# South Dakota Insurance Supplement

# **Examination Content Outlines**

Effective Date: March 1, 2024

# LIFE-GENERAL KNOWLEDGE CONTENT OUTLINE

# Product Knowledge, Terms and Concepts

(50 scored 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, RIDER, OPTIONS, AND EXCLUSIONS 15

# A. Policy riders

- 1. Waiver of premium and waiver of monthly deduction
- 2. Guaranteed insurability
- 3. Payor benefit
- 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
- c. 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
- Dividends and dividend options (e.g. participating, nonparticipating)
- 12. Incontestability
- 13. Assignments
- 14. Suicide
- 15. Misstatement of age and 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 POLICES.....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 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 SOUTH DAKOTA SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations (25 scoreable questions plus 5 pretest questions)

- I. SD STATUTES, RULES, AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, AND CASUALTY INSURANCE........17
  - A. Director of Insurance

Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168, 170; Reg 20:06:01:05:01

- 1. Duties and powers
- 2. Examination of records
- 3. Hearings/notice of hearings
- 4. Penalties (and fines)
- 5. Cease and desist orders
- **B.** Insurance Definitions

Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1

- 1. Acts constituting an insurance transaction
- 2. Domestic, foreign and alien company
- 3. Fraternals
- 4. Authorized and unauthorized companies
- 5. Stock and mutual companies
- 6. Certificate of authority
- C. Licensing

Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52, 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157, 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04, 20:06:09-10, 20:06:12-13, 20:06:18

- 1. Types of licenses
  - a. Producer
  - b. Resident/Nonresident
  - c. Temporary license
  - d. Business entity
- 2. Qualifications for obtaining a license

- a. Exemptions/Exceptions
- b. License denial
- 3. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting of actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
- 4. Appointments
  - a. Termination of appointment

# D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD 20:06:18:21, 58-30-196, 58-33-66

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- 5. Response to Division inquiries

# E. Life and Health Insurance Guaranty Association

Ref: 58-29C-62

- 1. Purpose and disclaimer
- 2. Advertising

#### F. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78, 125; ARSD 20:08:07:27; Bulletin 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation
  - h. Rebating
  - i. Twisting
  - j. Unfair discrimination
  - k. Acting without a license
  - I. Larceny
  - m. Prohibited fees/ premiums/ extra charges
  - n. Loans
  - o. Notification of suspected fraud
- 2. Unfair claims settlement practices

## G. Policy delivery and receipt

Ref: 58-15-8.2

## H. Insurance Fraud Regulation

Ref: 58-4A-1-17

# II. SD STATUTES, RULES, AND REGULATIONS PERTINENT TO LIFE INSURANCE ONLY.....8

# A. Marketing practices

Ref. 58-10-3-6, 58-33-117 through 130; Reg Ch. 20:06:10:02-20. 20:06:38:01-23

- 1. Advertising and sales
  - a. Advertising
  - b. Illustrations
  - c. Insurable Interest

| d. Nonforfeiture Law                                      | 4. Critical illness or specified disease                  |
|---|---|
| 2. Military sales   | 5. Worksite (employer-sponsored)                          |
| B. Policy replacement                                     | 6. Hospital indemnity                                     |
| Ref: Reg. 20:06:08:60 through 63                          | 7. Short-term medical                                     |
| 1. Purpose  | 8. Accident   |
| 2. Definitions  | II DOLICY PROVISIONS OF AUGES AND DIDERS                  |
| 3. Exemptions   | II. POLICY PROVISIONS, CLAUSES, AND RIDERS 15             |
| 4. Duties of producer                                     | A. Mandatory and optional provisions                      |
| 5. Duties of replacing insurance company                  | 1. Entire contract  |
| C. Individual life and annuity                            | 2. Time limit on certain defenses (incontestable)         |
| Ref: 58-11-36, 58-12-4, 58-15-8.1, 13, 15.6 through 15.11 | 3. Grace period   |
| 1. Free Look  | 4. Reinstatement  |
| 2. Grace period   | 5. Notice of claim  |
| 3. Policy Loans   | 6. Claim forms  |
| 4. Assignment   | 7. Proof of loss  |
| D. Group Life   | 8. Time of payment of claims                              |
| Ref: 58-11-36; 58-12-4; 58-16-4 thur 6, 39-41; HB 1194    | 9. Payment of claims                                      |
| Group underwriting requirements                           | 10. Physical examination and autopsy                      |
| Conversion to individual Policy                           | 11. Legal actions   |
| 3. Dependent Coverage                                     | 12. Change of beneficiary                                 |
| 4. Assignment   | 13. Misstatement of age or sex                            |
| E. Annuities  | 14. Change of occupation                                  |
| Ref: SDCL 58-33A; 1-11-4.1 &2; Reg. 20:06:07:03, 08       | 15. Illegal occupation                                    |
| Suitability and best interest                             | 16. Relation of earnings to insurance                     |
| 2. Consumer Protection                                    | B. Other provisions and clauses                           |
| 3. Regulation of variable products (SEC, FINRA and        | 1. Insuring clause  |
| South Dakota)   | 2. Free look  |
| ,   | 3. Consideration clause                                   |
| HEALTH-GENERAL KNOWLEDGE                                  | 4. Probationary period                                    |
| CONTENT OUTLINE   | 5. Elimination period                                     |
| Product Knowledge, Terms and Concepts                     | 6. Waiver of premium                                      |
| (50 scored plus 5 pretest questions)                      | 7. Exclusions and limitations                             |
|   | 8. Preexisting conditions                                 |
| I. TYPES OF POLICIES16                                    | 9. Coinsurance  |
| A. Disability income                                      | 10. Deductibles   |
| Individual disability income policy                       | 11. Eligible expenses                                     |
| 2. Business overhead expense policy                       | 12. Copayments  |
| 3. Business disability buyout policy                      | 13. Pre-authorizations and prior approval requirements    |
| Group disability income policy                            | 14. Usual, reasonable, and customary (URC) charges        |
| 5. Key employee policy                                    | 15. Lifetime, annual, or per cause maximum benefit limits |
| B. Accidental death and dismemberment                     | C. Riders   |
| C. Medical expense insurance                              | 1. Impairment/exclusions                                  |
| Basic hospital, medical, and surgical policies            | 2. Guaranteed insurability                                |
| 2. Major medical policies                                 | 3. Future increase option                                 |
| 3. Health Maintenance Organizations (HMOs)                | D. Rights of renewability                                 |
| 4. Preferred Provider Organizations (PPOs)                | 1. Noncancelable  |
| 5. Point of Service (POS) plans                           | 2. Cancelable   |
| 6. Flexible Spending Accounts (FSAs)                      | Guaranteed renewable                                      |
| 7. High Deductible Health Plans (HDHPs) and related       | III. SOCIAL INSURANCE6                                    |
| Health Savings Accounts (HSAs)                            | A. Medicare (Parts A, B, C, D)                            |
| 8. Health Reimbursement Accounts (HRAs)                   | B. Medicaid   |
| D. Medicare supplement policies                           | C. Social Security benefits                               |
| E. Group insurance  |   |
| Differences between individual and group contracts        | IV. OTHER INSURANCE CONCEPTS5                             |
| 2. General characteristics                                | A. Total, partial, recurrent and residual disability      |
| 3. COBRA  | B. Owner's rights   |
| F. Individual/Group Long Term Care (LTC)                  | C. Dependent children benefits                            |
| 1. Eligibility  | D. Primary and contingent beneficiaries                   |
| 2. Levels of care   | E. Modes of premium payments                              |
| G. Other policies   | F. Nonduplication and coordination of benefits (e.g.,     |
| 1. Dental   | primary vs. excess)                                       |
| 2. Vision   | G. Occupational vs. non-occupational                      |
| 3. Cancer   |   |

- 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
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# ACCIDENT & HEALTH SOUTH DAKOTA SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations

(25 scoreable questions plus 5 pretest questions)

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- C. Licensing

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1. Types of licenses

- a. Producer
- b. Resident/Nonresident
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  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting of actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
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  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation
  - h. Rebating
  - i. Twisting
  - j. Unfair discrimination
  - k. Acting without a license
  - I. Larceny
  - m. Prohibited fees/ premiums/ extra charges
  - n. Loans
  - o. Notification of suspected fraud
- 2. Unfair claims settlement practices

