

## LIFE – GENERAL KNOWLEDGE CONTENT OUTLINE

*Product Knowledge, Terms, and Concepts*

*(50 scoreable questions plus 5 pretest questions)*

### I. TYPES OF POLICIES ..... 15

#### A. Traditional whole life products

1. Ordinary whole life
2. Limited-pay and single-premium life

#### B. Interest/market-sensitive/adjustable life products

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life
5. Indexed life

#### C. Term life

1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
2. Special features
  - a. Renewable
  - b. Convertible

#### D. Annuities

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed
5. Accumulation and Annuity Periods
6. Payout options

#### E. Combination plans and variations

1. Joint life (first to die)
2. Survivorship life (second to die)

### II. LIFE PROVISIONS, RIDERS, OPTIONS, AND EXCLUSIONS.....15

#### A. Policy riders

1. Waiver of premium and waiver of monthly deduction
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds
7. Long term care
8. Return of premium
9. Disability
10. Cost of Living

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look

4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Common disaster
  - d. Minor beneficiaries
  - e. Designation by class
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders
10. Non-forfeiture options
11. Dividends and dividend options (e.g., participating, non-participating)
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age or gender
16. Settlement options
17. Accelerated death benefits

#### C. Policy exclusions

1. War
2. Aviation
3. Dangerous Occupation

### III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY..... 12

#### A. Completing the application

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt
6. Replacement
7. Disclosures at point of sale (e.g. HIPAA, HIV consent)
8. USA PATRIOT Act/anti-money laundering
9. Gramm-Leach-Bliley Act (GLBA) Privacy

#### B. Underwriting

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger/Investor-owned life insurance (STOLI/IOLI)

#### C. Delivering the policy

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

#### D. Contract law

1. Elements of a legal contract
  - a. Consideration

- b. Offer and Acceptance
- c. Competent parties
- d. Legal purpose
- 2. Unique aspects of the insurance contract
  - a. Conditional
  - b. Unilateral
  - c. Adhesion
  - d. Aleatory

**IV. RETIREMENT AND OTHER INSURANCE CONCEPTS..8**

- A. Third-party ownership**
- B. Life Settlements**
- C. Group life insurance**
  - 1. Conversion privilege
  - 2. Contributory vs. noncontributory
- D. Retirement plans**
  - 1. Qualified plans
  - 2. Nonqualified plans
- E. Life insurance needs analysis/suitability**
  - 1. Personal insurance needs
  - 2. Business insurance needs
    - a. Key person
    - b. Buy sell
- F. Social Security benefits**
- G. Tax treatment of insurance premiums, proceeds, and dividends**
  - 1. Individual life
  - 2. Group life
  - 3. Modified Endowment Contracts (MECs)

**LIFE**

**MONTANA SPECIFIC CONTENT OUTLINE**

**State, Statutes and Rules**

*(36 scored plus 5 pretest questions)*

**I. MONTANA STATUTES AND RULES COMMON TO LIFE, DISABILITY (A&H), PROPERTY AND CASUALTY INSURANCE.....25**

- A. Insurance Commissioner/Department**
  - 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
  - 2. Examination of records  
*Ref: 33-1-311; 401-402, 408-411, 413; 33-17-1101*
  - 3. Cease and desist orders  
*Ref: 33-1-313 — 316; 33-1-701, 705, 707, 711; 33-18-1004 — 1005*
  - 4. Penalties  
*Ref: 33-1-317*
- B. General Definitions**
  - 1. Domestic, foreign, alien  
*Ref: 33-1-201*
  - 2. Insurance transactions  
*Ref: 33-1-201*
  - 3. Authorized/unauthorized companies and certificate of authority  
*Ref: 33-1-201; 33-2-104*
  - 4. Fraternal and their producers  
*Ref: 33-7-525; 33-7-105*
- C. Licensing Requirements**
  - 1. Definitions  
*Ref: 33-17-102 — 103, 236*
  - 2. Nonresident/reciprocal producer  
*Ref: 33-17-401, 406 — 411; 33-17-201; 33-20-1303*

- 3. Consultant  
*Ref: 33-17-501-505, 511—513*
- 4. Administrator  
*Ref: 33-17-602 — 618*
- 5. Continuing education  
*Ref: 33-17-1203 — 1207*
- 6. Temporary licenses  
*Ref: 33-17-216 — 217*
- 7. Eligibility for license  
*Ref: 33-17-201, 211*
- 8. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002, 1004*
- 9. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
- 10. Resident producer  
*Ref: 33-17-201, 220, 1005; 33-20-1303*

- D. Unfair Trade Practices**  
*Ref: 33-18-101—1006*
  - 1. False advertising
  - 2. Rebating
  - 3. Twisting
  - 4. Misrepresentation
  - 5. Defamation
  - 6. Excess fees/charges  
*Ref: 33-2-306, 33-15-102, 33-18-212*
  - 7. Unfair discrimination  
*Ref: 33-18-206, 49-2-309; ARM 6.6.2101--2106*
  - 8. Unfair claims practices  
*Ref: 33-1-1205; 33-18-201, 232*
- E. Licensee Responsibilities**
  - 1. Fiduciary capacity  
*Ref: 33-17-1102*
  - 2. Commission sharing  
*Ref: 33-17-1103*
  - 3. Place of business/recordkeeping  
*Ref: 33-17-1101*
  - 4. Principal producer relationship  
*Ref: 28-10-101 — 704*
- F. Rate and Form Regulations**  
*Ref: 33-1-501 — 502; 33-16-101 — 103, 201 — 204*
- G. Life and Health Insurance Guaranty Association**  
*Ref: 33-10-201 — 205, 210, 224, 227*
- H. Insurance Information & Privacy Protection Act**  
*Ref: 33-19-102 — 409*
- I. Basic Contract Language**  
*Ref: 33-15-101 — 103*
- J. Insurance Fraud protection Act**  
*Ref: 33-1-1201 — 1211*

**II. MONTANA STATUTES AND RULES PERTINENT TO LIFE INSURANCE AND ANNUITIES ONLY.....11**

- A. Replacement/Disclosure Requirements**
  - 1. Purpose, definitions, exceptions  
*Ref: ARM 6.6.202, 203, 205, 206, 209, 303, 304*
  - 2. Duties of producers  
*Ref: ARM 6.6.206, .305*
  - 3. Duties of insurers  
*Ref: ARM 6.6.306 — 309*
- B. Individual Life: Required/Standard provisions**
  - 1. Life insurance policies  
*Ref: 33-15-415, 501 — 504; 33-20-101 — 142; 33-20-201 — 247*

- 2. Annuities  
*Ref: 33-20-301 — 307*
- 3. Exempt contracts  
*Ref: 33-20-103*
- C. Credit Life**  
*Ref: 33-18-501; 33-20-1105; 33-21-102 — 207; ARM 6.6.1101*
- D. Group Life**
  - 1. Eligible groups  
*Ref: 33-20-1101—1102*
  - 2. Conversion/continuation rights  
*Ref: 33-20-1111, 1209 — 1212*
  - 3. Standard/required provisions and coverages  
*Ref: 33-20-1001; 33-20-1201 — 1209, 1211*
- E. Viaticals**  
*Ref: 33-20-1301-18*

- 3. Grace period
- 4. Reinstatement
- 5. Notice of claim
- 6. Claim forms
- 7. Proof of loss
- 8. Time of payment of claims
- 9. Payment of claims
- 10. Physical examination and autopsy
- 11. Legal actions
- 12. Change of beneficiary
- 13. Misstatement of age or gender
- 14. Change of occupation
- 15. Illegal occupation
- 16. Relation of earnings to insurance

**B. Other provisions and clauses**

- 1. Insuring clause
  - 2. Free look
  - 3. Consideration clause
  - 4. Probationary period
  - 5. Elimination period
  - 6. Waiver of premium
  - 7. Exclusions and limitations
  - 8. Preexisting conditions
  - 9. Coinsurance
  - 10. Deductibles
  - 11. Eligible expenses
  - 12. Copayments
  - 13. Pre-authorizations and prior approval requirements
  - 14. Usual, reasonable, and customary (URC) charges
  - 15. Lifetime, annual, or per cause maximum benefit limits
- C. Riders**
- 1. Impairment/exclusions
  - 2. Guaranteed insurability
  - 3. Future increase option
- D. Rights of renewability**
- 1. Noncancelable
  - 2. Cancelable
  - 3. Guaranteed renewable

