

## Chapter Ins 26

### APPENDIX 1—CASUALTY INSURANCE COURSE REQUIREMENTS

#### SECTION A

- I. Principles of Insurance -- 1 Hour
  - A. Definition of risk
  - B. Risk management
  - C. Insurable and noninsurable risk
  - D. Pooling concept—law of large numbers
  - E. Types of insurance companies
  - F. Reinsurance
- II. General Wisconsin Insurance Laws -- 4 Hours
  - A. Duties and powers of Insurance Commissioner—statutory and rule-making
  - B. Knowledge of administrative action process, including hearings and penalties
  - C. Purpose of licensing, including procedures and who must be licensed
  - D. Record keeping and changes in agent status, including change of name or address
  - E. Agent license expiration, revocation, suspension, and limitation
  - F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
  - G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
  - H. Unfair claims methods and practices—timely payment of claims
  - I. Fair rating practices
  - J. Home and telephone solicitation requirements
  - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
  - L. Controlled business
  - M. Proper exchange of business
  - N. Unfair marketing practices
    - 1. Misrepresentation
    - 2. Unfair inducement
    - 3. Unfair discrimination
    - 4. Extra charges
    - 5. Influencing employers
    - 6. Unfair use of official position
    - 7. Returning indicia of agency
    - 8. Churning
    - 9. Twisting
    - 10. Restraint of competition
    - 11. Unfair restriction of contracting parties choice of insurer
  - O. Insurance contracts in Wisconsin
- III. Ethics -- 3 Hours
  - A. Fiduciary duties, and responsibilities
  - B. Conflict of interest
  - C. Ethical marketing practices, including fair and ethical treatment of policyholders
  - D. Appropriate claims practices
  - E. Suitability of product to client
  - F. Social responsibility of insurance agent
  - G. Agent/company relationships
  - H. Maintaining appropriate insurance expertise

#### SECTION B

- IV. Terms, Concepts and Policies -- 10 Hours
  - A. Insurance terms and related concepts
    - 1. Risks
    - 2. Hazards
    - 3. Indemnity
    - 4. Insurable interest
    - 5. Actual cash value
    - 6. Negligence
      - a. Contributory
      - b. Comparative
    - 7. Liability
    - 8. Accident
    - 9. Occurrence
    - 10. Burglary
    - 11. Robbery
    - 12. Theft
    - 13. Mysterious disappearance
    - 14. Fidelity (employee dishonesty)
    - 15. Warranties
    - 16. Representations
    - 17. Concealment
    - 18. Bodily injury liability
    - 19. Property damage liability
    - 20. Personal injury liability
    - 21. Limits of liability
    - 22. Deductibles
    - 23. Incidental contracts
    - 24. Binders
    - 25. Custodian
    - 26. Messenger
    - 27. Guard or watchperson
  - B. Policy provisions
    - 1. Declarations
    - 2. Insuring agreement
    - 3. Conditions
    - 4. Exclusions
    - 5. Definition of the insured
    - 6. Duties of the insured
    - 7. Cancellation and nonrenewal provisions
    - 8. Supplementary payment (additional coverages)
    - 9. Proof of loss
    - 10. Notice of claim
    - 11. Arbitration
    - 12. Pro rata liability (other insurance)
    - 13. Subrogation
    - 14. Compliance with provisions of Fair Credit Reporting Act
    - 15. Claims made policy form
    - 16. Salvage
    - 17. Consent to settle a loss
    - 18. Limitations
  - C. Types of policies, bonds, and related terms
    - 1. Automobile Insurance – personal & family auto and business & commercial auto
      - a. Bodily injury

- b. Property damage
- c. Limits
  - (1) Split
  - (2) Single
- d. Medical payments
- e. Supplementary payments
- f. Physical damage
  - 1. Collision
  - 2. Comprehensive
- g. Uninsured motorist
- h. Underinsured motorist
- i. Named insureds
- j. Insureds
- k. Owned automobile
- l. Nonowned automobile
- m. Temporary substitute auto
- n. Hired auto
- o. Cancellation and nonrenewal
- p. Towing and labor
- q. Personal auto policy
- r. Family auto policy
- s. Business auto policy
- t. Garage liability policy
- 2. General liability
  - a. Exposures (hazards)
    - (1) Premises and operations
    - (2) Products and completed operations
    - (3) Contractual liability
    - (4) Vicarious liability/independent contractors
  - b. Coverage forms
    - (1) Commercial General Liability (CGL)
      - (a) Occurrence form
      - (b) Claims made form
    - (2) Owners and contractors protective liability
- 3. Commercial general liability
- 4. Bonding and commercial crime insurance
  - a. Theft, disappearance and destruction form
  - b. Robbery and safe burglary form
  - c. Premises burglary coverage form
  - d. Fidelity bonds
  - e. Surety bonds
  - f. Other miscellaneous bonds
- 5. Worker's compensation
- 6. Professional liability
  - a. Errors and omissions
  - b. Directors and officers
- 7. Umbrella/excess liability
- V. Wisconsin Casualty Insurance Law – 2 Hours
  - A. General rate standards
  - B. Prohibited classification of risks
  - C. Surplus lines
    - 1. Definition
    - 2. Prohibitions and restrictions
    - 3. Responsibilities of agents and brokers
  - D. Oral contracts
  - E. Automobile liability
    - 1. Financial responsibility
      - a. Definition
      - b. Persons required to show proof
    - 2. Required coverages and prohibited exclusions
      - a. Uninsured motorist
    - 3. Cancellation or nonrenewal
    - 4. Responsibility for minors operating motor vehicles
    - 5. Wisconsin Automobile Insurance Plan
  - F. Worker's compensation
    - 1. Purpose
    - 2. Definitions
    - 3. Wisconsin worker's compensation insurance pool

