

## LIFE-GENERAL KNOWLEDGE CONTENT OUTLINE

### Product Knowledge, Terms and Concepts

(50 scoreable questions plus 10 pretest questions)

#### I. TYPES OF POLICIES ..... 12

##### 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

##### E. Combination plans and variations

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

#### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS ..... 18

##### 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

##### 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

##### 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 (eg. participating, non-participating)

##### 12. Incontestability

##### 13. Assignments

##### 14. Suicide

##### 15. Misstatement of age and gender

##### 16. Settlement options

##### 17. Accelerated death benefits

##### C. Policy exclusions

#### 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

##### 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
2. Unique aspects of the insurance contract
  - a. Conditional
  - b. Unilateral
  - c. Adhesion
  - d. Aleatory

#### IV. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS ..... 8

##### A. Third-party ownership

##### B. Viatical Settlements

##### C. Life Settlements

- D. Group life insurance**
  - 1. Conversion privilege
  - 2. Contributory vs. noncontributory
- E. Retirement plans**
  - 1. Qualified plans
  - 2. Nonqualified plans
- F. Life insurance needs analysis/suitability**
  - 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)

- 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*
  - 1. Fiduciary responsibilities
  - 2. Commissions, compensation, fees
  - 3. Reporting of felonies and crimes of moral turpitude
  - 4. Influence of witnesses
- 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; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
    - l. Larceny
    - m. Prohibited fees/ premiums/ extra charges
    - n. Loans
    - o. Notification of suspected fraud
  - 2. Unfair claims settlement practices

**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. Fraternal
  - 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, 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

**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

- 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, 58-16-39-41, 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. 10:06:07:03, 08*

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

- 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 ..... 20**

**A. Mandatory and optional 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
- 13. Misstatement of age or sex
- 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

**D. Rights of renewability**

- 1. Noncancelable
- 2. Cancelable
- 3. Guaranteed renewable

**III. SOCIAL INSURANCE ..... 3**

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

**B. Medicaid**

**C. Social Security benefits**

**IV. OTHER INSURANCE CONCEPTS..... 4**

**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**

**HEALTH-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
*(50 scoreable questions plus 10 pretest questions)*

**I. TYPES OF POLICIES ..... 14**

**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)

**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)**

**G. Other policies**

- 1. Dental
- 2. Vision
- 3. Cancer

- 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**
- K. Subrogation**

- V. FIELD UNDERWRITING PROCEDURES ..... 9**
  - 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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*(25 scoreable questions plus 5 pretest questions)*

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- 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
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    - k. Acting without a license
    - l. 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

1. Continuation of coverage under COBRA and South Dakota Specific Rules
2. 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
  - l. 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

1. 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)

10. 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

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**VI. HEALTH POLICY PROVISIONS, CLAUSES, AND RIDERS..... 20**

**A. Mandatory and optional provisions**

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**D. Rights of renewability**

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**VII. SOCIAL INSURANCE ..... 3**

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**B. Medicaid**

**C. Social Security benefits**

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**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**

**K. Subrogation**

**IX. FIELD UNDERWRITING PROCEDURES..... 9**

**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**

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- h. Inactivity due to military service
- i. Inactivity due to extenuating circumstances
- j. Reinstatement, continuation, termination
- 4. Appointments
  - a. Termination of appointment

**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. Fraternal
- 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, 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

**D. Producer responsibilities**

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

**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; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
  - l. 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, 58-16-39-41, 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. 10:06:07:03, 08*

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

**III. SD STATUTES, RULES, AND REGULATIONS PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY.....14**

**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*

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

**C. Medicare Supplement Insurance**

*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
- l. 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*

- 1. 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)
- 10. 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

- 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**

**PROPERTY-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**

*(50 scoreable questions plus 10 pretest questions)*

**I. TYPES OF POLICIES ..... 25**

**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

**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 ..... 14**

**A. Insurance**

- 1. Law of Large Numbers

**B. Insurable interest**

**C. Risk**

**III. POLICY PROVISIONS AND CONTRACT LAW ..... 11**

**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)**

**PROPERTY  
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. Fraternal
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, 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*