**ACCIDENT & HEALTH – GENERAL  
KNOWLEDGE  
CONTENT OUTLINE  
Product Knowledge, Terms, and Concepts**

*(50 scoreable questions plus 5 pretest questions)*

**I. TYPES OF POLICIES ..... 16**

**A. Disability income**

- 1. Individual disability income policy
- 2. Business overhead expense policy
- 3. Business disability buyout policy
- 4. Group disability income policy
- 5. Key employee policy

**B. Accidental death and dismemberment**

**C. Medical expense insurance**

- 1. Basic hospital, medical, and surgical policies
- 2. Major medical policies
- 3. Health Maintenance Organizations (HMOs)
- 4. Preferred Provider Organizations (PPOs)
- 5. Point of Service (POS) plans
- 6. Flexible Spending Accounts (FSAs)
- 7. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)
- 8. Health Reimbursement Accounts (HRAs)

**D. Medicare supplement policies**

**E. Group insurance**

- 1. Differences between individual and group contracts
- 2. General characteristics
- 3. COBRA

**F. Individual/Group Long Term Care (LTC)**

- 1. Eligibility
- 2. Levels of care

**G. Other policies**

- 1. Dental
- 2. Vision
- 3. Cancer
- 4. Critical illness or specified disease
- 5. Worksite (employer-sponsored)
- 6. Hospital indemnity
- 7. Short-term medical
- 8. Accident

**II. POLICY PROVISIONS, CLAUSES, AND RIDERS..... 15**

**A. Mandatory and optional provisions**

- 1. Entire contract
- 2. Time limit on certain defenses (incontestable)

**III. SOCIAL INSURANCE ..... 6**

**A. Medicare (Parts A, B, C, D)**

**B. Medicaid**

**C. Social Security benefits**

**IV. OTHER INSURANCE CONCEPTS..... 5**

**A. Total, partial, recurrent and residual disability**

**B. Owner's rights**

**C. Dependent children benefits**

**D. Primary and contingent beneficiaries**

**E. Modes of premium payments**

**F. Nonduplication and coordination of benefits (e.g., primary vs. excess)**

**G. Occupational vs. non-occupational**

**H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)**

**I. Managed care**

**J. Workers Compensation**

- 1. Impact on health insurance benefits

**K. Subrogation**

**L. Cost containment**

**V. FIELD UNDERWRITING PROCEDURES..... 8**

- A. Completing the application
- B. Explaining sources of insurability and HIPAA privacy information (e.g., MIB Report, Fair Credit Reporting Act, etc.)
- C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)
- D. Submitting application (and initial premium if collected) to company for underwriting
- E. Policy delivery
- F. Explaining policy and its provisions, riders, exclusions, and ratings to clients
- G. Replacement
- H. Contract law
  - 1. Elements of a contract
  - 2. Insurable interest
  - 3. Warranties and representations
  - 4. Unique aspects of the insurance contract
    - a. Conditional
    - b. Unilateral
    - c. Adhesion
    - d. Aleatory

- 6. Temporary licenses  
*Ref: 33-17-216 — 217*
- 7. Eligibility for license  
*Ref: 33-17-201, 211*
- 8. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002, 1004*
- 9. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
- 10. Resident producer  
*Ref: 33-17-201, 220, 1005*

**D. Unfair Trade Practices**

- Ref: 33-18-101—1006*
- 1. False advertising
  - 2. Rebating
  - 3. Twisting
  - 4. Misrepresentation
  - 5. Defamation
  - 6. Excess fees/charges  
*Ref: 33-2-306, 33-15-102, 33-18-212*
  - 7. Unfair claims practices  
*Ref: 33-1-1205; 33-18-201, 232*

**E. Licensee Responsibilities**

- 1. Fiduciary capacity  
*Ref: 33-17-1102*
- 2. Commission sharing  
*Ref: 33-17-1103*
- 3. Place of business/recordkeeping  
*Ref: 33-17-1101*
- 4. Principal producer relationship  
*Ref: 28-10-101 — 704*

**F. Rate and Form Regulations**

- Ref: 33-1-501 — 502; 33-16-101 — 103, 201 — 204*

**G. Life and Health Insurance Guaranty Association**

- Ref: 33-10-201 — 205, 210, 224, 227*

**H. Insurance Information & Privacy Protection Act**

- Ref: 33-19-102 — 409*

**I. Basic Contract Language**

- Ref: 33-15-101 — 103*

**J. Insurance Fraud protection Act**

- Ref: 33-1-1201 — 1211*

**II. MONTANA STATUTES AND RULES PERTINENT TO DISABILITY (A&H) INSURANCE ONLY.....17**

**A. Required Coverage and Provisions**

- 1. Newborn and adopted children  
*Ref: 33-22-301, 130; 504*
- 2. Disabled dependents  
*Ref: 33-22-304*
- 3. Continuation of coverage  
*Ref: 33-22-306 — 311, 507 — 510; ARM 6.6.2104*
- 4. Maternity  
*Ref: 49-2-309 MCA (Human Rights Div.), ARM 6.6.2104*
- 5. Home health care  
*Ref: 33-22-1001 — 1003*
- 6. Mental illness, alcoholism, and drug abuse treatment  
*Ref: 33-22-515, 701 — 706*
- 7. Policy provisions  
*Ref: 33-22-203 — 232*
- 8. Explanation of charges  
*Ref: 33-15-308*

**ACCIDENT & HEALTH  
MONTANA SPECIFIC CONTENT OUTLINE  
State Statutes and Rules**

*(42 scored plus 5 pretest questions)*

**I. MONTANA STATUTES AND RULES COMMON TO LIFE, DISABILITY (A&H) INSURANCE .....25**

**A. Insurance Commissioner/Department**

- 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
- 2. Examination of records  
*Ref: 33-1-311; 401- 402, 408-411, 413; 33-17-1101*
- 3. Cease and desist orders  
*Ref: 33-1-313 — 316, 701,705, 707, 711; 33-18-1004 — 1005*
- 4. Penalties  
*Ref: 33-1-317*

**B. General Definitions**

- 1. Domestic, foreign, alien  
*Ref: 33-1-201*
- 2. Insurance transactions  
*Ref: 33-1-201*
- 3. Authorized/unauthorized companies and certificate of authority  
*Ref: 33-1-201; 33-2-104*
- 4. Fraternal and their producers  
*Ref: 33-7-525; 33-7-105*

**C. Licensing Requirements**

- 1. Definitions  
*Ref: 33-17-102 — 103, 236, 241 —244*
- 2. Nonresident/reciprocal producer  
*Ref: 33-17-401, 406 — 411; 33-17-201; 33-20-1303*
- 3. Consultant  
*Ref: 33-17-501, 505, 511 — 513*
- 4. Administrator  
*Ref: 33-17-602 — 618*
- 5. Continuing education  
*Ref: 33-17-1203 — 1207*

- 9. Continuity of coverage  
*Ref: 33-22-307; 508-10, 513*
- 10. Disclosure standards  
*Ref: 33-22-244, 521*
- 11. Elder Abuse Prevention Act  
*Ref: MCA 52-3-801 — 825*
- B. Medicare Supplements**
  - 1. Policy provisions  
*Ref: 33-22-904; ARM 6.6.503 — 507*
  - 2. Disclosure requirements  
*Ref: 33-22-908; ARM 6.6.509*
  - 3. Replacement regulations  
*Ref: ARM 6.6.510*
- C. Group Disability**
  - 1. Required coverages and provisions  
*Ref: 33-22-501 — 513*
  - 2. Coordination of benefits (COB)  
*Ref: ARM 6.6.2401 — 2405*
- D. Health Maintenance Organizations (HMO)**  
*Ref: 33-31-101 – 102, 301–303; ARM 6.6.2501 – 2509*
- E. Health Service Corporations**  
*Ref: 33-30-101, 311, 1001 — 1101*
- F. Special Policies**
  - 1. Credit Disability  
*Ref: 33-21-102 — 207; ARM 6.6.1101 — 1111*
  - 2. Blanket Disability  
*Ref: 33-22-601 — 604*
- G. Preferred Provider Agreements Act**  
*Ref: 33-22-1701 — 1706*
- H. Freedom of Choice in Selection of Practitioners**  
*Ref: 33-22-111*
- I. Coverage for Insureds in Special Circumstances**
  - 1. Residents of state institutions  
*Ref: 33-22-112*
  - 2. Public assistance recipients  
*Ref: 33-22-113*
- J. Long-term Care**
  - 1. Activities of daily living  
*Ref: 33-22-1107*
  - 2. Nonforfeiture  
*Ref: 33-22-1116*
  - 3. Pre-existing conditions  
*Ref: 33-22-110, 246, 514, 1108*

