Dwelling ('02) Policy 5% - 7 items

5.0 Homeowners ('00) Policy 10% - 15 items

6.0 Auto Insurance 15% - 22 items

7.0 Commercial Package Policy (CPP) 8% - 12 items

8.0 Businessowners ('06) Policy 6% - 9 items

9.0 Workers Compensation Insurance 9% - 14 items

10.0 Other Coverages and Options 6% - 9 items