# G. Policy delivery and receipt

Ref: 58-15-8.2

H. Insurance Fraud Regulation

Ref: 58-4A-1-17

- II. SD STATUTES, RULES, AND REGULATIONS
  PERTINENT TO ACCIDENT AND HEALTH INSURANCE
  ONLY......17
  - A. South Dakota requirements (individual and group)

Ref. 58-17-2, 30.1 through 30.7

- 1. Eligibility requirements
  - a. Family coverage
  - b. Intellectual or physical disability coverage
  - c. Newborn child coverage
  - d. Dependent coverage
- 2. Benefit offers
  - a. Alcoholism treatment coverage and benefit limitations
  - b. Chiropractor
  - c. Diabetes
- 3. Advertising

#### B. Employer group Health insurance

Ref. 58-17-2.2; 58-18-7, 7.5, 7.18

- Continuation of coverage under COBRA and South Dakota Specific Rules
- Conversion including, divorce, cancellation, or nonrenewal

#### C. Medicare Supplement Insurance

1. South Dakota regulations and required provisions *Ref.* 58-17A-3, 3.2, 14; Reg. 20:06:13:28, 31.03, 32, 35,

37, 43, 43.01 through 43.03, 44, 45, 53, 58, 60

- a. Delivery of buyer's guide
- b. Delivery of Outline of Coverage
- c. Replacement requirements
- d. Refund
- e. Pre-existing conditions
- f. Right to examine (Free Look)
- g. Overinsurance prohibited
- h. Suitability
- i. Misrepresentation
- j. Failure to provide forms
- k. Prohibited marketing practices
- I. Duplication of coverage prohibited
- m. Cancellation or nonrenewal
- 2. Medicare SELECT

Ref, Reg. 20:06:13:63 through 76

# D. Long-term Care Policies

Ref. 28-6-37, 38, 58-17B-6, 9, 10, 12, 13; Reg 20:06:21:01, 04, 06, 06.01, 31 through 33, 53, 53.01 through 53.05, 54, 76 through 81

- LTC Partnerships, definitions & Deficit Reduction Act of 2005
  - 2. Exclusions
  - 3. Advertising
  - 4. Marketing Standards
  - 5. Right to Return (free look)
  - 6. Cost-of-Living Adjustments
  - 7. Pre-existing conditions
  - 8. Outline of Coverage
  - 9. Activities of daily living (ADLs)
- Appropriate of recommended purchase or replacement
- 11. Shopper's guide
- 12. Suitability
- 13. Rate stabilization

# E. Small employer medical plans

Ref. 58-18B-1(11), 20, 23, 37, 38, 44

- 1. Definition of small employer
- 2. Benefit plans offered
- 3. Availability of coverage
- 4. Prohibited Activities

#### F. ACA (Affordable Care Act)

- 1. On-exchange versus off exchange
- 2. Subsidized versus non subsidized
- 3. Eligibility
  - a. Medicare/Medicaid
  - b. Advance premium tax credits
  - c. Cost sharing reductions
- 4. Essential Health Benefits (EHBs)
  - a. No lifetime/annual limits
  - b. Benchmark plan
  - c. Mental health and substance abuse
- 5. Qualified Health Plan
- 6. Actuarial value
- 7. Levels of coverage (metal tiers)
- 8. Special enrollment periods
- 9. Minimum essential coverage
  - a. Tax penalties
  - b. Hardship exemption
  - c. Catastrophic plan
- 10. Rating structures
- 11. External review
- 12. Qualifying events
- 13. Guaranteed Issue
  - a. No health underwriting
  - b. No pre-existing conditions
  - c. No waiting periods
  - d. Guaranteed renewability/re-enrollment
- 14. Dependents
  - a. Age limits
  - b. Dependent continuation
- 15. Emergency care
- 16. Preventative benefits
- 17. Pediatric dental and vision
- 18. Requirements for termination
  - a. Rescission
- 19. Network
  - a. Adequacy
  - b. Design
  - c. Narrow
  - d. Provider directory
- 20. Formulary
- 21. Marketing
  - a. Summary of benefits and coverage
  - b. Plan brochures
  - c. Federal marketplace
- 22. Navigators

# LIFE, ACCIDENT, AND HEALTH GENERAL KNOWLEDGE CONTENT OUTLINE

Product Knowledge, Terms and Concepts

(100 scoreable questions plus 10 pretest questions)

## I. TYPES OF LIFE 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. War 2. Aviation 1. Types a. Level 3. Dangerous Occupation b. Decreasing III. COMPLETING THE APPLICATION. UNDERWRITING. AND c. Return of premium DELIVERING THE POLICES.....12 d. Annually renewable A. Completing the application 2. Special features 1. Required signatures a. Renewable 2. Changes in the application b. Convertible 3. Consequences of incomplete applications D. Annuities 4. Warranties and representations 1. Single and flexible premium 5. Collecting the initial premium and issuing the receipt 2. Immediate and deferred 6. Replacement 3. Fixed and variable 7. Disclosures at point of sale (e.g., HIPAA, HIV consent) 4 Indexed 8. USA PATRIOT Act/anti-money laundering 5. Accumulation and Annuity Periods 9. Gramm-Leach-Bliley Act (GLBA) Privacy 6. Payout options **B.** Underwriting E. Combination plans and variations 1. Insurable interest 1. Joint life (first to die) 2. Medical information and consumer reports 2. Survivorship life (second to die) 3. Fair Credit Reporting Act II. LIFE PROVISIONS, RIDERS, OPTIONS, AND EXCLUSIONS 4. Risk classification 5. Stranger/Investor-owned life insurance (STOLI/IOLI) A. Policy riders C. Delivering the policy 1. Waiver of premium and waiver of monthly deduction 1. When coverage begins 2. Guaranteed insurability 2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client 3. Payor benefit 4. Accidental death and/or accidental death and D. Contract law dismemberment 1. Elements of a contract 5. Term riders a. Consideration 6. Other insureds b. Offer and Acceptance c. Competent parties 7. Long term care 8. Return of premium d. Legal purpose 9. Disability 2. Unique aspects of the insurance contract 10. Cost of Living a. Conditional B. Policy provisions and options b Unilateral 1. Entire contract c. Adhesion 2. Insuring clause d. Aleatory 3 Free look IV. RETIREMENT AND OTHER INSURANCE CONCEPTS .. 8 4. Consideration A. Third-party ownership 5. Owner's rights **B. Viatical Settlements** 6. Beneficiary designations C. Life Settlements a. Primary and contingent 1. Conversion privilege b. Revocable and irrevocable 2. Contributory vs. noncontributory c. Common disaster D. Group life insurance d. Minor beneficiaries 1. Conversion privilege e. Designation by class 2. Contributory vs. noncontributory 7. Premium Payment E. Retirement plans a. Modes 1. Qualified plans b. Grace period 2. Nonqualified plans c. Automatic premium loan F. Life insurance needs analysis/suitability d. Level or flexible

- 1. Personal insurance needs
- 2. Business insurance needs
  - a. Key person
  - b. Buy sell

# G. Social Security benefits

# H. Tax treatment of insurance premiums, proceeds, and dividends

- 1. Individual life
- 2. Group life
- 3. Modified Endowment Contracts (MECs)

# V. TYPES OF HEALTH POLICIES ......16 A. Disability income

16. Settlement options

8. Reinstatement

participating)