**PROPERTY – GENERAL KNOWLEDGE  
CONTENT OUTLINE**  
**Product Knowledge, Terms, and Concepts**

*(50 scoreable questions plus 5 pretest questions)*

- I. TYPES OF POLICIES ..... 22**
  - A. Homeowners**
    - 1. HO-2
    - 2. HO-3
    - 3. HO-4
    - 4. HO-5
    - 5. HO-6
    - 6. HO-8
  - B. Dwelling policies**
    - 1. DP-1
    - 2. DP-2
    - 3. DP-3

- C. Commercial lines**
  - 1. Commercial Package Policy (CPP)
  - 2. Commercial property
    - a. Commercial building and business personal property form
    - b. Causes of loss forms
    - c. Business income
    - d. Extra expense
    - e. Equipment breakdown
  - 3. Business Owners Policy (BOP)
  - 4. Builders Risk
  - 5. Cyber First-Party Coverage
- D. Inland marine**
  - 1. Personal Articles floaters
  - 2. Commercial Property floaters
- E. National Flood Insurance Program**
- F. Others**
  - 1. Earthquake
  - 2. Mobile Homes
  - 3. Watercraft
  - 4. Farm Owners
  - 5. Windstorm

**II. INSURANCE TERMS AND RELATED CONCEPTS ..... 15**

- A. Insurance**
  - 1. Law of Large Numbers
- B. Insurable interest**
- C. Risk**
  - 1. Pure vs. Speculative Risk
- D. Hazard**
  - 1. Moral
  - 2. Morale
  - 3. Physical
- E. Peril**
- F. Loss**
  - 1. Direct
  - 2. Indirect
- G. Loss Valuation**
  - 1. Actual cash value
  - 2. Replacement cost
  - 3. Market value
  - 4. Stated/agreed value
  - 5. Salvage value
- H. Proximate cause**
  - I. Deductible**
  - J. Indemnity**
  - K. Limits of liability**
  - L. Coinsurance/Insurance to value**
  - M. Occurrence**
  - N. Cancellation**
  - O. Nonrenewal**
  - P. Vacancy and unoccupancy**
  - Q. Liability**
    - 1. Absolute
    - 2. Strict
    - 3. Vicarious
  - R. Negligence**
  - S. Binder**
  - T. Endorsements**
  - U. Blanket vs. Specific**

**III. POLICY PROVISIONS AND CONTRACT LAW ..... 13**

- A. Declarations**
- B. Insuring agreement**

- C. Conditions
- D. Exclusions
- E. Definition of the insured
- F. Duties of the insured
- G. Obligations of the insurance company
- H. Mortgagee rights
  - I. Proof of loss
- J. Notice of claim
- K. Appraisal
- L. Other Insurance Provision
- M. Subrogation
- N. Elements of a contract
- O. Warranties, representations, and concealment
- P. Sources of underwriting information
- Q. Fair Credit Reporting Act
- R. Privacy Protection (Gramm Leach Bliley)
- S. Policy Application
- T. Terrorism Risk Insurance Act (TRIA)
- U. Territory

- Ref: 33-14-102 — 305*
- 9. Temporary licenses  
*Ref: 33-17-216 — 217*
- 10. Eligibility for license  
*Ref: 33-17-201, 211*
- 11. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002, 1004*
- 12. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
- 13. Resident producer  
*Ref: 33-17-201; 33-17-220, 1005*

**D. Unfair Trade Practices**

- Ref: 33-18-101–1006*
- 1. False advertising
- 2. Rebating
- 3. Twisting
- 4. Misrepresentation
- 5. Defamation
- 6. Excess fees/charges  
*Ref: 33-2-306, 33-15-102, 33-18-212*
- 7. Unfair discrimination  
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- 8. Unfair claims practices  
*Ref: 33-1-1205; 33-18-201, 232*

**E. Licensee Responsibilities**

- 1. Fiduciary capacity  
*Ref: 33-17-1102*
- 2. Commission sharing  
*Ref: 33-17-1103*
- 3. Place of business/recordkeeping  
*Ref: 33-17-1101*
- 4. Principal producer relationship  
*Ref: 28-10-101 — 704*

**F. Rate and Form Regulations**

*Ref: 33-1-501 — 502; 33-16-101 — 103, 201 — 204*

**G. Montana Insurance Guaranty Association**

*Ref: 33-10-101 — 105, 115 — 117*

**H. Insurance Information & Privacy Protection Act**

*Ref: 33-19-102 — 409*

**I. Basic Contract Language**

*Ref: 33-15-101 — 103*

**J. Insurance Fraud protection Act**

*Ref: 33-1-1201 — 1211*

**II. MONTANA STATUTES AND RULES COMMON TO PROPERTY & CASUALTY INSURANCE ONLY (2-3)**

**A. Cancellation/Nonrenewal**

*Ref: 33-15-1101 — 1107, 1111, 1121; 33-23-401*

**B. Surplus Lines Insurance**

*Ref: 33-2-301 — 306, 308, 310 — 311, 313, 317*

**C. Montana Use of Credit Information in Personal Insurance**

*Ref: 33-18-601 — 611*

**III. MONTANA STATUTES AND RULES PERTINENT TO PROPERTY INSURANCE ONLY.....(4-5)**

**A. Property Insurance**

- 1. Defined  
*Ref: 33-1-210*
- 2. Specific valuation  
*Ref: 33-24-101 — 103*
- 3. Valued Policy Law  
*Ref: 33-24-102 — 103*

**PROPERTY  
MONTANA SPECIFIC CONTENT OUTLINE**

**State Statutes and Rules**

*(32 scored plus 5 pretest questions)*

**I. MONTANA STATUTES AND RULES COMMON TO PROPERTY AND CASUALTY INSURANCE 25**

**A. Insurance Commissioner/Department**

- 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
- 2. Examination of records  
*Ref: 33-1-311; 401 — 402, 408-411, 413; 33-17-1101*
- 3. Cease and desist orders  
*Ref: 33-1-313 — 316; 33-1-701 — 711*
- 4. Penalties  
*Ref: 33-1-317; 33-18-1004 — 1005*

**B. General Definitions**

- 1. Domestic, foreign, alien  
*Ref: 33-1-201*
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*Ref: 33-1-201*
- 3. Authorized/unauthorized companies and certificate of authority  
*Ref: 33-1-201; 33-2-104*
- 4. Fraternal and their producers  
*Ref: 33-7-105, 525*

**C. Licensing Requirements**

- 1. Definitions  
*Ref: 33-17-102 — 103, 236*
- 2. Nonresident/reciprocal producer  
*Ref: 33-17-201, 401, 406 — 411; 33-20-1303*
- 3. Consultant  
*Ref: 33-17-501 — 505, 511 — 513*
- 4. Administrator  
*Ref: 33-17-602 — 618*
- 5. Surplus lines producer  
*Ref: 33-2-301*
- 6. Continuing education  
*Ref: 33-17-1203 — 1207*
- 7. Adjuster  
*Ref: 33-17-301; ARM 6.6.1601 — 1616*
- 8. Premium financing

**B. Inland/Ocean Marine Insurance**

- 1. Defined  
*Ref: 33-1-209, 221 — 228*
- 2. Exceptions  
*Ref: 33-1-229*

**C. Daycare/Homeowners**

*Ref: 33-15-1103; 1111*

**CASUALTY – GENERAL KNOWLEDGE  
CONTENT OUTLINE  
Product Knowledge, Terms, and Concepts**

*(50 scoreable questions plus 5 pretest questions)*

**I. TYPES OF POLICIES, BONDS, AND RELATED TERMS .....23**

**A. Commercial general liability**

- 1. Exposures
  - a. Premises and Operations
  - b. Products and Completed Operations
- 2. Coverage
  - a. Coverage A: Bodily Injury and Property Damage Liability (Occurrence, Claims made including Retroactive Date)
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments
  - d. Supplemental Payments
  - e. Who is an insured
  - f. First named insured
  - g. Limits (Per occurrence, Annual Aggregate)
  - h. Damage to Property of Others

**B. Automobile: personal auto and business auto**

- 1. Liability
  - a. Bodily Injury
  - b. Property Damage
  - c. Split Limits
  - d. Combined Single Limit
- 2. Medical Payments
- 3. Physical Damage (collision; other than collision; specified perils)
- 4. Uninsured motorists
- 5. Underinsured motorists
- 6. Who is an insured
- 7. Types of Auto
  - a. Owned
  - b. Non-owned
  - c. Hired
  - d. Temporary Substitute
  - e. Newly Acquired Autos
  - f. Transportation Expense and Rental Reimbursement Expense
- 8. Auto Dealers Coverage Form, including Garagekeepers Insurance
- 9. Exclusions
- 10. Individual Named Insured and Drive Other Car (DOC)
- 11. Mobile equipment

