

Your Exam Content Outline

The following outline describes the content of one of the Wisconsin insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

Wisconsin Limited Line: Credit Series 22-12

**35 Questions (5 pre-test items)
One-hour time limit
Effective November 16, 2019**

1.0 Insurance Regulation 30% (10 Items)

1.1 Licensing

Process

Ref: ch. 628

Persons required to be licensed

Ref: ch. 628, s. 628.02(1), s. 628.02(3),

s. 628.02(4), s. 628.02(5), s. 628.03,

s. 628.04, s. 628.49, s. Ins 6.58, s. Ins 42.01, s.

Ins 42.03, s. Ins 47

Record keeping, maintenance, and duration

Renewal

Ref: Ins 3.25 (6) (c)

Reinstatement

Assumed names

Change of address or telephone number

Reporting of actions

Ref: s. 134.97, s. 601.42, s. 628.04, s. 628.08,

s. 628.09, s. 628.09(6), s. 628.11, s. Ins 6.57,

s. Ins 6.61, s. Ins 6.63(3), s. Ins 3.25

Disciplinary actions

License termination, suspension or revocation

Monetary forfeiture (fines)

Ref: s. 601.31, s. 628.10(1), s. 628.10(2),

s. 628.10(3), s. 628.10(4), s. 628.345(1)(b),

s. 628.345(2), s. 628.345(3)(a),

s. 628.345(3)(d), s. 628.345(3)(e),

s. 628.345(3)(f), s. Ins 6.63

1.2 State regulation

Commissioner's general duties and powers

Duties

Hearings

Penalties

Ref: s. Ins 3.25 (22), ch. 227, s. 227.12, s.

601.41, s. 601.41(4), s. 601.42, s. 601.42(4), s.

601.62, s. 601.62(5), s. 601.64, s. 601.64(2), s.

601.64(3),

s. 601.64(3)(d), s. 601.64(4), s. 601.65,

s. 628.10, s. 628.10(2)(b), s. Ins 6.59

Company regulation

Responsibilities of the insurer

Use of policy forms

Producer appointments/terminations

Unfair claims, methods, and practices

Notice of right to file complaint

Ref: s. 628.11, s. 628.40, s. 631.22, s. 631.28,

s. Ins 6.07, s. Ins 6.11, s. Ins 6.11(3), s. Ins

6.55, s. Ins 6.55(4)(b), s. Ins 6.57, s. Ins 6.85

Ins 3.26

Producer regulation

Fiduciary and trust account responsibilities

Place of business/records maintenance

Compensation of agents

Controlled business

Shared commissions

Proper exchange of business

Ref: s. 628.32, s. 628.51, s. 628.61, s. Ins 6.66,

631.69, 186.36

Marketing practices

Ref: s. Ins 3.26

Misrepresentation

False information and advertising

Rebating

Unfair discrimination

Boycott, coercion and intimidation

Illegal inducement

Ref: 628.34, s. 628.34(1) – (14), 134.10 &

134.11, s. Ins 6.54, s. Ins 6.55,

s. Ins 6.67, s. Ins 6.68

Examination of books and records

Ref: s. 601.43, s. 601.43(1)(b), s. 601.43(1)(c),

s. 601.43(2)(a), s. 601.45, s. 601.49,

s. Ins 16.01, s. Ins 26.10, s. Ins 26.10(3)

General statutes, rules, and regulations affecting insurance contracts

Definitions

Specific knowledge

Misrepresentation/Warranties

Knowledge and acts of the agent

Certificates of Insurance

Ref: s. 628.34, ch. 631, s. 631.08, s. 631.09,

s. 631.11, s. 631.28, ch. 632,

Regulation of specific clauses in insurance contracts

Cancellation

Renewal/Nonrenewal

Ref: s. Ins 3.25 (6) (c)

Notice of proof of loss
Payment of claims
*Ref: s. 628.46, s. 631.43, s. 631.48, s. 631.81,
s. Ins 6.11, s. Ins 6.77*

1.3 Federal regulation

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

2.0 General Insurance 25% (9 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
Reciprocal
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

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
Truth and lending consumer credit transactions
Ref: s. 421, s. 422

3.0 Credit Insurance Basics 35% (12 Items)

3.1 Nature of credit insurance

Principles and Concepts

Parties involved

Debtor/insured
Creditor/beneficiary
Insurer

Advantages for debtors and for creditors

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 Regulation

State regulation

Approval of policy forms

Ref: s. Ins 3.25

Amounts to be insured

Term of insurance

Premium rates

Premium refunds

Solicitation

Evidence of coverage

Termination of group policy

Claims processing

Prohibited transactions

Credit insurance premium rate filing

Ref: s. Ins 3.25

Consumer credit transactions

Ref: s. Ins 422

Obligation of good faith

Ref: 421.108

Conditions applying to insurance to be provided by creditor

Ref: 424.203

Limitation on credit life insurance

Ref: 632.60

Application of proceeds of credit insurance policy

Ref: 632.97

Federal regulation
Consumer Credit Protection Act (Truth-in-Lending Act)

Ref: s. 645.675 (1) (L) (1)
Eligibility
Insured event
Benefit conditions

4.0 Types of Consumer Credit Insurance 10% (4 Items)

4.1 Credit Life Insurance

Ref: s. 429.104 (14), s. 138.09 (7) (h), s. 422, s. 422.202 (2)(s)(a)(1), s. 422.501 (2)(b)(2), s. 428.203 (8)(g), s. 631.24, s. 625.03, s. 631.69, s. 632.60, s.632.44 (3)(a), Ins. 3.25, Ins. 3.26, Ins. 6.75, s. 134.10, s.134.11, s.421, s.421.108

Eligibility of the individual insured
Gross coverage versus net payoff coverage
Types of insurance coverages

Ref: s.428.203 (8) (g)

Decreasing term

Level term

Monthly outstanding balance

Joint credit life

Truncated life

Suicide clause

4.2 Credit disability insurance

Ref: s. 429.104 (14), s. 422.202, s. 632.60, s. 632.44(3)(a), s. 631.24, s. 631.69, s. 632.97, s. 428.203

Eligibility of the individual insured

Qualifying for benefits

Sickness or injury

Definition of disability — own occupation versus any occupation

Ref: s. 631.83 (1) (b)

Elimination period

Benefit period

Special types of coverage

Critical period

Common exclusions

Normal pregnancy

4.3 Credit involuntary unemployment insurance

Ref: s. 429.104 (14), s. 422.202, s.631.69, s. 632.60, s. 632.97

Eligibility of the individual insured

Qualifying for benefits

Definition of involuntary unemployment

Benefit period

4.4 Other credit insurance

Ref: s. 42.203 (3) (a), s. 138.09 (7) (h), s. 625.03, s. 645.675 (1) (f), s. 424.203 (2), s. 631.69, s. 632.97

Credit property

Eligibility

Insured event

Benefit conditions

Mortgage guaranty