12. Incontestability

13. Assignments

14. Suicide

10. Non-forfeiture options

15. Misstatement of age and gender

17. Accelerated death benefits

9. Policy loans, withdrawals, partial surrenders

11. Dividends and dividend options (eg. participating, non-

| 1. Individual disability income policy                             | 10.Deductibles  |
|--|---|
| Business overhead expense policy                                   | 11. Eligible expenses                                       |
| Business disability buyout policy                                  | 12. Copayments  |
|  |   |
| Group disability income policy                                     | 13. Pre-authorizations and prior approval requirements      |
| 5. Key employee policy   | 14. Usual, reasonable, and customary (URC) charges          |
| B. Accidental death and dismemberment                              | 15. Lifetime, annual, or per cause maximum benefit limits   |
| C. Medical expense insurance                                       | C. Riders   |
| <ol> <li>Basic hospital, medical, and surgical policies</li> </ol> | 1. Impairment/exclusions                                    |
| 2. Major medical policies  | 2. Guaranteed insurability                                  |
| 3. Health Maintenance Organizations (HMOs)                         | 3. Future increase option                                   |
| 4. Preferred Provider Organizations (PPOs)                         | D. Rights of renewability                                   |
| 5. Point of Service (POS) plans                                    | 1. Noncancelable  |
|  | 2. Cancelable   |
| 6. Flexible Spending Accounts (FSAs)                               |   |
| 7. High Deductible Health Plans (HDHPs) and related                | Guaranteed renewable  |
| Health Savings Accounts (HSAs)                                     | VII. SOCIAL INSURANCE6                                      |
| 8. Health Reimbursement Accounts (HRAs)                            | A. Medicare (Parts A, B, C, D)                              |
| D. Medicare supplement policies                                    | B. Medicaid   |
| E. Group insurance   | C. Social Security benefits                                 |
| 1. Differences between individual and group contracts              | C. Social Security beliefits                                |
| 2. General characteristics   | VIII. OTHER INSURANCE CONCEPTS5                             |
| 3. COBRA   | A. Total, partial, recurrent and residual disability        |
| F. Individual/Group Long Term Care (LTC)                           | B. Owner's rights   |
| 1. Eligibility   | C. Dependent children benefits                              |
| •  | D. Primary and contingent beneficiaries                     |
| 2. Levels of care  |   |
| G. Other policies  | E. Modes of premium payments                                |
| 1. Dental  | F. Nonduplication and coordination of benefits (e.g.,       |
| 2. Vision  | primary vs. excess)   |
| 3. Cancer  | G. Occupational vs. non-occupational                        |
| 4. Critical illness or specified disease                           | H. Tax treatment of premiums and proceeds of insurance      |
| 5. Worksite (employer-sponsored)                                   | contracts (e.g., disability income and medical              |
| 6. Hospital indemnity  | expenses, etc.)   |
| 7. Short-term medical  | I. Managed care   |
| 8. Accident  | J. Workers Compensation                                     |
| o. Acoident  | K. Subrogation  |
| VI. HEALTH POLICY PROVISIONS, CLAUSES, AND                         | L. Cost containment   |
| RIDERS15   | L. Cost containment   |
| A. Mandatory and optional provisions                               | IX. FIELD UNDERWRITING PROCEDURES8                          |
| 1. Entire contract   | A. Completing the application                               |
| 2. Time limit on certain defenses (incontestable)                  | B. Explaining sources of insurability and HIPAA privacy     |
| 3. Grace period  | information (e.g., MIB Report, Fair Credit Reporting Act    |
| 4. Reinstatement   | etc.)   |
| 5. Notice of claim   | •   |
|  | C. Initial premium payment and receipt and consequences     |
| 6. Claim forms   | of the receipt (e.g., medical examination, etc.)            |
| 7. Proof of loss   | D. Submitting application (and initial premium if collected |
| 8. Time of payment of claims                                       | to company for underwriting                                 |
| 9. Payment of claims   | E. Policy delivery  |
| 10.Physical examination and autopsy                                | F. Explaining policy and its provisions, riders, exclusions |
| 11. Legal actions  | and ratings to clients                                      |
| 12. Change of beneficiary  | G. Replacement  |
| 13. Misstatement of age or sex                                     | H. Contract law   |
| 14. Change of occupation   | 1. Elements of a contract                                   |
| ·  | 2. Insurable interest                                       |
| 15. Illegal occupation   |   |
| 16. Relation of earnings to insurance                              | 3. Warranties and representations                           |
| B. Other provisions and clauses                                    | Unique aspects of the insurance contract                    |
| 1. Insuring clause   | a. Conditional  |
| 2. Free look   | b. Unilateral   |
| 3. Consideration clause  | c. Adhesion   |
| 4. Probationary period   | d. Aleatory   |
| 5. Elimination period  |   |
| 6. Waiver of premium   |   |
| 7. Exclusions and limitations                                      |   |
|  |   |
| Preexisting conditions   |   |

9. Coinsurance

# LIFE AND ACCIDENT & HEALTH SOUTH DAKOTA SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations

(30 scoreable questions plus 5 pretest questions)

# I. SD STATUTES, RULES, AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, AND CASUALTY INSURANCE......8

#### A. Director of Insurance

Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168, 170; Reg 20:06:01:05:01

- 1. Duties and powers
- 2. Examination of records
- 3. Hearings/notice of hearings
- 4. Penalties (and fines)
- 5. Cease and desist orders

#### **B.** Insurance Definitions

Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1

- 1. Acts constituting an insurance transaction
- 2. Domestic, foreign and alien company
- 3. Fraternals
- 4. Authorized and unauthorized companies
- 5. Stock and mutual companies
- 6. Certificate of authority

## C. Licensing

Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52, 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157, 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04, 20:06:09-10, 20:06:12-13, 20:06:18

- 1. Types of licenses
  - a. Producer
  - b. Resident/Nonresident
  - c. Temporary license
  - d. Business entity
- 2. Qualifications for obtaining a license
  - a. Exemptions/Exceptions
  - b. License denial
- 3. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting of actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
- 4. Appointments
  - a. Termination of appointment

# D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD 20:06:18:21, 58-30-196, 58-33-66

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- 5. Response to Division inquiries

# E. Life and Health Insurance Guaranty Association Ref: 58-29C-62

- 1. Purpose and disclaimer
- 2. Advertising

# F. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78, 125; ARSD 20:08:07:27; Bulletin 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation
  - h. Rebating
  - i. Twisting
  - j. Unfair discrimination
  - k. Acting without a license
  - I. Larceny
  - m. Prohibited fees/ premiums/ extra charges
  - n Loans
  - o. Notification of suspected fraud
- 2. Unfair claims settlement practices

# G. Policy delivery and receipt

Ref: 58-15-8.2

#### H. Insurance Fraud Regulation

Ref: 58-4A-1-17

# II. SDSTATUTES, RULES, AND REGULATIONS PERTINENT TO LIFE INSURANCE ONLY......8

# A. Marketing practices

Ref. 58-10-3-6, 58-33-117 through 130; Reg Ch. 20:06:10:02-20, 20:06:38:01-23

- 1. Advertising and sales
  - a. Advertising
  - b. Illustrations
  - c. Insurable Interest
- 2. Military sales

# B. Policy replacement

Ref: Reg. 20:06:08:60 through 63

- 1. Purpose
- 2. Definitions
- 3. Exemptions
- 4. Duties of producer
- 5. Duties of replacing insurance company

# C. Individual life and annuity

Ref: 58-11-36, 58-12-4, 58-15-8.1, 13, 15.6 through 15.11

- 1. Free Look
- 2. Grace period
- 3. Policy Loans
- 4. Assignment

# D. Group Life

Ref: 58-11-36; 58-12-4; 58-16-4 thru 6, 39-41; HB 1194

- 1. Group underwriting requirements
- 2. Conversion to individual Policy
- 3. Dependent Coverage
- 4. Assignment

#### E. Annuities

Ref: SDCL 58-33A; 1-11-4.1 & 2; Reg. 20:06:07:03, 08

- 1. Suitability and best interest
- 2. Consumer Protection
- Regulation of variable products (SEC, FINRA and South Dakota)