**C. Workers Compensation Insurance, Employers Liability Insurance, and Related Issues**

*(This section does not deal with specifics of state law, which are addressed elsewhere in this outline.)*

- 1. Standard policy concepts

- a. Who is an employee/employer
- b. Compensation
- 2. Work-related vs. non-work-related
- 3. Other states' insurance
- 4. Employers Liability
- 5. Exclusive remedy
- 6. Premium Determination

**D. Crime**

- 1. Employee Dishonesty
- 2. Theft
- 3. Robbery
- 4. Burglary
- 5. Forgery and Alteration
- 6. Mysterious disappearance

**E. Bonds**

- 1. Surety
- 2. Fidelity

**F. Professional liability**

- 1. Errors and Omissions
- 2. Medical Malpractice
- 3. Directors and Officers (D&O)
- 4. Employment Practices Liability (EPLI)
- 5. Cyber liability and data breach, funds transfer
- 6. Liquor liability

**G. Umbrella/Excess Liability**

**H. Business Owners Policy (BOP)**

**II. INSURANCE TERMS AND RELATED CONCEPTS..... 15**

**A. Risk**

**B. Hazards**

- 1. Moral
- 2. Morale
- 3. Physical

**C. Indemnity**

**D. Insurable interest**

**E. Loss valuation**

- 1. Actual cash value
- 2. Replacement cost
- 3. Market value
- 4. Stated/agreed value
- 5. Salvage value

**F. Negligence**

**G. Liability**

**H. Occurrence**

**I. Binders**

**J. Warranties**

**K. Representations**

**L. Concealment**

**M. Deposit Premium/Audit**

**N. Certificate of Insurance**

**O. Law of Large Numbers**

**P. Pure vs. Speculative Risk**

**Q. Endorsements**

**R. Damages**

- 1. Compensatory
  - a. General
  - b. Special
- 2. Punitive

**S. Compliance with provisions of Fair Credit Reporting Act**

**III. POLICY PROVISIONS..... 12**

**A. Declarations**

**B. Insuring agreement**

- C. Conditions
- D. Exclusions and Limitations
- E. Definition of the insured
- F. Duties of the insured after a loss
- G. Cancellation and nonrenewal provisions
- H. Supplementary payments
  - I. Proof of loss
  - J. Notice of claim
  - K. Other insurance
  - L. Subrogation
- M. Loss settlement provisions including consent to settle a loss
- N. Terrorism Risk Insurance Act (TRIA)

- Ref: 33-17-201, 211*
- 11. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002, 1004*
- 12. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
- 13. Resident producer  
*Ref: 33-17-201; 33-17-220, 1005*

- D. Unfair Trade Practices  
*Ref: 33-18-101—1006*
  - 1. False advertising
  - 2. Rebating
  - 3. Twisting
  - 4. Misrepresentation
  - 5. Defamation
  - 6. Excess fees/charges  
*Ref: 33-2-306, 33-15-102, 33-18-212*
  - 7. Unfair discrimination  
*Ref: 49-2-309; ARM 6.6.1201 — 1206*
  - 8. Unfair claims settlement practices  
*Ref: 33-1-1205; 33-18-201, 232*

- E. Licensee Responsibilities
  - 1. Fiduciary capacity  
*Ref: 33-17-1102*
  - 2. Commission sharing  
*Ref: 33-17-1103*
  - 3. Place of business/recordkeeping  
*Ref: 33-17-1101*
  - 4. Principal producer relationship  
*Ref: 28-10-101 — 704*
- F. Rate and Form Regulations  
*Ref: 33-1-501 — 502; 33-16-101 — 103, 201 — 204*
- G. Montana Insurance Guaranty Association  
*Ref: 33-10-101 — 105, 115 — 117*
- H. Insurance Information & Privacy Protection Act  
*Ref: 33-19-102 — 409*
- I. Basic Contract Language  
*Ref: 33-15-101 — 103*
- J. Insurance Fraud protection Act  
*Ref: 33-1-1201 — 1211*

## CASUALTY MONTANA SPECIFIC CONTENT OUTLINE

### State Statues and Rules

*(37 scored plus 5 pretest questions)*

#### I. MONTANA STATUTES AND RULES COMMON TO LIFE, DISABILITY (A&H), PROPERTY AND CASUALTY INSURANCE.....25

##### A. Insurance Commissioner/Department

- 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
- 2. Examination of records  
*Ref: 33-1-311; 401 — 402, 408-411, 413; 33-17-1101*
- 3. Cease and desist orders  
*Ref: 33-1-313 — 316, 701, 705, 707, 711*
- 4. Penalties  
*Ref: 33-1-317; 33-18-1004 — 1005*

##### B. General Definitions

- 1. Domestic, foreign, alien  
*Ref: 33-1-201*
- 2. Insurance transactions  
*Ref: 33-1-201*
- 3. Authorized/unauthorized companies and certificate of authority  
*Ref: 33-1-201; 33-2-104*
- 4. Fraternal and their producers  
*Ref: 33-7-105, 525*

##### C. Licensing Requirements

- 1. Definitions  
*Ref: 33-17-102 — 103, 236*
- 2. Nonresident/reciprocal producer  
*Ref: 33-17-401, 406 — 411; 33-17-201*
- 3. Consultant  
*Ref: 33-17-501 — 505, 511- 513*
- 4. Administrator  
*Ref: 33-17-602 — 618*
- 5. Surplus lines producer  
*Ref: 33-2-301*
- 6. Continuing education  
*Ref: 33-17-1203 — 1207*
- 7. Adjuster  
*Ref: 33-17-301; ARM 6.6.1601 — 1616*
- 8. Premium financing  
*Ref: 33-14-102 — 305*
- 9. Temporary licenses  
*Ref: 33-17-216 — 217*
- 10. Eligibility for license

#### II. MONTANA STATUTES AND RULES COMMON TO PROPERTY & CASUALTY INSURANCE ONLY (2-3)

- A. Cancellation/Nonrenewal  
*Ref: 33-15-1101 — 1107, 1111, 1121; 33-23-401*
- B. Surplus Lines Insurance  
*Ref: 33-2-301 — 306, 308, 310 — 311, 313, 317*
- C. Montana Use of Credit Information in Personal Insurance  
*Ref: 33-18-601 — 611*

#### III. MONTANA STATUTES AND RULES PERTINENT TO CASUALTY INSURANCE ONLY.....(9-10)

- A. Casualty Insurance defined  
*Ref: 33-1-206*
- B. Automobile Insurance/Financial Responsibility  
*Ref: MCA 61-6-101 — 103, 124 — 139, 151, 201*
  - 1. Required limits BI/PD  
*Ref: 33-23-203 — 204; MCA 61-6-301 — 304*
  - 2. Uninsured Motorists-defined  
*Ref: 33-23-201*
  - 3. Mature defensive Driving Act  
*Ref: 33-16-221 — 225*
  - 4. Comparative negligence



- Ref: 27-1-701 — 702*
- 5. Cancellation/nonrenewal  
*Ref: 33-23-211 — 217*
- 6. Prohibited discrimination  
*Ref: 33-18-210*
- 7. Good Driver Discount  
*Ref: 33-18-210*
- C. Assigned Risk/Auto Insurance Plan**  
*Ref: MCA 61-6-144*
- D. Worker's Compensation**
  - 1. Plan 1, 2, and 3  
*Ref: 39-71-116 – 119, 401, 405 – 409, 411 – 413, 501, 503*
  - 2. Claims and benefits  
*Ref: 39-71-601 – 613, 701 – 704, 708, 712, 721, 725, 736*
- E. Professional Liability Insurance**  
*Ref: 33-9-101, 33-23-301 — 302*

