

**Nebraska Producer's Examination for
Funeral Insurance
Series 13-24
60 questions (plus 5 unscored items)
1-hour time limit**

1.0 Insurance Regulation

35%

1.1 Licensing

Process (44-4052, 4053)

Types of licensees (44-4054)

Producers (44-4049, 4054)

Consultants (44-2606–2635)

Resident versus nonresident (44-2625, 4055, 4063)

Temporary (44-4058)

Pre-need agents and sellers (12-1103 – 12-1111)

Maintenance and duration

Renewal (44-4054)

Name or address change (44-4054(8))

Reporting of actions (44-4065)

Assumed names (44-4057)

Continuing education requirements including ethics education (44-3901–3908)

Disciplinary actions

Right to hearing (44-4059(2))

Suspension, revocation or refusal to issue or renew (44-2633, 4059)

Fines (44-2634, 4059(4))

Cease and desist order (44-1529, 1542)

1.2 State regulation

Director's general duties and powers (44-101.01, 2635)

Producer regulation

Sharing commissions (44-4060)

Controlled business (44-361.01, .02)

Prohibited fees or charges (44-354)

Records retention (44-5905)

Unfair trade practices

Misrepresentation (44-1525(1))

False advertising (44-1525(2))

Defamation of insurer (44-1525(3))

Boycott, coercion or intimidation (44-1525(4))

Unfair discrimination (44-1525(7))

Rebating (44-361, 1525(8))

Insurance Fraud Act (44-6601–6608)

Privacy of Insurance Consumer Information Act (44-901–925)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements

- Federal trade commission requirements
- 1.4 Other
 - Medicaid eligibility

2.0 General Insurance

5%

- 2.1 Producers and general rules of agency
 - Insurer as principal
 - Producer/insurer relationship
 - Authority and powers of licensees
 - Express
 - Implied
 - Apparent
 - Responsibilities to the applicant/insured

3.0 Life Insurance Basics

20%

- 3.1 Insurable interest (44-704)
- 3.2 Premiums
 - Factors in premium determination
 - Mortality
 - Interest
 - Expense
 - Premium payment mode
- 3.3 Producer responsibilities
 - Solicitation and sales presentations (Reg Ch 33)
 - Advertising (Reg Ch 50)
 - Life and Health Insurance Guaranty Association (44-2719.01)
 - Buyer's Guide and Policy Summary (Reg Ch 33 Sec 005, NAIC Current Model Buyer's Guide)
 - Illustrations (Reg Ch 72)
 - Replacement (Reg Ch 19)
 - Use and disclosure of insurance information
 - Annuity suitability (44-8101–8109)
 - Field underwriting
 - Notice of information practices
 - Application procedures
 - Delivery
 - Policy review
 - Effective date of coverage
 - Premium collection
 - Statement of good health
- 3.4 Individual underwriting by the insurer
 - Information sources and regulation
 - Application
 - Producer report
 - Selection criteria and unfair discrimination (44-1525(7)(a))
 - Classification of risks

4.0 Life Insurance Policies

5%

- 4.1 Whole life insurance
 - Continuous premium (straight life)
 - Limited payment
 - Single premium
 - Indeterminate premium
 - Graded premium
 - Current assumption

5.0 Life Insurance Policy Provisions, Options and Riders

25%

- 5.1 Required provisions (44-502)
 - Entire contract (44-502(3))
 - Right to examine (free look) (44-502.05)
 - Payment of premiums (44-502(1))
 - Grace period (44-502(2))
 - Reinstatement (44-502(11))
 - Incontestability (44-502(5))
 - Misstatement of age (44-502(6))
 - Exclusions (44-502(5))
 - Statements of the insured (44-502(4))
 - Payment of claims (44-502(12))
 - Interest on proceeds (44-3,143)
 - Prohibited provisions including backdating (44-503)
- 5.2 Ownership and beneficiaries
 - Ownership
 - Assignment
 - Clarification of remaining proceeds
 - Beneficiary designation options
 - Individuals
 - Classes
 - Estates
 - Minors
 - Trusts
 - Succession
 - Revocable versus irrevocable
 - Common disaster clause
 - Spendthrift clause
- 5.3 Nonforfeiture options
 - Cash surrender value
 - Extended term
 - Reduced paid-up insurance
- 5.4 Policy loan and withdrawal options
 - Cash loans
 - Automatic premium loans
 - Withdrawals or partial surrenders
- 5.5 Dividend options
 - Cash payment
 - Reduction of premium payments

- Accumulation at interest
- One-year term option
- Paid-up additions
- Pre-need contract provision
- 5.6 Disability riders
 - Waiver of premium
 - Waiver of cost of insurance
 - Disability income benefit
 - Payor benefit life/disability (juvenile insurance)
- 5.7 Riders covering additional insureds
 - Spouse/other-insured term rider
 - Children's term rider
 - Family term rider
- 5.8 Riders affecting the death benefit amount
 - Accidental death
 - Guaranteed insurability
 - Cost of living
 - Return of premium
 - No lapse guarantee
- 5.9 Pre-need contract provision

6.0 Annuities

5%

- 6.1 Annuity principles and concepts
 - Accumulation period versus annuity period
 - Owner, annuitant and beneficiary
 - Insurance aspects of annuities
 - Nebraska Protection in Annuity Transactions Act (44-8101–8109)
 - Applicable annuities for pre-need

7.0 Federal Tax Considerations for Life Insurance and Annuities

5%

- 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