| SD STATUTES, RULES, AND REGULATIONS                              | 2.Benefit plans offered                                  |  |
|--|--|--|
| PERTINENT TO ACCIDENT AND HEALTH INSURANCE                       | 3. Availability of coverage                              |  |
| ONLY14   | 4. Prohibited Activities                                 |  |
| A. South Dakota requirements (individual and group)              | F. ACA (Affordable Care Act)                             |  |
| Ref. 58-17-2, 30.1 through 30.7                                  | 1. On-exchange versus off exchange                       |  |
| Eligibility requirements   | 2. Subsidized versus non subsidized                      |  |
| a. Family coverage   | 3. Eligibility   |  |
| b. Intellectual or physical disability coverage                  | a. Medicare/Medicaid                                     |  |
| c. Newborn child coverage  | b. Advance premium tax credits                           |  |
| d. Dependent coverage  | c. Cost sharing reductions                               |  |
| 2. Benefit offers  | 4. Essential Health Benefits (EHBs)                      |  |
| <ul> <li>a. Alcoholism treatment coverage and benefit</li> </ul> | a. No lifetime/annual limits                             |  |
| limitations  | b. Benchmark plan  |  |
| b. Chiropractor  | c. Mental health and substance abuse                     |  |
| c. Diabetes  | 5. Qualified Health Plan                                 |  |
| 3. Advertising   | 6. Actuarial value                                       |  |
| B. Employer group Health insurance                               | 7. Levels of coverage (metal tiers)                      |  |
| Ref. 58-17-2.2; 58-18-7, 7.5, 7.18                               | 8. Special enrollment periods                            |  |
| Continuation of coverage under COBRA and South                   | Special emoliment periods     Minimum essential coverage |  |
| Dakota Specific Rules  | <u> </u>   |  |
| Conversion including, divorce, cancellation, or                  | a. Tax penalties   |  |
| nonrenewal   | b. Hardship exemption                                    |  |
| C. Medicare Supplement Insurance                                 | c. Catastrophic plan                                     |  |
| South Dakota regulations and required provisions                 | 10. Rating structures                                    |  |
| Ref. 58-17A-3, 3.2, 14; Reg. 20:06:13:28, 31.03, 32, 35,         | 11. External review                                      |  |
| •  | 12.Qualifying events                                     |  |
| 37, 43, 43.01 through 43.03, 44, 45, 53, 58, 60                  | 13.Guaranteed Issue                                      |  |
| a. Delivery of buyer's guide                                     | a. No health underwriting                                |  |
| b. Delivery of Outline of Coverage                               | <ul> <li>b. No pre-existing conditions</li> </ul>        |  |
| c. Replacement requirements                                      | c. No waiting periods                                    |  |
| d. Refund  | d. Guaranteed renewability/re-enrollment                 |  |
| e. Pre-existing conditions                                       | 14. Dependents   |  |
| f. Right to examine (Free Look)                                  | a. Age limits  |  |
| g. Overinsurance prohibited                                      | <ul> <li>b. Dependent continuation</li> </ul>            |  |
| h. Suitability   | 15.Emergency care  |  |
| i. Misrepresentation   | 16. Preventative benefits                                |  |
| j. Failure to provide forms                                      | 17. Pediatric dental and vision                          |  |
| k. Prohibited marketing practices                                | 18. Requirements for termination                         |  |
| Duplication of coverage prohibited                               | a. Rescission  |  |
| m. Cancellation or nonrenewal                                    | 19. Network  |  |
| 2. Medicare SELECT   | a. Adequacy  |  |
| Ref, Reg. 20:06:13:63 through 76                                 | b. Design  |  |
| D. Long-term Care Policies                                       | c. Narrow  |  |
| Ref. 28-6-37, 38, 58-17B-6, 9, 10, 12, 13; Reg 20:06:21:01,      | d. Provider directory                                    |  |
| 04, 06, 06.01, 31 through 33, 53, 53.01 through 53.05, 54, 76    | 20. Formulary  |  |
| through 81   | 21. Marketing  |  |
| 1. LTC Partnerships, definitions & Deficit Reduction Act of      | a. Summary of benefits and coverage                      |  |
| 2005   | b. Plan brochures  |  |
| 2. Exclusions  | c. Federal marketplace                                   |  |
| 3. Advertising   | 22. Navigators   |  |
| 4. Marketing Standards   | 22.Navigators  |  |
| 5. Right to Return (free look)                                   |  |  |
| 6. Cost-of-Living Adjustments                                    |  |  |
| 7. Pre-existing conditions                                       | PROPERTY-GENERAL KNOWLEDGI                               |  |
| 8. Outline of Coverage   | CONTENT OUTLINE  |  |
| Activities of daily living (ADLs)                                |  |  |
|  | Product Knowledge, Terms and Concepts                    |  |
| 10. Appropriate of recommended purchase or                       | (50 scored plus 5 pretest questions)                     |  |
| replacement  | I. TYPES OF POLICIES                                     |  |
| 11. Shopper's guide  | A. Homeowners  |  |
| 12. Suitability  | 1. HO-2  |  |
| 13. Rate stabilization   | 2. HO-3  |  |
| E. Small employer medical plans                                  | 3. HO-4  |  |
| Ref. 58-18B-1(11), 20, 23, 37, 38, 44                            | 4. HO-5  |  |
| Definition of small employer                                     |  |  |

| 5. HO-6  | T. Endorsements  |
|--|--|
| 6. HO-8  | U. Blanket vs. Specific  |
| B. Dwelling policies   | III DOLLOV DDOVICIONS AND CONTRACT LAW 42                      |
| 1. DP-1  | III. POLICY PROVISIONS AND CONTRACT LAW                        |
| 2. DP-2  | A. Declarations  |
| 3. DP-3  | B. Insuring agreement  |
| C. Commercial lines  | C. Conditions  |
| Commercial Package Policy (CPP)  | D. Exclusions  |
| Commercial property  | E. Definition of the insured                                   |
|  | F. Duties of the insured                                       |
| <ul> <li>a. Commercial building and business personal property form</li> </ul> | G. Obligations of the insurance company                        |
|  | H. Mortgagee rights  |
| b. Causes of loss forms  | I. Proof of loss   |
| c. Business income   | J. Notice of claim   |
| d. Extra expense   | K. Appraisal   |
| e. Equipment breakdown   | L. Other Insurance Provision                                   |
| 3. Business Owners Policy (BOP)  | M. Subrogation   |
| 4. Builders Risk   | N. Elements of a contract                                      |
| D. Inland marine   |  |
| 1. Personal Articles floaters  | O. Warranties, representations, and concealment                |
| 2. Commercial Property floaters  | P. Sources of underwriting information                         |
| E. National Flood Insurance Program  | Q. Fair Credit Reporting Act                                   |
| F. Others  | R. Privacy Protection (Gramm Leach Bliley)                     |
| 1. Earthquake  | S. Policy Application  |
| 2. Mobile Homes  | T. Terrorism Risk Insurance Act (TRIA)                         |
|  | U. Territory   |
| 3. Watercraft  |  |
| 4. Farm Owners   | PROPERTY   |
| 5. Windstorm   |  |
| II. INSURANCE TERMS AND RELATED CONCEPTS 15                                    | SOUTH DAKOTA SPECIFIC  |
| A. Insurance   | CONTENT OUTLINE  |
| 1. Law of Large Numbers  | State Statutes, Rules and Regulations                          |
| B. Insurable interest  |  |
| C. Risk  | (25 scoreable questions plus 5 pretest questions)              |
|  | I. SD STATUTES, RULES, AND REGULATIONS                         |
| Pure vs. Speculative Risk  | COMMON TO LIFE, ACCIDENT AND HEALTH,                           |
| D. Hazard  | PROPERTY, AND CASUALTY INSURANCE17                             |
| 1. Moral   | A. Director of Insurance                                       |
| 2. Morale  | Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168,   |
| 3. Physical  | 170; Reg 20:06:01:05:01  |
| E. Peril   | 1. Duties and powers   |
| F. Loss  | Examination of records   |
| 1. Direct  |  |
| 2. Indirect  | 3. Hearings/notice of hearings                                 |
| G. Loss Valuation  | 4. Penalties (and fines)                                       |
| 1. Actual cash value   | 5. Cease and desist orders                                     |
| 2. Replacement cost  | B. Insurance Definitions                                       |
| 3. Market value  | Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1                       |
| 4. Stated/agreed value   | <ol> <li>Acts constituting an insurance transaction</li> </ol> |
| 9  | <ol><li>Domestic, foreign and alien company</li></ol>          |
| 5. Salvage value   | 3. Fraternals  |
| H. Proximate cause   | 4. Authorized and unauthorized companies insurer               |
| I. Deductible  | 5. Stock and mutual companies                                  |
| J. Indemnity   | 6. Certificate of authority                                    |
| K. Limits of liability   | C. Licensing   |
| L. Coinsurance/Insurance to value  | Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52,    |
| M. Occurrence  | · ·  |
| N. Cancellation  | 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157     |
| O. Nonrenewal  | 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04     |
| P. Vacancy and unoccupancy   | 20:06:09-10, 20:06:12-13, 20:06:18                             |
| Q. Liability   | Types of licenses  |
| 1. Absolute  | a. Producer  |
|  | b. Resident/Nonresident  |
| 2. Strict  | c. Temporary license   |
| 3. Vicarious   | d. Business entity   |
| R. Negligence  | Qualifications for obtaining a license                         |
| S. Binder  | a. Exemptions/Exceptions                                       |
|  |  |

- b. License denial
- 3. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
- 4. Producer appointment
  - a. Termination of contract