**MONTANA LIMITED LINES CREDIT  
INSURANCE CONTENT OUTLINE**

*(30 scored questions)*

- I. MONTANA STATUTES AND RULES PERTINENT TO ALL LINES OF INSURANCE ..... 16**
  - A. Insurance Commissioner/Department**
    - 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
    - 2. Examination of records  
*Ref: 33-1-311, 401 — 402, 408-411, 413; 33-17-1101*
    - 3. Notice of hearings  
*Ref: 33-1-313 — 316; 33-1-318; 33-1-701, 705, 707, 711; 33-18-1004 — 1005*
    - 4. Penalties  
*Ref: 33-1- 317*
  - B. General Definitions**
    - 1. Authorized/unauthorized companies and certificate of authority  
*Ref: Ref: 33-1-201; 33-2-104*
    - 2. Insurance transaction/policies  
*Ref: 33-1-201*
  - C. Licensing Requirements**
    - 1. Definitions  
*Ref: 33-17-102 — 103, 236*
    - 2. Eligibility for license  
*Ref: 33-17-201, 211*
    - 3. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002, 1004*
    - 4. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
  - D. Unfair Trade Practices**  
*Ref: 33-18 - 101--1006*
    - 1. False advertising
    - 2. Rebating
    - 3. Misrepresentation
    - 4. Unfair discrimination  
*Ref: ARM 6.6.1201-1206; 49-2-309; 33-18-206*
    - 5. Unfair claims practices  
*Ref: 33-1-1205; 33-18-201, 232*
    - 6. Penalties  
*Ref: 33-18-1004, 1005*

- E. Rate and Form Regulation**  
*Ref: 33-1-501 — 502; 33-16-101 – 103, 201– 204*
- F. Life and Health Insurance Guaranty Fund**  
*Ref: 33-10-201 – 205, 224, 227*

**II. MONTANA STATUTES AND RULES PERTINENT TO CREDIT LIFE AND DISABILITY INSURANCE.....14**

- A. Credit Life Insurance, GAP, IUI**  
*Ref: 33-1-216, 217; 33-21-102 — 207 ; ARM 6.6.1101,— 1111*
- B. Credit Disability Insurance, Mortgage Insurance, GAP, IUI**  
*Ref: 33-1-216, 217, 219; ARM 6.6.1103—1111*

**MONTANA TITLE INSURANCE  
CONTENT OUTLINE**

*(35 scored questions)*

- I. MONTANA STATUTES AND RULES COMMON TO ALL LINES OF INSURANCE.....10**
  - A. Insurance Commissioner/Department**
    - 1. Broad powers and duties  
*Ref: 33-1-301 — 306; 33-18-1003 — 1005*
    - 2. Examination of records  
*Ref: 33-1-311, 401 – 402, 408-411, 413, 33-17-1101*
    - 3. Cease and desist orders  
*Ref: 33-1-313 – 316, 318; 33-1-701, 705, 707, 711*
    - 4. Penalties  
*Ref: 33-1- 313, 317*
  - B. Licensing Requirements**
    - 1. Eligibility for license  
*Ref: 33-17-201 — 211*
    - 2. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001, 1002,1004; 33-25-401*
  - C. Unfair Trade Practices**
    - 1. False advertising  
*Ref: 33-18-202 — 203*
    - 2. Rebating  
*Ref: 33-18-210; 33-25-401; ARM 6.6.2203*
    - 3. Twisting  
*Ref: 33-18-204*
    - 4. Misrepresentation  
*Ref: 33-18-202, 205*
    - 5. Defamation  
*Ref: 33-18-302*
    - 6. Unfair claims practices  
*Ref: 33-18-201, 232*
    - 7. Boycot, coercion, and intimidation  
*Ref: 33-18-303*
    - 8. Other prohibited practices  
*Ref: 33-25-202, 401 — 403*
    - 9. Penalties  
*Ref: 33-18-233, 1004 — 1005; 33-25-402*
  - D. Place of Business/Recordkeeping**  
*Ref: 33-17-1101; 33-25-214, 216; ARM 6.6.2202(14)*
  - E. Rates**  
*Ref: 33-25-105, 212*
  - F. Montana Insurance Guaranty Fund**  
*Ref: 33-2-517, 1303; 33-25-211*
- II. MONTANA STATUTES AND RULES PERTINENT TO TITLE INSURANCE..... 7**

- A. Definitions**  
*Ref: 33-24-105*
- B. Powers and Duties of Title Insurance Companies**  
*Ref: 33-25-201, 213 — 216; ARM 6.6.2201*
- C. Escrow, Closing, or Settlement Services**  
*Ref: ARM 6.6.2202*

**III. TITLE INSURANCE TERMS AND RELATED CONCEPTS..... 18**

- A. Terms/Concepts**  
*Ref: Standard insurance textbooks and policies*
  - 1. Encumbrance
  - 2. Encroachment
  - 3. Endorsement
  - 4. Deed
    - a. Quitclaim deed
    - b. Deed on conveyance
    - c. Deed of trust
  - 5. Lien
  - 6. Tenancy in common
  - 7. Riparian rights
  - 8. Mortgagor/mortgagee
  - 9. Subrogation
  - 10. Fee simple
  - 11. Simultaneous issue
  - 12. Title defect
  - 13. Real property
  - 14. Survey of property
  - 15. Easement
- B. Agent/Title Organizations**
- C. Premium Payments**
- D. Loss Payments**
- E. Description of a Property**
- F. Types of Title Policies (standard and extended coverages)**
  - 1. Owner's policy
  - 2. Standard Title policy
  - 3. Lender's policy
- G. Policy Contents**
  - 1. Provisions
  - 2. Exclusions
  - 3. Exceptions
  - 4. Covered risks
  - 5. Schedule A
  - 6. Schedule B-II

**MONTANA ADJUSTER CONTENT OUTLINE**  
*(88 scored questions)*

**I. TYPES OF PROPERTY POLICIES .....15**

- A. Personal lines**
  - 1. Dwelling and contents (DP forms)
  - 2. Personal liability
  - 3. Homeowners (HO forms)
  - 4. Mobile Homes
- B. Commercial lines**
  - 1. Commercial property
    - a. Commercial building and personal property form
    - b. Causes of loss forms
    - c. Business income
    - d. Extra expense
  - 2. Commercial Package Policy (CPP)

- 3. Boiler and machinery coverage forms
- 4. Businessowners Policy (BOP)

**C. Inland marine**

- 1. Personal floaters
- 2. Commercial floaters
- 3. Valuable Papers

**D. Additional coverages and exclusions**

- 1. Flood
- 2. Personal Watercraft
- 3. Commercial Ocean Marine
- 4. Business Interruption
- 5. Time Element
- 6. Ordinance and Law
- 7. Valuable Paper and Records

**II. TYPES OF CASUALTY POLICIES.....15**

- A. Commercial general liability**
  - 1. Premises and operations liability
  - 2. Products and completed operations liability
  - 3. Contractual liability
  - 4. Medical payments
  - 5. Owners and contractors protective liability
- B. Automobile: personal (family) auto and business (commercial) auto**
  - 1. Liability
  - 2. Physical damage (collision and comprehensive)
  - 3. Uninsured motorists
  - 4. Underinsured motorists
  - 5. Named insureds
  - 6. Insureds
  - 7. Owned automobile
  - 8. Nonowned automobile
  - 9. Temporary substitute auto
- C. Commercial crime**
  - 1. Coverage forms
    - a. Theft, disappearance, and destruction
    - b. Robbery and safe burglary
    - c. Premises burglary
    - d. Premises theft and robbery outside premises
- D. Professional liability**
- E. Umbrella/excess liability**

**III. SURETY BONDS..... 3**

- A. Types of bonds**  
*Ref: 33-1-211; 33-26-101 — 108*
  - 1. Bid
  - 2. Contract
  - 3. Maintenance
  - 4. Performance
- B. Parties to a bond**
  - 1. Principal
  - 2. Oblige
  - 3. Surety

**IV. INSURANCE TERMS AND RELATED CONCEPTS..... 17**

- A. Insurance**
- B. Insurable interest**
- C. Risk**
- D. Hazard**
- E. Peril**
- F. Loss**
  - 1. Direct
  - 2. Indirect
- G. Proximate cause**
- H. Deductible**

