

Misstatement of Age Clause
Suicide Clause
Grace Period
Reinstatement Clause
Applicant Control or Ownership Clause
Privilege of Change Clause
Automatic Premium Loan Provision
Policy Assignment
Policy Exclusions

Unit 7

Riders (4% of test) - 2 questions

Riders Defined
Waiver of Premium
Disability Income Rider
Accidental Death Rider
Payor Rider
Guaranteed Insurability Rider
Accelerated Benefits Rider
Life Settlements
Term Riders
Cost of Living Rider
Exchange Privilege Rider
Return of Premium Rider

Unit 8

Premiums (4% of test) - 2 questions

The Purpose of Premiums
Modes of Premium Payments
Modified Premium Plan
Graded Premium Plan
Paying Premiums from Policy Values
Minimum Deposit Insurance
Reserves
Cost Comparison Methods
Interest-Adjusted Cost Indexes

Unit 9

Dividends (4% of test) - 2 questions

Policy Dividend Sources
Dividend Options
Conclusion

Unit 10

Nonforfeiture and Settlement Options (6% of test) - 3 questions

Nonforfeiture Values and Options
Lapsed and Reinstated Policies
Settlement Options
Using Cash Values

Unit 11

Policy Loans (4% of test) - 2 questions

The Basic Concept
Advantages of Policy Loans
Deferring Policy Loans
Collateral for Policy Loans
Irrevocable Beneficiaries and Policy Loans
Interest on Policy Loans
Nonpayment of Policy Loans
Loans and Nonforfeiture Options
Outstanding Loans and Death Claims
Business Uses of Policy Loans

Unit 12

The Application (6% of test) – 3 questions

Three Parties to an Application
Application Defined
Signing the Application

Correcting Applications
Incomplete or Incorrect Applications
Representations and Warranties
Conditional Receipt
Binding Receipt
Temporary Insurance Agreement
Policy Effective Date
Backdating Policies

Unit 13

Underwriting (6% of test) – 3 questions

The Nature of Underwriting
Definitions
Methods of Risk Management
Using Life Insurance to Transfer Risk
Elements of Risk Selection
Medical Information Bureau
Fair Credit Reporting Act
Standard and Substandard (Special Class) Risks
Rating Methods
Exclusions
Insurable Interest
Consent

Unit 14

Claims (2% of test) – 1 question

Life Insurance Claims
Payment of Claims
Payments Less than Face Amount
Agent's Responsibilities upon Insured's Death

Unit 15

Group Life Insurance (4% of test) – 2 questions

Types of Groups
Setting up Group Life
Certificate of Insurance
Group Policy Types
Avoiding Adverse Selection
Contributory Versus Noncontributory
Probationary Period
Eligibility Period
Group Life Versus Individual Life
Conversion Privilege
Dependents and Group Life

Unit 16

Business Insurance (4% of test) – 2 questions

Business Uses of Life Insurance
Selling the Business Interest
Keeping the Business Interest
Key Employee Insurance
Deferred Compensation
Section 457 Deferred Compensation Plans
Split-Dollar Insurance
Executive Bonus Plan

Unit 17

Retirement Plans (4% of test) – 2 questions

Qualified and Nonqualified Retirement Plans
Vesting
Individual Retirement Accounts and Annuities
Roth IRAs
SIMPLE Retirement Plans
Simplified Employee Pension Plans (SEP)
Keogh Plans
Tax-Deferred Annuity Arrangements [403(b) Arrangements]
Plan Distributions

Incidental Limitations
Taxation of Plan Benefits
Employee Retirement Income Security Act (ERISA)

Unit 18

Tax Treatment of Life Insurance (4% of test) – 2 questions

Individual Life Insurance
Group Life Insurance
Doctrine of Economic Benefit
Federal Estate Tax
Charitable Uses of Life Insurance
Gifts of Life Insurance
Section 1035 Policy Exchanges
Business Insurance

Unit 19

Life Insurance Companies (4% of test) – 2 questions

Stock and Mutual Companies
Domestic, Foreign, and Alien Companies
Authorized (Admitted), Unauthorized (Nonadmitted) Companies
Reinsurance and Retention Limits
Marketing Systems
Fraternal Benefit Societies
Risk Retention Groups and Purchasing Groups
Miscellaneous Insurance Organizations
Private versus Government Insurance

Unit 20

Legal and Professional Aspects (4% of test) – 2 questions

Control of the Insurance Business
Insurance Commissioners and Insurance Laws
Duties of the Insurance Commissioner
Complaints
National Association of Insurance Commissioners (NAIC)
Agents
Examination and Licensing of Agents
Brokers and Agents
The Powers of Agency
Solicitors
Consultants
Controlled Business
Commissions
Commission Splitting
Ethics: Regulated Practices
Delivering the Policy
Exposure to Errors and Omissions Liability

Unit 21

Government Programs (4% of test) – 2 questions

Social Security Overview
Social Security Taxes
Insured Status
Primary Insurance Amount
Normal Retirement Age
Dual Benefit Liability
Retirement Benefits
Survivor Benefits
Disability Benefits
Maximum Family Benefit
Retirement Earning Limit
Servicemembers' Group Life Insurance (SGLI)

Kentucky Insurance Laws and Regulations 2007 (6% of test) – 3 questions

KRS 304.12-110

KRS 304.14-150

KRS 304.2-120

KRS 304.9-295

KRS 304.9-425(5)

KRS 304.9-440

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