1. Fiduciary responsibilities
2. Commissions, compensation, fees
3. Reporting of felonies and crimes of moral turpitude

4. Influence of witnesses

**E. Insurance Guaranty Association**

*Ref: 58-29A-54 through 109*

1. Purpose and disclaimer

**F. Marketing practices**

*Ref: 58-11-55; 58-14-31; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1,  
14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
  - l. 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. Inland Marine**

*Ref: 58-9-10*

**H. Cancellation and Nonrenewal**

*Ref: 58-1-14, 15*

**I. Surplus lines**

*Ref: 58-32-32, 44, 50*

**CASUALTY-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**

*(50 scoreable questions plus 10 pretest questions)*

**I. TYPES OF POLICIES, BONDS, AND  
RELATED TERMS..... 25**

**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
    - (1) Occurrence
    - (2) Claims made
      - (a) Retroactive Date
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments
  - d. Supplemental Payments
  - e. Who is an insured
  - f. Limits
    - (1) Per occurrence
    - (2) Annual Aggregate
  - g. 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)
- 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
- G. Umbrella/Excess Liability**

## II. INSURANCE TERMS AND RELATED CONCEPTS..... 14

- 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..... 11

- 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. Arbitration**
- L. Other insurance**
- M. Subrogation**

- N. Loss settlement provisions including consent to settle a loss**
- O. Terrorism Risk Insurance Act (TRIA)**

**CASUALTY  
SOUTH DAKOTA SPECIFIC  
CONTENT OUTLINE  
State Statutes, Rules and Regulations**

*(25 scoreable questions plus 5 pretest questions)*

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2. Examination of records
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3. Fraternal
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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, 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*

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  - 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*

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

**E. Insurance Guaranty Association**

*Ref: 58-29A-54 through 109*

1. Purpose and disclaimer

**F. Marketing practices**

*Ref: 58-11-55; 58-14-31; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
  - g. Illegal inducement
  - h. Misrepresentation
  - i. Rebating
  - j. Twisting
  - k. Unfair discrimination
  - l. 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*

**II. SD STATUTES PERTINENT TO CASUALTY 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 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: 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

## **PROPERTY and CASUALTY- GENERAL KNOWLEDGE CONTENT OUTLINE**

### **Product Knowledge, Terms and Concepts**

*(100 scoreable questions plus 10 pretest questions)*

#### **I. TYPES OF PROPERTY POLICIES ..... 25**

##### **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

##### **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 ..... 14**

##### **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 ..... 11**

##### **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)**

#### **IV. TYPES OF CASUALTY POLICIES, BONDS, AND RELATED TERMS ..... 25**

##### **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
    - (1) Occurrence
    - (2) Claims made
      - (a) Retroactive Date
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments

- d. Supplemental Payments
- e. Who is an insured
- f. Limits
  - (1) Per occurrence
  - (2) Annual Aggregate
- g. 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)
- 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
- G. Umbrella/Excess Liability**

**V. INSURANCE TERMS AND RELATED CONCEPTS ..... 14**

- 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**

**VI. POLICY PROVISIONS ..... 11**

- 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. Arbitration**
- L. Other insurance**
- M. Subrogation**
- N. Loss settlement provisions including consent to settle a loss**
- O. 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. Fraternal
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, 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*

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

**E. Insurance Guaranty Association**

*Ref: 58-29A-54 through 109*

1. Purpose and disclaimer

**F. Marketing practices**

*Ref: 58-11-55; 58-14-31; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
  - l. 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 AND  
CASUALTY INSURANCE.....12**

**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. Inland Marine**

*Ref: 58-9-10*

**H. Cancellation and Nonrenewal**

*Ref: 58-1-14, 15*

**I. Surplus lines**

*Ref: 58-32-32, 44, 50*

**J. South Dakota Automobile Insurance Plan (Assigned  
Risk)**

*Ref: 58-11-57*

**K. 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

**L. Workers Compensation**

*Ref: 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

# PERSONAL LINES-GENERAL KNOWLEDGE

## Product Knowledge, Terms, and Concepts

(75 scoreable questions plus 11 pretest questions)