I. Indemnity	
J. Actual cash value	
K. Fair market value	
L. Replacement cost	
M. Other Insurance	
N. Coinsurance/Insurance to value	
O. Pair and set clause	
P. Extensions of coverage	
Q. Additional coverages	
R. Accident	
S. Occurrence	
T. Cancellation	
U. Nonrenewal	
V. Vacancy and unoccupancy	
W. Right of salvage	
X. Abandonment	
Y. Liability	
Z. Negligence	
AA.Robbery	
BB.Burglary	
CC.Tariff liability	
DD. Independent Adjuster	
<b>V. POLICY PROVISIONS AND CONTRACT LAW.....14</b>	
A. Declarations	
B. Insuring agreement	
C. Conditions	
D. Exclusions	
E. Definition of the insured	
F. Duties of the insured	
G. Obligations of the insurance company	
H. Mortgagee rights	
I. Proof of loss	
J. Notice of claim	
K. Appraisal	
L. Other Insurance Provision	
M. Assignment	
N. Subrogation	
O. Arbitration	
P. Elements of a contract	
Q. Warranties, representations, and concealment	
R. Binders	
S. Loss settlement	
T. Claims made	
<b>VI. MONTANA STATUTES AND RULES PERTINENT TO ALL ADJUSTERS.....8</b>	
<b>A. Commissioner of Insurance</b>	
1. Broad powers and duties	<i>Ref.:33-1-301 — 306; 33-18-1003 — 1005</i>
2. Examination of records	<i>Ref.:33-1-401-402, 408-411, 413</i>
3. Investigations/Notice of hearing	<i>Ref.:33-1-701</i>
4. Penalties	<i>Ref.:33-1- 317; 33-18-1003 — 1005</i>
<b>B. Adjuster licensing</b>	
1. License requirements	<i>Ref.:33-17-301; ARM 6.6.1601 — 1616</i>
2. License suspension and revocation	<i>Ref.: 33-17-1001,1002, 1004</i>
3. Definitions	<i>Ref.:33-17-301, ARM 6.6.1611</i>
<b>C. Trade practices</b>	
1. Unfair claims practices	<i>Ref.: 33-18-201, 1205</i>
2. Claim settlement practices	<i>Ref.: 33-18-232 — 233</i>
3. Misrepresentation	<i>Ref.: 33-18-202</i>
4. Unfair discrimination	<i>Ref.: 33-18-210</i>
<b>D. Montana Insurance Guaranty Association</b>	<i>Ref.:33-10-101 — 105, 115 — 117</i>
<b>E. Insurance Information &amp; Privacy Protection Act</b>	<i>Ref.:33-19-102 — 409</i>
<b>F. Basic contract language</b>	<i>Ref.:33-15-101 — 103</i>
<b>G. Insurance Fraud Protection Act</b>	<i>Ref.:33-1-1201 — 1211</i>
<b>H. Premium financing</b>	<i>Ref.:33-14-301, 303, 304</i>
<b>VII. MONTANA STATUTES AND RULES PERTINENT TO PROPERTY INSURANCE ONLY..... 8</b>	
<b>A. Property insurance</b>	
1. Defined	<i>Ref.: 33-1-210</i>
2. Specific valuation	<i>Ref.: 33-24-101 — 103</i>
3. Valued Policy Law	<i>Ref.: 33-24-102 — 103</i>
<b>B. Inland/Ocean Marine Insurance</b>	
1. Defined	<i>Ref.: 33-1-209, 221 — 228</i>
2. Exceptions	<i>Ref.: 33-1-229</i>
<b>C. Cancellation/Nonrenewal</b>	<i>Ref.: 33-15-1101 — 1107, 1111, 1121; 33-23-401</i>
<b>D. Daycare/Homeowners</b>	<i>Ref.: 33-15-1103, 1111</i>
<b>VIII. MONTANA STATUTES AND RULES PERTINENT TO CASUALTY INSURANCE ONLY..... 8</b>	
<b>A. Casualty Insurance defined</b>	<i>Ref.: 33-1-206</i>
<b>B. Automobile Insurance/Financial Responsibility</b>	<i>Ref.:MCA 61-6-101 — 103, 124 — 139, 151, 201</i>
1. Required limits BI/PD	<i>Ref.: 33-23-203 — 204; MCA 61-6-301 — 304</i>
2. Uninsured Motorists-defined	<i>Ref.: 33-23-201</i>
3. Mature defensive Driving Act	<i>Ref.: 33-16-221 — 225</i>
4. Comparative negligence	<i>Ref.: 27-1-701 — 702</i>
5. Cancellation/nonrenewal	<i>Ref.: 33-23-211 — 217</i>
<b>C. Professional liability insurance</b>	<i>Ref.: 33-9-101, 33-23-301 — 302</i>

# LIFE AND DISABILITY CONSULTANT CONTENT OUTLINE

## Product Knowledge, Terms and Concepts (100 scored questions)

Ref.: Unless otherwise indicated, Suggested courses: The American College Courses (HS 311, 323, 324, 330,331). Other standard insurance texts may be used.

### I. TYPES OF LIFE POLICIES

#### A. Traditional whole life products

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Modified whole life
4. Adjustable life

#### B. Interest-sensitive life products

1. Universal life
2. Variable whole life
3. Variable universal life
4. Interest-sensitive whole life

#### C. Term life

1. Level, decreasing, and increasing term
2. Special features
  - a. Renewable
  - b. Convertible
  - c. Reentry

#### D. Annuities

1. Single, level, and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Refund

#### E. Endowment

#### F. Combination plans and variations

1. Juvenile
2. Joint life
3. Survivorship life

### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS

#### A. Policy riders

1. Waiver of premium
2. Guaranteed insurability
3. Accidental death and/or accidental death and dismemberment
4. Term riders
5. Other insureds (e.g., spouse, children, nonfamily)

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look
4. Consideration
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Changes
  - d. Common disaster
7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
8. Reinstatement
9. Policy loans, withdrawals, partial surrenders

10. Nonforfeiture options
11. Dividends and dividend options
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age
16. Settlement options

#### C. Policy exclusions

### III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY

#### A. Completing the application

1. Required signatures
2. Changes in the application
3. Consequences of incomplete applications
4. Warranties and representations
5. Collecting the initial premium and issuing the receipt

#### B. Underwriting

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Calculations (ex. human life value)

#### C. Delivering the policy

1. When coverage begins
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

### IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS

#### A. Third-party ownership

#### B. Group life insurance

1. Conversion privilege
2. Contributory vs. noncontributory

#### C. Retirement plans

1. Tax-qualified plans
2. Nonqualified plans

#### D. Business insurance (e.g., key employee, buy and sell agreement, split-dollar, etc.)

#### E. Social Security benefits and taxes

#### F. Tax treatment of insurance premiums, proceeds, dividends

1. Individual life
2. Group life
3. Gifts
4. Modified Endowment Contracts (MECs)
5. Tax Sheltered Annuity (TSAs)

#### G. Accelerated Death Benefits—Living Benefits

### V. TYPES OF HEALTH/DISABILITY POLICIES

#### A. Disability income

1. Individual disability income policy
2. Business overhead expense policy
3. Business disability buyout policy
4. Group disability income policy

#### B. Accidental death and dismemberment

#### C. Medical expense insurance

1. Basic hospital, medical, and surgical policies
2. Major medical policies
3. Comprehensive major medical policies
4. Health Maintenance Organizations (HMOs)
5. Preferred provider organizations (PPOs)
6. Multiple Employer Trusts (METs)

- 7. Multiple Employer Welfare Association (MEWAs)
  - 8. Service organizations (Blue Plans)
  - D. Medicare supplement policies**
  - E. Group insurance**
    - 1. Group conversion
    - 2. Differences between individual and group contracts
    - 3. General concepts
    - 4. COBRA
    - 5. HIPPA
  - F. Long Term Care**
- VI. POLICY PROVISIONS, CLAUSES, AND RIDERS**
- A. Mandatory provisions**
    - 1. Entire contract
    - 2. Time limit on certain defenses (incontestable)
    - 3. Grace period
    - 4. Reinstatement
    - 5. Notice of claim
    - 6. Claim forms
    - 7. Proof of loss
    - 8. Time of payment of claims
    - 9. Payment of claims
    - 10. Physical examination and autopsy
    - 11. Legal actions
    - 12. Change of beneficiary
  - B. Optional provisions**
    - 1. Change of occupation
    - 2. Misstatement of age
    - 3. Illegal occupation
  - C. Other provisions and clauses**
    - 1. Insuring clause
    - 2. Free look (10-day, 20-day, etc.)
    - 3. Consideration clause
    - 4. Probationary period
    - 5. Elimination period
    - 6. Waiver of premium
    - 7. Exclusions
    - 8. Preexisting conditions
    - 9. Recurrent disability
    - 10. Coinsurance
    - 11. Deductibles
    - 12. Assignment
  - D. Riders**
    - 1. Impairment rider
    - 2. Guaranteed insurability rider
    - 3. Multiple indemnity rider (double, triple)
  - E. Rights of renewability**
    - 1. Noncancelable
    - 2. Cancelable
    - 3. Guaranteed renewable
    - 4. Conditionally renewable
    - 5. Optionally renewable
    - 6. Period of time
- VII. SOCIAL INSURANCE**
- A. Medicare**
    - 1. Primary, secondary payor
  - B. Medicaid**
  - C. Social Security benefits**
- VIII. OTHER INSURANCE CONCEPTS**
- A. Total, partial, and residual disability**
- B. Owner's rights**
  - C. Dependent children benefits**
  - D. Primary and contingent beneficiaries**
  - E. Modes of premium payments (annual, semiannual, etc.)**
  - F. Nonduplication and coordination of benefits (e.g., primary vs. excess)**
  - G. Occupational vs. nonoccupational**
  - H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)**
  - I. Managed care**
- IX. FIELD UNDERWRITING PROCEDURES**
- A. Completing application and obtaining necessary signatures**
  - B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)**
  - C. Upon payment of initial premium, giving prospect conditional receipt and explaining the effect of that receipt (e.g., medical examination, etc.)**
  - D. Submitting application (and initial premium if collected) to company for underwriting**
  - E. Assuring delivery of policy to client**
  - F. Explaining policy and its provisions, riders, exclusions, and ratings to clients**
  - G. In cases where initial premium did not accompany application, obtaining signed statement of continued good health and obtaining premium for transmittal**
  - H. Contract law**
    - 1. Requirements of a contract
    - 2. Insurable interest
    - 3. Warranties and representations
    - 4. Unique aspects of the health contract
      - a. Conditional
      - b. Unilateral
      - c. Adhesion
- X. MONTANA STATUTES AND RULES PERTINENT TO LIFE AND DISABILITY INSURANCE CONSULTANTS**  
*Ref.: 33-17-501-512; 33-17-1203*
- A. Licensing requirements**
    - 1. Consultant
    - 2. Agreements
    - 3. License maintenance
    - 4. License revocation or suspension
  - B. Consultant practices, responsibilities, and duties**
    - 1. Solicitation and disclosures
    - 2. Advertising
    - 3. Standard practices
    - 4. Cost comparison methods
  - C. Unfair/Prohibited Practices**  
*Ref.: 33-18-101--1006; ARM 6.6.1201-1203*
    - 1. Rebating
    - 2. Defamation
    - 3. Discrimination
    - 4. Misrepresentation
  - D. Montana Life and Health Insurance Guaranty Association**  
*Ref.: 33-10-201, 205, 210, 224, 227*