# D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD

20:06:18:21, 58-30-196, 58-33-66

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- 5. Response to Division inquiries

#### E. Insurance Guaranty Association

Ref: 58-29A-54 through 109

1. Purpose and disclaimer

#### F. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78, 125; ARSD 20:08:07:27; Bulletin 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation
  - h. Rebating
  - i. Twisting
  - j. Unfair discrimination
  - k. Acting without a license
  - I. Larceny
  - m. Prohibited fees/ premiums/ extra charges
  - n. Loans
  - o. Notification of suspected fraud
- 2. Unfair claims settlement practices

# G. Policy delivery and receipt

Ref: 58-15-8.2

## H. Insurance Fraud Regulation

Ref: 58-4A-1-17

# II. SD STATUTES PERTINENT TO PROPERTY INSURANCE...8

#### A. Binders

Ref: 58-11-29 through 31

1. Evidence of insurance

# B. Suit against insurer

Ref: 15-2-13(1)

C. Rating

Ref: 58-24-1, 5

D. Certificate of Insurance

# E. South Dakota Valued Policy Law

Ref: 58-10-10

#### F. Flood Insurance

1. Flood Insurance Rate Map (FIRM)

#### G. Marine and Transportation Insurance

Ref: 58-9-6 through 10

## H. Cancellation and Nonrenewal

Ref: 58-1-14, 15, 58-33-60, 61; ARSD 20:06:29:01

#### I. Surplus lines

Ref: 58-32-32, 44, 50

# CASUALTY-GENERAL KNOWLEDGE CONTENT OUTLINE

# Product Knowledge, Terms and Concepts

(50 scored 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. Frist 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. Garage Coverage Form, including Garagekeepers Insurance
- 9. Exclusions
- 10. Individual 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

South Dakota Insurance Outline- Examination Content Outlines

Effective March 1, 2024

| 3. Other states' insurance                                   | F. Duties of the insured after a loss                        |
|--|--|
| 4. Employers Liability                                       | G. Cancellation and nonrenewal provisions                    |
| 5. Exclusive remedy  | H. Supplementary payments                                    |
| 6. Premium Determination                                     | I. Proof of loss   |
| D. Crime   | J. Notice of claim   |
| 1. Employee Dishonesty                                       | K. Other insurance   |
| 2. Theft   | L. Subrogation   |
| 3. Robbery   | M. Loss settlement provisions including consent to settle    |
| 4. Burglary  | a loss   |
| 5. Forgery and Alteration                                    | N. Terrorism Risk Insurance Act (TRIA)                       |
| 6. Mysterious disappearance                                  |  |
| E. Bonds   | CASUALTY   |
| 1. Surety  | SOUTH DAKOTA SPECIFIC  |
| 2. Fidelity  | CONTENT OUTLINE  |
| F. Professional liability                                    | State Statutes, Rules and Regulations                        |
| 1. Errors and Omissions                                      |  |
| 2. Medical Malpractice                                       | (25 scoreable questions plus 5 pretest questions)            |
| 3. Directors and Officers (D&O)                              | I. SD STATUTES, RULES, AND REGULATIONS                       |
| 4. Employment Practices Liability (EPLI)                     | COMMON TO LIFE, ACCIDENT AND HEALTH,                         |
| 5. Cyber liability and data breach                           | PROPERTY, AND CASUALTY INSURANCE17                           |
| 6. Liquor liability  | A. Director of Insurance                                     |
| G. Umbrella/Excess Liability                                 | Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168, |
| H. Business Owners Policy (BOP)                              | 170; Reg 20:06:01:05:01                                      |
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| A. Risk  | Examination of records                                       |
| B. Hazards   | 3. Hearings/notice of hearings                               |
| 1. Moral   | 4. Penalties (and fines)                                     |
| 2. Morale  | 5. Cease and desist orders                                   |
| 3. Physical  | B. Insurance Definitions                                     |
| C. Indemnity   | Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1                     |
| D. Insurable interest  | Acts constituting an insurance transaction                   |
| E. Loss valuation  | 2. Domestic, foreign and alien company                       |
| 1. Actual cash value   | 3. Fraternals  |
| Replacement cost   | 4. Authorized and unauthorized companies insurer             |
| 3. Market value  | 5. Stock and mutual companies                                |
| 4. Stated/agreed value                                       | 6. Certificate of authority                                  |
| 5. Salvage value   | C. Licensing   |
| F. Negligence  | Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52,  |
| G. Liability   | 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157,  |
| H. Occurrence  | 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04,  |
| I. Binders   | 20:06:09-10, 20:06:12-13, 20:06:18                           |
| J. Warranties  | 1. Types of licenses   |
| K. Representations   | a. Producer  |
| L. Concealment   | b. Resident/Nonresident                                      |
| M. Deposit Premium/Audit                                     | c. Temporary license   |
| N. Certificate of Insurance                                  | d. Business entity   |
| O. Law of Large Numbers                                      | 2. Qualifications for obtaining a license                    |
| P. Pure vs. Speculative Risk                                 | a. Exemptions/Exceptions                                     |
| Q. Endorsements  | b. License denial  |
| R. Damages   | 3. Maintaining a license                                     |
| 1. Compensatory  | a. Continuing education                                      |
| a. General   | b. Change of address   |
| b. Special   | c. Renewal/Nonrenewal  |
| 2. Punitive  | d. Record maintenance  |
| S. Compliance with provisions of Fair Credit Reporting       | e. License suspension/revocation/refusal to issue or         |
| Act  | renew  |
|  | f. Reporting actions   |
| III. POLICY PROVISIONS12                                     | g. Assumed business name                                     |
| A. Declarations  | h. Inactivity due to military service                        |
| B. Insuring agreement  | i. Inactivity due to extenuating circumstances               |
| C. Conditions  | . •  |
| South Dakota Insurance Outline- Examination Content Outlines | Effective March 1, 2024                                      |

b. Compensation

2. Work-related vs. non-work-related

D. Exclusions and Limitations

E. Definition of the insured

- j. Reinstatement, continuation, termination
- 4. Producer appointment
  - a. Termination of contract

#### D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD 20:06:18:21, 58-30-196, 58-33-66

- 1. Fiduciary responsibilities
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Ref: 58-29A-54 through 109

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  - I. Acting without a license
  - m. Larceny
  - n. Prohibited fees/ premiums/ extra charges
  - o. Loans
  - p. Notification of suspected fraud
- 2. Unfair claims settlement practices

## G. Policy delivery and receipt

Ref: 58-15-8.2

# H. Insurance Fraud Regulation

Ref: 58-4A-1-17

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# A. Binders

Ref: 58-11-29 through 31

1. Evidence of insurance

#### B. Suit against insurer

Ref: 15-2-13(1)

#### C. Rating

Ref: 58-24-1, 5

## D. Certificate of Insurance

# E. South Dakota Automobile Insurance Plan (Assigned Risk)

Ref: 58-11-57

# F. Private-passenger automobile insurance

Ref: 58-1-14, 15; 58-1-45; 58-20-14; 58-33-61

- 1. Uninsured/Underinsured motorists coverage
- 2. Proof of financial responsibility
- 3. Cancellation and nonrenewal

# **G. Workers Compensation**

Ref: 58-20-14; 62-1-2, 3, 7; 62-3-2; 62-4-1, 2, 3, 3.1, 5, 5.1, 6 8-22, 37; 62-8-1, 4, 6; 62-3-15, 16, 17

- 1. Exclusive remedy
- 2. Employments covered
- 3. Covered injuries

- 4. Occupational disease
- 5. Benefits provided
- 6. Second/ subsequent injury fund
- 7. Self-insurance
- 8. Cancellation

# PROPERTY and CASUALTY-GENERAL KNOWLEDGE CONTENT OUTLINE

# **Product Knowledge, Terms and Concepts**

(50 scored plus 5 pretest questions)