### I. TYPES OF PROPERTY POLICIES ..... 10

#### 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. Inland marine

1. Personal Articles floaters

#### D. National Flood Insurance Program

#### E. Others

1. Earthquake
2. Mobile Homes
3. Watercraft
4. Windstorm

### II. TYPES OF CASUALTY POLICIES ..... 13

#### A. Automobile: personal 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. Exclusions

#### B. Umbrella/Excess liability

### III. PROPERTY AND CASUALTY INSURANCE TERMS AND RELATED CONCEPTS ..... 28

#### 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 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

#### 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. Arbitration
- W. Loss settlement provisions including consent to settle
  - a. loss

- i. Inactivity due to extenuating circumstances
- j. Reinstatement, continuation, termination
- 4. Producer appointment
  - a. Termination of contract

**PERSONAL LINES  
SOUTH DAKOTA SPECIFIC  
CONTENT OUTLINE  
State Statutes, Rules and Regulations  
(25 scoreable 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. Fraternal
  - 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, 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

**D. Producer responsibilities**

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

**E. Insurance Guaranty Association**

*Ref: 58-29A-54 through 109*

- 1. Purpose and disclaimer

**F. Marketing practices**

*Ref: 58-11-55; 58-14-31; 58-30-92; 58-33-5, 6, 7, 8, 11, 13.1, 14, 15, 24, 25, 26, 32, 35, 36, 37, 56, 76, 77, 78; 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
  - l. 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 PERSONAL LINES  
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. Inland Marine**

*Ref: 58-9-10*

**H. Cancellation and Nonrenewal**

*Ref: 58-1-14, 15*

**I. Surplus lines**

Ref: 58-32-32, 44, 50

**J. South Dakota Automobile Insurance Plan (Assigned Risk)**

Ref: 58-11-57

**K. 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

- c. Solicitation where prisoners are confined
  - d. Practice of law
  - e. Referral of Attorney
  - f. Signing bond in blank
  - g. Use of license to bail self out of jail
- 4. Unfair trade practices
    - a. Misrepresentation
    - b. False Advertising
    - c. Defamation of insurer
    - d. Boycott, coercion and intimidation
    - e. Unfair discrimination
  - 5. Insurance fraud regulation

**BAIL BONDS**

**CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts  
South Dakota Statutes, Rules and Regulations**

(50 scored questions)

**I. SD LAWS, RULES, AND REGULATIONS COMMON TO ALL LINES.....15-18**

**A. Division 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. Persons required to be licensed**

Ref: 58-22-3

- 1. Ineligible licensees

**C. Types of licenses**

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

- 1. Runner
- 2. Professional bondspersons
- 3. Property bondspersons
- 4. Surety bondspersons

**D. Background check**

Ref: 58-22-14

**E. Appointments/Termination of Appointments**

Ref: 58-22-27, 28

**F. Maintenance and duration**

Ref: 58-22-19, 20, 25, 26, 38, 55; 58-30-157

- 1. Expiration
- 2. Renewal
- 3. Annual license registration
- 4. Termination of business
- 5. Change of address
- 6. Report of felony criminal prosecution
- 7. Record keeping
- 8. Child support obligation

**G. Disciplinary actions**

Ref: 58-22-11, 21, 22, 54

- 1. Denial, revocation, and nonrenewal
- 2. Refusal, suspension, or cancellation

**H. Bondsperson regulation**

Ref: 58-22-10, 12, 13, 24, 29, 30, 32, 33, 34, 35, 36, 37, 38, 53; 58-33-6, 7, 13.1, 32, 37, 55; 58-4A-1 through 17

- 1. Runner requirements
- 2. Professional bondsperson requirements
  - a. Annual financial statement
  - b. Trust Deposits
  - c. Annual list of forfeitures
- 3. Prohibited conduct
  - a. Rebates
  - b. Compensation

**II. BAIL BOND PRINCIPLES.....15-18**

**A. Parties to a surety bond**

- 1. Principal
  - a. Indemnitor for principal
  - b. Indemnity agreement
  - c. Rights of indemnitor (bondsperson, surety)
  - d. Collateral and trust obligations of bondsperson
- 2. Obligee
- 3. Surety
- 4. Custody requirements
- 5. Responsibility and rights of each party
- 6. Power of attorney

**B. Requirements (eligibility) of a surety**

**C. Duties of bail bondsperson**

- 1. Receipt for collateral

**D. Compensation of surety**

**E. Types of bonds**

- 1. Personal surety bond
- 2. Corporate surety bond
- 3. Property bond
- 4. Professional bond
- 5. Cash bond