# PROPERTY AND CASUALTY CONSULTANT CONTENT OUTLINE

(100 scored questions)

*Ref: Unless otherwise indicated, Standard textbooks; The Institute's Accredited Advisor in Insurance (AAI 81, 82, 83). Insurance Accounting and Systems Assn. text; NAIC accounting manual and supplement. Other materials may be used.*

## I. PRINCIPLES OF RISK MANAGEMENT

### A. Pure risk vs. speculative risk

### B. Risk management process

1. Identifying and analyzing loss exposures
2. Selecting method to handle each exposure
3. Implementing the risk management strategy
4. Monitoring the risk management system and making changes when appropriate

### C. Nature of property loss exposures

1. Property exposed to loss
2. Causes of loss
3. Consequences of loss

### D. Nature of liability loss exposures

1. Legal liability
2. Civil liability
  - a. Tort liability
    - (1) Intentional
    - (2) Negligence
    - (3) Strict
    - (4) Exemplary/punitive
    - (5) Immunity

### E. Contract law as it relates to insurance

### F. Types of insurers

### G. Reinsurance

## II. FUNDAMENTALS OF FINANCIAL ANALYSIS

### A. Financial statements

1. Balance sheet
2. Income statement
3. Sources and uses of funds statement

### B. Ratio analysis

1. Liquidity
2. Activity
3. Financial leverage
4. Profitability

### C. Inventory valuation methods

## III. PROPERTY INSURANCE POLICIES AND FORMS

### A. Personal lines

1. HO forms
2. DP forms

### B. Commercial lines

1. Building and personal property coverage form
2. Causes of loss forms
3. Business income coverage form
4. Extra expense coverage form
5. Businessowners policy (BOP)
6. Boiler and Machinery
7. Commercial Package Policy (CPP)
8. Commercial property policies

### C. Inland marine

1. Coverages and policy provisions
2. Commercial and Personal floaters
3. Commercial inland marine

### D. Ocean marine

1. Cargo
2. Commercial ocean marine

### E. Other insurance

1. Flood
2. Aviation

## IV. CASUALTY INSURANCE POLICIES AND FORMS

### A. Commercial General Liability (CGL)

1. Premises and operations liability
2. Products and completed operations liability
3. Contractual liability
4. Personal and advertising liability
5. Medical payments
6. Owners and contractors protective liability
7. Occurrence coverage
8. Claims made coverage

### B. Auto: Personal and Commercial

1. Liability
2. Physical damage (collision and comprehensive)
3. Named insureds
4. Garage coverage forms
5. Lease Gap
6. Owned auto
7. Nonowned auto
8. Temporary substitute auto

### C. Workers Compensation/Employer's liability

*Ref.: Standard insurance text; 39-71-401-409; 411-413*

1. Policy concepts
2. Rating plans
3. NCCI Experience modifications

### D. Crime coverage

1. Employee dishonesty
2. Theft, Disappearance, and Destruction
3. Robbery and safe burglary
4. Premises burglary
5. Custodian
6. Messenger
7. Guard or watchperson
8. Fidelity and surety bonds

### E. Professional liability

### F. Umbrella/Excess liability

### G. Directors and Officers liability

### H. Employment Practices liability

## V. PROPERTY AND CASUALTY POLICY PROVISIONS, TERMS, AND CONCEPTS

### A. Perils

### B. Risk

### C. Coinsurance

### D. Appraisal

### E. Subrogation

### F. Premiums

### G. Actual cash value

### H. Duties of the insurer

### I. Cancellation

### J. Binders

## VI. MONTANA STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY INSURANCE CONSULTANTS

### A. LICENSING REQUIREMENTS

*Ref.: 33-17-501-512; 33-17-1203*

1. Consultant
2. Agreements

3. License maintenance
  4. License revocation or suspension
- B. Consultant practices, responsibilities, and duties**
- C. Unfair/prohibited practices**  
*Ref.: 33-18-101—1006; ARM 6.6.1201-1203*
1. Rebating
  2. Defamation
  3. Discrimination
  4. Misrepresentation
- D. Surplus lines**  
*Ref.: 33-2-301— 306, 308, 310 — 311, 313, 317*
- E. Risk retention groups**  
*Ref.: 33-11-101--103, 104*
- F. Montana Insurance Guaranty Association**  
*Ref.: 33-10-101 — 105, 115 — 117*

## MONTANA SURETY CONTENT OUTLINE

(20 scored questions)

*Ref: General Textbooks; 33-1-211 and 33-26-101 — 108*

- I. FIDELITY AND SURETY CONTRACTS.....8**
- A. Definition of fidelity and surety**
  - B. Parties of a contract**
  - C. Obligation of the surety**
  - D. Parties to the surety**
    1. Principal
    2. Obligee
    3. Surety
  - E. Underwriting considerations**
  - F. Premiums and terms of obligations**
  - G. Claims**
  - H. Power of attorney**
- II. PURPOSE AND TYPE OF SURETY BONDS...6**
- A. Public official**
  - B. Court**
    1. Judicial
    2. Fiduciary
  - C. Miscellaneous**
  - D. Contract**
  - E. License**
- III. PURPOSE AND TYPE OF FIDELITY BONDS....2**
- A. Individual**
  - B. Blanket**
  - C. Financial institutions**
    1. Bankers Form 24
- IV. BAIL BONDS.....4**
- A. Surety bail bond**
  - B. Surety bond fee**
  - C. Acceptable collateral**

## MONTANA CROP INSURANCE

(50 scored questions)

The following are examination reference resources:

- The Montana Risk Management Agency website at: <https://www.rma.usda.gov/en>
- The Montana codes are online at: <https://leg.mt.gov/statute/>
- Individual Crop Insurance companies