# I. TYPES OF PROPERTY 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
  - 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
  - Direct
     Indirect
- G. Loss Valuation

| 3. Market value                                       | b. Property Damage  |
|---|---|
| 4. Stated/agreed value                                | c. Split Limits   |
| 5. Salvage value                                      | d. Combined Single Limit  |
| H. Proximate cause                                    | 2. Medical Payments   |
| I. Deductible   | <ol><li>Physical Damage (collision; other than collision;</li></ol> |
| J. Indemnity  | specified perils)   |
| K. Limits of liability                                | 4. Uninsured motorists  |
| L. Coinsurance/Insurance to value                     | 5. Underinsured motorists   |
| M. Occurrence   | 6. Who is an insured  |
| N. Cancellation                                       | 7. Types of Auto  |
| O. Nonrenewal   | a. Owned  |
| P. Vacancy and unoccupancy                            | b. Non-owned  |
| Q. Liability  | c. Hired  |
| 1. Absolute   | d. Temporary Substitute   |
| 2. Strict   | e. Newly Acquired Autos   |
| 3. Vicarious  | f. Transportation Expense and Rental Reimbursement                  |
| R. Negligence   | Expense   |
| S. Binder   | 8. Garage Coverage Form, including Garagekeepers                    |
| T. Endorsements                                       | Insurance   |
| U. Blanket vs. Specific                               | 9. Exclusions   |
| . HIL DOLLOW DROVIDIONS AND CONTRACT LAW.             | 10. Individual Insured and Drive Other Car (DOC)                    |
| III. POLICY PROVISIONS AND CONTRACT LAW               | C. Workers Compensation Insurance, Employers Liability              |
| A. Declarations                                       | Insurance, and Related Issues                                       |
| B. Insuring agreement                                 | (This section does not deal with specifics of state law, which are  |
| C. Conditions   | addressed elsewhere in this outline.)                               |
| D. Exclusions   | 1. Standard policy concepts   |
| E. Definition of the insured                          | a. Who is an employee/employer                                      |
| F. Duties of the insured                              | b. Compensation   |
| G. Obligations of the insurance company               | 2. Work-related vs. non-work-related                                |
| H. Mortgagee rights                                   | 3. Other states' insurance  |
| I. Proof of loss                                      | 4. Employers Liability  |
| J. Notice of claim                                    | 5. Exclusive remedy   |
| K. Appraisal  | 6. Premium Determination  |
| L. Other Insurance Provision                          | D. Crime  |
| M. Subrogation  | 1. Employee Dishonesty  |
| N. Elements of a contract                             | 2. Theft  |
| O. Warranties, representations, and concealment       | 3. Robbery  |
| P. Sources of underwriting information                | 4. Burglary   |
| Q. Fair Credit Reporting Act                          | 5. Forgery and Alteration   |
| R. Privacy Protection (Gramm Leach Bliley)            | 6. Mysterious disappearance   |
| S. Policy Application                                 | E. Bonds  |
| T. Terrorism Risk Insurance Act (TRIA)                | 1. Surety   |
| U. Territory  | 2. Fidelity   |
| IV. TYPES OF CASUALTY POLICIES, BONDS, AND            | F. Professional liability   |
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| A. Commercial general liability                       | 2. Medical Malpractice  |
| 1. Exposures  | 3. Directors and Officers (D&O)                                     |
| a. Premises and Operations                            | 4. Employment Practices Liability (EPLI)                            |
| b. Products and Completed Operations                  | 5. Cyber liability and data breach                                  |
| 2. Coverage   | 6. Liquor liability   |
| a. Coverage A: Bodily Injury and Property Damage      | G. Umbrella/Excess Liability  |
| Liability (Occurrence, Claims made including          | H. Business Owners Policy (BOP)                                     |
| Retroactive Date)                                     |   |
| b. Coverage B: Personal Injury and Advertising Injury | V. INSURANCE TERMS AND RELATED CONCEPTS15                           |
| c. Coverage C: Medical Payments                       | A. Risk   |
| d. Supplemental Payments                              | B. Hazards  |
| e. Who is an insured                                  | 1. Moral  |
| f. First named insured                                | 2. Morale   |
| g. Limits (Per occurrence, Annual Aggregate)          | 3. Physical   |
| h. Damage to Property of Others                       | C. Indemnity  |
| B. Automobile: personal auto and business auto        | D. Insurable interest   |
|   |   |

1. Liability

a. Bodily Injury

Actual cash value
 Replacement cost

#### 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

# VI. 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)

# PROPERTY and CASUALTY SOUTH DAKOTA-SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations

(30 scoreable questions plus 5 pretest questions)

- I. SD STATUTES, RULES, AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, AND CASUALTY INSURANCE......18
  - A. Director of Insurance

Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168, 170; Reg 20:06:01:05:01

- 1. Duties and powers
- 2. Examination of records
- 3. Hearings/notice of hearings
- 4. Penalties (and fines)
- 5. Cease and desist orders
- **B.** Insurance Definitions

Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1

1. Acts constituting an insurance transaction

- 2. Domestic, foreign and alien company
- 3. Fraternals
- 4. Authorized and unauthorized companies insurer
- 5. Stock and mutual companies
- 6. Certificate of authority

#### C. Licensing

Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52, 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157, 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04, 20:06:09-10, 20:06:12-13, 20:06:18

- 1. Types of licenses
  - a. Producer
  - b. Resident/Nonresident
  - c. Temporary license
  - d. Business entity
- 2. Qualifications for obtaining a license
  - a. Exemptions/Exceptions
  - b. License denial
- 3. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
- 4. Producer appointment
  - a. Termination of contract

#### D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD 20:06:18:21, 58-30-196; 58-33-66

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- 5. Response to Division inquiries

## E. Insurance Guaranty Association

Ref: 58-29A-54 through 109

1. Purpose and disclaimer

# F. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78, 125; ARSD 20:08:07:27; Bulletin 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation
  - h. Rebating
  - i. Twisting
  - j. Unfair discrimination
  - k. Acting without a license
  - I. Larceny
  - m. Prohibited fees/ premiums/ extra charges
  - n. Loans

Effective March 1, 2024

| G. Policy delivery and receipt                                    | 1. Personal Articles floaters  |
|---|--|
| Ref: 58-15-8.2  | D. National Flood Insurance Program                                      |
| H. Insurance Fraud Regulation                                     | E. Others  |
| Ref: 58-4A-1-17   | 1. Earthquake  |
| ng. 50 /11 1 1/   | 2. Mobile Homes  |
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| Ref: 58-11-29 through 31  | A. Automobile: personal auto   |
| 1. Evidence of insurance  | 1. Liability   |
| B. Suit against insurer   | a. Bodily Injury   |
| Ref: 15-2-13(1)   | b. Property Damage   |
| C. Rating   | c. Split Limits  |
| Ref: 58-24-1, 5   | d. Combined Single Limit   |
| D. Certificate of Insurance                                       | 2. Medical Payments  |
| E. South Dakota Valued Policy Law                                 | 3. Physical Damage (collision; other than collision;                     |
| Ref: 58-10-10   | specified perils)  |
| F. Flood Insurance  | 4. Uninsured motorists   |
| Flood Insurance Rate Map (FIRM)                                   |  |
| G. Marine and Transportation Insurance                            | <ul><li>5. Underinsured motorists</li><li>6. Who is an insured</li></ul> |
| Ref: 58-9-6 through 10  |  |
| H. Cancellation and Nonrenewal                                    | 7. Types of Auto<br>a. Owned   |
| Ref: 58-1-14, 15, 58-33-60, 61; ARSD 20:06:29:01                  |  |
| I. Surplus lines  | b. Non-owned   |
| Ref: 58-32-32, 44, 50   | c. Hired   |
| J. South Dakota Automobile Insurance Plan (Assigned               | d. Temporary Substitute  |
| Risk)   | e. Newly Acquired Autos  |
| Ref: 58-11-57   | f. Transportation Expense and Rental Reimbursement                       |
| K. Private-passenger automobile insurance                         | Expense  |
| Ref: 58-1-14, 15; 58-1-45; 58-20-14; 58-33-61                     | 8. Exclusions  |
| <ol> <li>Uninsured/Underinsured motorists coverage</li> </ol>     | B. Umbrella/Excess liability   |
| Proof of financial responsibility                                 | III. PROPERTY AND CASUALTY INSURANCE TERMS AND                           |
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| 8-22, 37; 62-8-1, 4, 6; 62-3-15, 16, 17                           | B. Insurable interest  |
| Exclusive remedy  | C. Risk  |
| 2. Employments covered  | 1. Pure vs. Speculative Risk   |
| 3. Covered injuries   | D. Hazard  |
| Occupational disease  | 1. Moral   |
| 5. Benefits provided  | 2. Morale  |
| <ol><li>Second/ subsequent injury fund</li></ol>                  | 3. Physical  |
| 7. Self-insurance   | E. Peril   |
| 8. Cancellation   | F. Loss  |
|   | 1. Direct  |
| PERSONAL LINES-GENERAL  | 2. Indirect  |
|   | G. Loss Valuation  |
| KNOWLEDGE   |  |
| Product Knowledge, Terms, and Concepts                            | 1. Actual cash value   |
| (75 scored plus 5 pretest questions)                              | 2. Replacement cost  |
|   | 3. Market value  |
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| A. Homeowners   | 5. Salvage value   |
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| 2. HO-3   | I. Deductible  |
| 3. HO-4   | J. Indemnity   |
| 4. HO-5   | K. Limits of liability   |
| 5. HO-6   | L. Coinsurance/Insurance to value  |
| 6. HO-8   | M. Occurrence  |
| B. Dwelling policies  | N. Cancellation  |
| 1. DP-1   | O. Nonrenewal  |
| 2. DP-2   | P. Vacancy and unoccupancy   |
|   |  |
|   |  |