**III. BAIL BOND PRACTICES (SOUTH DAKOTA CODIFIED LAWS, 23A-43 RULE 46).....10-13**

**A. Court procedures**

- 1. Felonies versus misdemeanors
- 2. Warrants
- 3. Custody
- 4. Court appearances
- 5. Appeals

**B. Bond forfeiture**

- 1. Motion
- 2. Dispersal of funds
- 3. Rights of defendant apprehended by surety

**C. Surrender of principal (defendant)**

- 1. Return of premium
- 2. Return of collateral

**IV. TERMINOLOGY.....5-7**

**A. Acquitted**

**B. Adjudication**

**C. Appeal**

**D. Appearance bond**

**E. Arraignment**

**F. Bail bond**

**G. Capital offense**

**H. Collateral**

**I. Conviction**

**J. Defendant**

**K. Exoneration**

**L. Extradition**

**M. Fiduciary**

**N. Forfeiture**

**O. Fugitive**

**P. Habeas corpus**

**Q. Hearing**

- R. Incarcerated
- S. Indictment
- T. Judicial sentence
- U. Principal
- V. Recognizance
- W. Supersedeas
- X. Trial by jury
- Y. Writ

## CROP

### CONTENT OUTLINE

#### Product Knowledge, Terms and Concepts South Dakota Statutes, Rules and Regulations

(60 scored questions)

#### I. GENERAL INSURANCE TERMS AND CONCEPTS.....6-8

- A. Actual cash value
- B. Assignment
- C. Binder
- D. Hazard
- E. Indemnity
- F. Insurable interest
- G. Limits of Liability
- H. Loss
  - 1. Direct
  - 2. Indirect
- I. Negligence
- J. Occurrence
- K. Peril
- L. Risk
- M. Subrogation
- N. Crop Hail organizations
- O. Federal Crop Act of 1980

#### II. CROP HAIL INSURANCE 30%.....14-18

- A. Policy rates
- B. Coverages available
- C. Policy provisions
  - 1. NCIS general provisions
  - 2. NCIS Special provisions
- D. Claim Settlement Practices
  - 1. Notice of loss
  - 2. Percentage Plan
  - 3. Loss payment
- E. Cancellation and nonrenewal

#### III. MULTI-PERIL CROP INSURANCE.....30-32

- A. Fundamentals of Multiple Peril Crop Insurance (MPCI)  
Policies
  - 1. Actual Production History (APH)
  - 2. Production Reporting
  - 3. Acreage Reporting
  - 4. Important Dates
  - 5. Written Agreements
  - 6. High Risk Land
  - 7. Actuarial Documents
  - 8. Insured Eligibility
  - 9. Units
  - 10. Coverage Levels
  - 11. Administrative Fees
  - 12. Life of the Policy
  - 13. Yield/Revenue Guarantees

#### B. Plans of Insurance

- 1. Actual Production History (APH)
- 2. Catastrophic Risk Protection Coverage (CAT)
- 3. Area Risk Protection Insurance (ARPI)
- 4. Livestock Risk Protection (LRP)
- 5. Rainfall Index (RI)
- 6. Revenue Protection (RP)
- 7. Pasture Rangeland Forage (PRF)
- 8. Yield Protection (YP)

#### C. Policy Provisions

- 1. Common/Basic Provisions
- 2. Coarse Grains Provisions
  - a. Replant
  - b. Prevented Planting
  - c. Late Plant Period

#### D. Claims

- 1. Claims site assessment
  - a. Site testing
  - b. Standard measures
  - c. Location
- 2. Insured's duties after a loss
- 3. Agent's duties
- 4. Loss Reporting Requirements
- 5. Duties after a loss
- 6. Arbitration and appraisal
- 7. Covered Perils

#### E. Cancellation and Nonrenewal

#### IV. STATE STATUTES, RULES, AND REGULATIONS PERTINENT TO CROP INSURANCE.....8-10

##### 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. Licensing

*Ref: 58-3-7.4; 58-5-17; 58-6-4; 58-14-30; 58-30-6, 8, 52, 74, 91, 108, 110, 115-121, 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. Business entity
- 2. 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

**D. Marketing practices**

*Ref: 58-11-55; 58-14-31; 58-30-92; 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