- I. GENERAL INSURANCE TERMS AND CONCEPTS.....14**
- A. Insurable interest**
  - B. Risk**
  - C. Hazard**
  - D. Peril**
  - E. Loss**
    1. Direct
    2. Indirect
  - F. Indemnity**
  - G. Limits of Liability**
  - H. Occurrence**
  - I. Negligence**
  - J. Insuring Agreement**
  - K. Subrogation**
  - L. Binder**
- II. CROP INSURANCE.....18**
- A. Policy rates**
  - B. Coverages available**
  - C. Policy provisions**
  - D. Liability**
  - E. Claim Settlement Practices**
    1. Claims site assessment
      - a. Site testing
      - b. Standard measures
      - c. Location
    2. Notice of loss
    3. Insured's duties
    4. Percentage plan
    5. Arbitration and appraisal
    6. Loss payment
  - F. Cancellation and nonrenewal**
- III. MULTIPLE PERIL INSURANCE.....10**
- IV. MONTANA STATUTES AND RULES PERTINENT TO ALL ADJUSTERS.....8**
- A. Commissioner of Insurance**
    1. Broad powers and duties  
*Ref.:33-1-301 — 306; 33-18-1003 — 1005*
    2. Examination of records  
*Ref.:33-1-402*
    3. Investigations/Notice of hearing  
*Ref.:33-1-701*
    4. Penalties  
*Ref:33-1-104, 315, 317; 33-18-1003 — 1005*
  - B. Adjuster licensing**
    1. License requirements  
*Ref.: 33-17-301; ARM 6.6.1601 — 1616*
    2. License suspension and revocation  
*Ref.: 33-17-1001, 1002, 1004*
    3. Definitions  
*Ref.:33-17-301, ARM 6.6.1611*
  - C. Trade practices**
    1. Unfair claims practices  
*Ref.: 33-18-201, 1205*
    2. Claim settlement practices  
*Ref.: 33-18-232 — 233*
    3. Misrepresentation  
*Ref.: 33-18-202*
    4. Discrimination  
*Ref: 33-18-210*
  - D. Insurance Information & Privacy Protection Act**  
*Ref.:33-19-102 — 409*

**MT PUBLIC ADJUSTER  
CONTENT OUTLINE**  
**Product Knowledge, Statutes and Rules**

*(50 scored questions)*

**I. GENERAL PROPERTY INSURANCE PRODUCT KNOWLEDGE PERTINENT TO PUBLIC ADJUSTERS**

**Note:** To the extent that the specific contracts, forms, and endorsements dealt with in this outline are available in standardized versions, outline references are to items developed by (1) ISO; (2) NCCI; (3) Surety Association of America.

**A. Standard Fire Policy**

*Ref: New York Standard Fire Policy Ref: 515.138*

1. Basic coverages, provisions, and clauses
2. Limitations and restrictions

**B. Personal lines**

1. Dwelling and contents (DP forms)
2. Homeowners (HO forms)

**C. Commercial lines**

1. Commercial property
  - a. Commercial building and personal property form
  - b. Business income
2. Law and Ordinance Coverage

**D. Inland marine**

1. Personal floaters
2. Commercial floaters

**E. Others**

1. National Flood Insurance Program

**F. Additional Coverages and Exclusions**

1. Time Element
2. Valuable Papers and Records

**G. Crime**

1. Employee Theft
2. Inside the Premises-Theft of Money and Securities
3. Inside the Premises-Robbery or Safe Burglary of Other Property

**H. Surety Bonding**

1. Definitions
  - a. Obligee
  - b. Principal
  - c. Surety

**II. PROPERTY POLICY PROVISIONS AND CONTRACT LAW**

**A. Declarations**

**B. Exclusions**

**C. Definition of the insured**

**D. Proof of loss**

**E. Notice of claim**

**F. Appraisal**

**G. Subrogation**

**H. Limitations**

**I. Coinsurance**

**J. Fraud**

**III. PROPERTY INSURANCE TERMS AND RELATED CONCEPTS**

**A. Insurable interest**

**B. Risk**

**C. Hazard**

1. Moral

**D. Loss**

1. Direct

2. Indirect

**E. Deductible**

**F. Indemnity**

**G. Replacement cost**

**H. Extensions of coverage**

**I. Negligence**

**J. Theft**

**K. Burglary**

**L. Robbery**

**M. Binders**

**N. Apportionment clause**

**O. Waiver/Non-Waiver Agreement**

**P. Estoppel**

**IV. PUBLIC ADJUSTER**

**A. Loss Report**

1. Essential Elements
  - a. Occurrence Date
  - b. Coverages

**B. Loss/Damage Valuation**

1. Damages
2. Scope of Loss or Damages

**V. MONTANA STATUTES AND RULES PERTINENT TO PROPERTY INSURANCE AND THE LICENSING OF PUBLIC ADJUSTERS**

**A. Definitions**

*Ref: 33-17-102; 33-17-301*

1. Persons required to be licensed and their responsibilities
  - a. Public Adjuster
2. License requirements
  - a. Fees and application
  - b. Prerequisites
  - c. Exceptions to licensing
3. Notice of address change
4. Contracts and Solicitation of Contracts

**B. Marketing Practices**

*Ref: 33-17-1101; 33-17-1001; 33-18-201 — 202*

1. Duties of licensed personnel
2. Record keeping
3. License denial, suspension, revocation, and Penalties
4. Ethics
5. Unfair practices
  - a. Misrepresentation
  - b. Unfair claims settlement practices

**C. Insurance Commissioner**

*Ref: 33-1-301 — 306, 313 — 317; 701 — 711; 33-18-1003 — 1005*

1. Broad powers and duties
2. Hearings
3. Cease and desist orders and penalties
4. General penalties



# MONTANA PREPAID LEGAL CONTENT OUTLINE

(50 scored questions)

## I. PREPAID LEGAL SERVICE PLAN GENERAL PRODUCT KNOWLEDGE, CONCEPTS AND TERMINOLOGY

*Ref: 33-1-215, Prepaid legal service contracts*

### A. TYPES OF POLICIES AND COVERAGES

1. Individual and family policy coverages
  - a. Legal Consultation
    - i. Exclusions and Limitations
  - b. Attorney Letters
    - i. Exclusions and Limitations
  - c. Document review
    - i. Exclusions and Limitations
  - d. Wills and Estate Planning
    - i. Exclusions and Limitations
  - e. Discounted legal services
    - i. Exclusions and Limitations
  - f. Other covered services
    - i. Exclusions and Limitations
  - g. Insureds
  - h. General Exclusions and Limitations
    - i. Illegal acts
    - ii. Frivolous acts
    - iii. Indefensible acts
    - iv. Court costs
    - v. Fines and penalties
    - vi. Expert witness fees
    - vii. Out of pocket expenses
    - viii. Legal issues outside U.S.
    - ix. Retainer fees
    - x. Other
2. Other types of policies
  - a. Small business
  - b. Commercial drivers
  - c. Employee benefits

### B. Producer conduct and responsibilities

1. Dispensing of legal advice
2. Unethical marketing practices

### C. Delivery of legal services

1. Ethical and professional responsibilities of attorneys

### D. Prepaid legal service plan terminology

1. Prepaid legal service plan
2. Legal maintenance organization (LMO)
3. Prepaid legal service plan insurance
4. Legal plan

## II. MONTANA STATUTES AND RULES PERTINENT TO PREPAID LEGAL INSURANCE

### A. Insurance Commissioner/Department

1. Broad powers and duties  
*Ref: 33-1-301– 306; 33-18-1003 — 1005*
2. Examination of records  
*Ref: 33-1-311; 401 —402, 408-411, 413; 33-17-1101*
3. Cease and desist orders  
*Ref: 33-1-313 — 316, 701, 705, 707, 711; 33-18-1004 — 1005*
4. Penalties  
*Ref: 33-1-317*

## B. Licensing Requirements

1. Definitions  
*Ref: 33-17-102 — 103, 236*
2. Nonresident/reciprocal producer  
*Ref: 33-17-20, 406 — 411; 33-20-1303*
3. Continuing education  
*Ref: 33-17-1203 — 1207*
4. Temporary licenses  
*Ref: 33-17-216 — 217*
5. Eligibility for license  
*Ref: 33-17-201, 211*
6. Suspension, revocation, and termination of licenses  
*Ref: 33-17-1001 ,1002, 1004*
7. Producer appointment/contract cancellation  
*Ref: 33-17-231 — 232, 236*
8. Resident producer  
*Ref: 33-17-201, 220, 1005; 33-20-1303*

## C. Unfair Trade Practices

- Ref: 33-18-101—1006*
1. False advertising
  2. Rebating
  3. Misrepresentation
  4. Defamation
  5. Unfair discrimination  
*Ref: 49-2-30-9; ARM 6.6.1201 — 1206*
  6. Unfair claims practices  
*Ref: 33-1-1205; 33-18-201, 232*
  7. Penalties  
*Ref: 33-18-1004 — 1005*

## D. Licensee Responsibilities

1. Fiduciary capacity  
*Ref: 33-17-1102*
2. Place of business/recordkeeping  
*Ref: 33-17-1101*
3. Principal producer relationship  
*Ref: 28-10-101 — 704*

## E. Rate and Form Regulations

*Ref: 33-1-501 — 502; 33-16-101 —103, 201 — 204*

## F. Insurance Information & Privacy Protection Act

*Ref: 33-19-102 — 409*

## G. Basic Contract Language

*Ref: 33-15-101 — 103*

## H. Insurance Fraud Protection Act

*Ref: 33-1-1201 — 1211*