3. DP-3

C. Inland marine

o. Notification of suspected fraud2. Unfair claims settlement practices

| Q. Liability |
|--------------|
|--------------|

- 1. Absolute
- 2. Strict
- 3. Vicarious
- R. Negligence
- S. Binder
- T. Endorsements
- U. Blanket vs. Specific
- V. Burglary, Robbery, Theft, and Mysterious Disappearance
- W. Warranties
- X. Representations
- Y. Concealment
- Z. Deposit Premium/Audit
- AA. Certificate of Insurance
- **BB.** Damages
  - 1. Compensatory
    - a. General
    - b. Special
  - 2. Punitive
- CC. Compliance with Provisions of Fair Credit Reporting

  Act

# IV. PROPERTY AND CASUALTY POLICY PROVISIONS AND CONTRACT LAW .......24

- A. Declarations
- B. Insuring agreement
- C. Conditions
- D. Exclusions
- E. Definition of the insured
- F. Duties of the insured after a loss
- 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. Sources of underwriting information
- P. Fair Credit Reporting Act
- Q. Privacy Protection (Gramm Leach Bliley)
- R. Policy Application
- S. Terrorism Risk Insurance Act (TRIA)
- T. Cancellation and nonrenewal provisions
- U. Supplementary payments
- V. Loss settlement provisions including consent to settle a loss
- W. Territory

# PERSONAL LINES SOUTH DAKOTA SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations (25 scoreable questions)

- - A. Director of Insurance

Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168, 170; Reg 20:06:01:05:01

1. Duties and powers

- 2. Examination of records
- 3. Hearings/notice of hearings
- 4. Penalties (and fines)
- 5. Cease and desist orders

#### **B.** Insurance Definitions

Ref: 58-1-2; 58-6-1, 2, 12, 13; 58-37A-1

- 1. Acts constituting an insurance transaction
- 2. Domestic, foreign and alien company
- 3. Fraternals
- 4. Authorized and unauthorized companies insurer
- 5. Stock and mutual companies
- 6. Certificate of authority

#### C. Licensing

Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1, 52, 74, 91, 108, 110, 115 through 121, 142, 145, 148, 149, 157, 159, 160, 162, 165, 166, 167, 175, 180; Reg 20:06:18:01-04, 20:06:09-10, 20:06:12-13, 20:06:18

- 1. Types of licenses
  - a. Producer
  - b. Resident/Nonresident
  - c. Temporary license
  - d. Business entity
- 2. Qualifications for obtaining a license
  - a. Exemptions/Exceptions
  - b. License denial
- 3. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting actions
  - g. Assumed business name
  - h. Inactivity due to military service
  - i. Inactivity due to extenuating circumstances
  - j. Reinstatement, continuation, termination
- 4. Producer appointment
  - a. Termination of contract

# D. Producer responsibilities

Ref: 58-30-194, 171 through 75, Bulletin 13-04, ARSD 20:06:18:21, 58-30-196, 58-33-66

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- Response to Division inquiries

# E. Insurance Guaranty Association

Ref: 58-29A-54 through 109

1. Purpose and disclaimer

# F. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78, 125; ARSD 20:08:07:27; Bulletin 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Controlled business
  - d. Defamation
  - e. False advertising
  - f. Illegal inducement
  - g. Misrepresentation

| h Pohating  |      | 1. Runner  |
|---|------|--|
| h. Rebating   |      |  |
| i. Twisting   |      | Professional bondspersons     Property bondspersons                                    |
| j. Unfair discrimination  |      | 4. Surety bondspersons   |
| k. Acting without a license                                       |      | D. Background check  |
| I. Larceny  |      | Ref: 58-22-14  |
| m. Prohibited fees/ premiums/ extra charges                       |      | E. Appointments/Termination of Appointments  |
| n. Loans  |      | Ref: 58-22-27, 28  |
| o. Notification of suspected fraud                                |      | F. Maintenance and duration  |
| Unfair claims settlement practices                                |      | Ref: 58-22-19, 20, 25, 26, 38, 55; 58-30-157   |
| G. Policy delivery and receipt                                    |      | Expiration     Renewal   |
| Ref: 58-15-8.2  |      | 3. Annual license registration   |
| H. Insurance Fraud Regulation                                     |      | 4. Termination of business   |
| Ref: 58-4A-1-17   |      | 5. Change of address   |
| II. SD STATUTES PERTINENT TO PERSONAL LINES                       |      | 6. Report of felony criminal prosecution   |
| INSURANCE8  |      | 7. Record keeping  |
| A. Binders  |      | 8. Child support obligation  |
| Ref: 58-11-29 through 31  |      | G. Disciplinary actions Ref: 58-22-11, 21, 22, 54                                      |
| 1. Evidence of insurance  |      | 1. Denial, revocation, and nonrenewal  |
| B. Suit against insurer   |      | 2. Refusal, suspension, or cancellation  |
| Ref: 15-2-13(1)   |      | H. Bondsperson regulation  |
| C. Rating   |      | Ref: 58-22-10, 12, 13, 24, 29, 30, 32, 33, 34, 35, 36, 37, 38, 53;                     |
| Ref: 58-24-1, 5   |      | 58-33-6, 7, 13.1, 32, 37, 55; 58-4A-1 through 17<br>1. Runner requirements             |
| D. Certificate of Insurance                                       |      | Professional bondsperson requirements  |
| E. South Dakota Valued Policy Law                                 |      | a. Annual financial statement  |
|   |      | b. Trust Deposits  |
| Ref: 58-10-10   |      | c. Annual list of forfeitures  |
| F. Flood Insurance  |      | 3. Prohibited conduct  |
| Flood Insurance Rate Map (FIRM)                                   |      | a. Rebates   |
| G. Marine and Transportation Insurance                            |      | <ul><li>b. Compensation</li><li>c. Solicitation where prisoners are confined</li></ul> |
| Ref: 58-9-6 through 10  |      | d. Practice of law   |
| H. Cancellation and Nonrenewal                                    |      | e. Referral of Attorney  |
| Ref: 58-1-14, 15  |      | f. Signing bond in blank   |
| I. Surplus lines  |      | g. Use of license to bail self out of jail   |
| Ref: 58-32-32, 44, 50   |      | 4. Unfair trade practices  |
| J. South Dakota Automobile Insurance Plan (Assigned               |      | a. Misrepresentation<br>b. False Advertising   |
| Risk)   |      | c. Defamation of insurer   |
| Ref: 58-11-57   |      | d. Boycott, coercion and intimidation  |
| K. Private-passenger automobile insurance                         |      | e. Unfair discrimination   |
| Ref: 58-1-14, 15; 58-1-45; 58-20-14; 58-33-61                     |      | 5. Insurance fraud regulation  |
| Uninsured/Underinsured motorists coverage                         | II.  | BAIL BOND PRINCIPLES15-18  |
| Proof of financial responsibility     Cancellation and nonrenewal |      | A. Parties to a surety bond 1. Principal   |
| 5. Cancellation and nomenewal                                     |      | a. Indemnitor for principal  |
|   |      | b. Indemnity agreement   |
| BAIL BONDS  |      | c. Rights of indemnitor (bondsperson, surety)  |
| CONTENT OUTLINE   |      | d. Collateral and trust obligations of bondsperson                                     |
| Product Knowledge, Terms and Concepts                             |      | 2. Obligee   |
| South Dakota Statutes, Rules and Regulations                      |      | Surety     Custody requirements  |
| (50 scored questions)   |      | Custody requirements     Responsibility and rights of each party                       |
| I. SD LAWS, RULES, AND REGULATIONS COMMON TO                      |      | 6. Power of attorney   |
| ALL LINES   |      | B. Requirements (eligibility) of a surety  |
| A. Division of Insurance  |      | C. Duties of bail bondsperson  |
| Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167, 168,      |      | Receipt for collateral   |
| 170; Reg 20:06:01:05:01   |      | D. Compensation of surety  |
| 1. Duties and powers  |      | E. Types of bonds  |
|   |      | Personal surety bond     Comparets surety bond   |
| 2. Examination of records   |      | Corporate surety bond     Property bond  |
| 3. Hearings/notice of hearings                                    |      | 4. Professional bond   |
| 4. Penalties (and fines)  |      | 5. Cash bond   |
| 5. Cease and desist orders  | III. | BAIL BOND PRACTICES10-13   |
| B. Persons required to be licensed                                |      | Ref: South Dakota Codified Laws, 23A-43 Rule 46  |
| Ref. 58-22-3  |      | A. Court procedures  |

1. Ineligible licensees

Ref: 58-22-1(3)(4)(5)(6)

C. Types of licenses

1. Felonies versus misdemeanors

2. Warrants

3. Custody

|     | 4. Court appearances                                   | 1. Notice of loss                                      |         |
|-----|--|--|---------|
|     | 5. Appeals   | 2. Percentage Plan                                     |         |
|     | B. Bond forfeiture 1. Motion                           | 3. Loss payment  |         |
|     | 2. Dispersal of funds                                  | E. Cancellation and nonrenewal                         |         |
|     | Rights of defendant apprehended by surety              | III. MULTI-PERIL CROP INSURANCE                        | 30-32   |
|     | C. Surrender of principal (defendant)                  | A. Fundamentals of Multiple Peril Crop Insurance       | (MPCI)  |
|     | 1. Return of premium                                   | Policies   |         |
|     | 2. Return of collateral                                | 1. Actual Production History (APH)                     |         |
| IV. |  | 2. Production Reporting                                |         |
|     | A. Acquitted   | 3. Acreage Reporting                                   |         |
|     | B. Adjudication  | 4. Important Dates                                     |         |
|     | C. Appeal  | 5. Written Agreements                                  |         |
|     | D. Appearance bond E. Arraignment                      | 6. High Risk Land                                      |         |
|     | F. Bail bond   | 7. Actuarial Documents                                 |         |
|     | G. Capital offense                                     | 8. Insured Eligibility                                 |         |
|     | H. Collateral  | 9. Units   |         |
|     | I. Conviction  | 10. Coverage Levels                                    |         |
|     | J. Defendant   | 11. Administrative Fees                                |         |
|     | K. Exoneration   | 12. Life of the Policy                                 |         |
|     | L. Extradition   | 13. Yield/Revenue Guarantees                           |         |
|     | M. Fiduciary   | B. Plans of Insurance                                  |         |
|     | N. Forfeiture  | 1. Actual Production History (APH)                     |         |
|     | O. Fugitive  | Catastrophic Risk Protection Coverage (CAT             | ١       |
|     | P. Habeas corpus                                       | Area Risk Protection Insurance (ARPI)                  | ,       |
|     | Q. Hearing   | 4. Livestock Risk Protection (LRP)                     |         |
|     | R. Incarcerated<br>S. Indictment                       | 5. Rainfall Index (RI)                                 |         |
|     | T. Judicial sentence                                   | · /  |         |
|     | U. Principal   | 6. Revenue Protection (RP)                             |         |
|     | V. Recognizance  | 7. Pasture Rangeland Forage (PRF)                      |         |
|     | W. Supersedeas   | 8. Yield Protection (YP)                               |         |
|     | X. Trial by jury                                       | C. Policy Provisions                                   |         |
|     | Y. Writ  | 1. Common/Basic Provisions                             |         |
|     |  | Coarse Grains Provisions                               |         |
|     | CROP   | a. Replant   |         |
|     | CONTENT OUTLINE  | b. Prevented Planting                                  |         |
|     | Product Knowledge, Terms and Concepts                  | c. Late Plant Period                                   |         |
|     | South Dakota Statutes, Rules and Regulations           | D. Claims  |         |
|     | (60 scored questions)                                  | Claims site assessment                                 |         |
| ı.  | GENERAL INSURANCE TERMS AND CONCEPTS6-8                | a. Site testing  |         |
|     | A. Actual cash value                                   | b. Standard measures                                   |         |
|     | B. Assignment  | c. Location  |         |
|     | C. Binder  | <ol><li>Insured's duties after a loss</li></ol>        |         |
|     | D. Hazard  | 3. Agent's duties                                      |         |
|     | E. Indemnity   | <ol><li>Loss Reporting Requirements</li></ol>          |         |
|     | F. Insurable interest                                  | <ol><li>Duties after a loss</li></ol>                  |         |
|     |  | <ol><li>Arbitration and appraisal</li></ol>            |         |
|     | G. Limits of Liability                                 | 7. Covered Perils                                      |         |
|     | H. Loss  | E. Cancellation and Nonrenewal                         |         |
|     | 1. Direct  | IV. STATE STATUTES, RULES, AND REGULATIONS             |         |
|     | 2. Indirect  | PERTINENT TO CROP INSURANCE                            | 8-10    |
|     | I. Negligence  | A. Director of Insurance                               |         |
|     | J. Cause of Loss                                       | Ref: 58-2-22; 58-3-5; 58-4-7, 28.1, 58-30-91, 133, 167 | 7 160   |
|     | K. Peril   | ·  | , 100,  |
|     | L. Risk  | 170; Reg 20:06:01:05:01                                |         |
|     | M. Subrogation   | Duties and powers     Supplies that of records         |         |
|     | N. Crop Hail organizations                             | 2. Examination of records                              |         |
|     | O. Federal Crop Act of 1980                            | 3. Hearings/notice of hearings                         |         |
| II. | CROP HAIL INSURANCE 30%14-18                           | 4. Penalties (and fines)                               |         |
|     | A. Policy rates  | 5. Cease and desist orders                             |         |
|     | B. Coverages available                                 | B. Licensing   |         |
|     | C. Policy provisions                                   | Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8.1 |         |
|     | NCIS general provisions                                | 74, 91, 108, 110, 115–121, 142, 145, 148, 149, 157, 1. |         |
|     | ·  | 162, 165, 166, 167, 175, 180; Reg 20:06:18:01–04, 20   | 0:06:09 |
|     | 2 NCIS Special provisions                              |  |         |
|     | NCIS Special provisions     Claim Settlement Practices | 10, 20:06:12-13, 20:06:18                              |         |

- 1. Types of licenses
  - a. Producer
  - b. Resident/Nonresident
  - c. Business entity
- Producer appointment/termination of contract and appointment
- 3. Qualifications for obtaining a license
  - a. Exemptions/Exceptions (58-30-52)
  - b. License denial
- 4. Maintaining a license
  - a. Continuing education
  - b. Change of address
  - c. Renewal/Nonrenewal
  - d. Record maintenance
  - e. License suspension/revocation/refusal to issue or renew
  - f. Reporting actions
  - g. Reinstatement
- 5. Companies
  - a. Domestic, Foreign, Alien
  - b. Certificate of Authority

## C. Producer responsibilities

Ref: 58-30-171-75, Bulletin 13-04, 58-30-194, ARSD 20:06:18:21, 58-30-196

- 1. Fiduciary responsibilities
- 2. Commissions, compensation, fees
- 3. Reporting of felonies and crimes of moral turpitude
- 4. Influence of witnesses
- 5. Response to Division inquiries

# D. Marketing practices

Ref: 58-11-55; 58-14-31; 58-30-90, 92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24 – 26, 32, 35– 37, 56, 76 – 78; ARSD 20:08:07:27; Bul. 13-04

- 1. Unfair practices
  - a. Boycott, coercion, intimidation
  - b. Commingling
  - c. Defamation
  - d. Misrepresentation
  - e. Rebating/Illegal Inducement
  - f. Twisting
  - g. Unfair discrimination
  - h. Acting without a license (unlicensed activities)
  - i. Prohibited fees/ premiums/ extra charges
  - j. Notification of suspected fraud
- 2. Unfair claims settlement practices