**Chapter Ins 26****APPENDIX 2 – PROPERTY INSURANCE COURSE REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 1 Hour
  - A. Definition of risk
  - B. Risk management
  - C. Insurable and noninsurable risk
  - D. Pooling concept—law of large numbers
  - E. Types of insurance companies
  - F. Reinsurance
- II. General Wisconsin Insurance Laws — 4 Hours
  - A. Duties and powers of Insurance Commissioner—statutory and rule-making
  - B. Knowledge of administrative action process, including hearings and penalties
  - C. Purpose of licensing, including procedures and who must be licensed
  - D. Record keeping and changes in agent status, including change of name or address
  - E. Agent license expiration, revocation, suspension, and limitation
  - F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
  - G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
  - H. Unfair claims methods and practices—timely payment of claims
  - I. Fair rating practices
  - J. Home and telephone solicitation requirements
  - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
  - L. Controlled business
  - M. Proper exchange of business
  - N. Unfair marketing practices
    - 1. Misrepresentation
    - 2. Unfair inducement
    - 3. Unfair discrimination
    - 4. Extra charges
    - 5. Influencing employers
    - 6. Unfair use of official position
    - 7. Returning indicia of agency
    - 8. Churning
    - 9. Twisting
    - 10. Restraint of competition
      - 1. Unfair restriction of contracting parties choice of insurer
  - O. Insurance contracts in Wisconsin
- III. Ethics — 3 Hours
  - A. Fiduciary duties, and responsibilities
  - B. Conflict of interest
  - C. Ethical marketing practices, including fair and ethical treatment of policyholders
  - D. Appropriate claims practices
  - E. Suitability of product to client
  - F. Social responsibility of insurance agent
  - G. Agent/company relationships
  - H. Maintaining appropriate insurance expertise

**SECTION B**

- IV. Terms, Concepts, and Policies — 10 Hours
  - A. Insurance terms and related concepts
    - 1. Insurance
    - 2. Insurable interest
    - 3. Hazard
      - a. Physical
      - b. Moral
      - c. Morale
    - 4. Peril (causes of loss)
      - a. Specified (named) perils
        - (1) Standard fire
        - (2) Extended coverage
        - (3) Broad form
      - b. Open perils (all physical loss)
    - 5. Loss
      - a. Direct
      - b. Indirect
    - 6. Proximate cause
    - 7. Deductible
    - 8. Principle of Indemnity
    - 9. Actual cash value
    - 10. Replacement cost
    - 11. Limits of liability
    - 12. Coinsurance
    - 13. Pair and set clause
    - 14. Extensions of coverage
    - 15. Additional coverages
    - 16. Accident
    - 17. Occurrence
    - 18. Cancellation
    - 19. Nonrenewal
    - 20. Vacancy and unoccupancy
    - 21. Right of salvage
    - 22. Abandonment
    - 23. Liability
    - 24. Negligence
  - B. Policy provisions and contract law
    - 1. Parts of a policy
      - a. Declarations
      - b. Insuring agreement
      - c. Conditions
      - d. Exclusions
    - 2. Definition of the insured
    - 3. Duties of the insured
    - 4. Obligations of the insurance company
    - 5. Mortgagee rights
    - 6. Proof of loss
    - 7. Notice of claim
    - 8. Appraisal
    - 9. Pro rata liability (other insurance)
    - 10. Assignment
    - 11. Subrogation
    - 12. Arbitration
    - 13. Elements of a contract

- 14. Warranties, representations, and concealment
- 15. Warranty
  - a. Affirmative
  - b. Promissory
- 16. Breach of warranty
- 17. Concealment
- 18. Binders
- 19. Sources of insurability information
- 20. Fair Credit Reporting Act
- C. Types of policies
  - 1. Standard fire
  - 2. Personal lines
    - a. Dwelling (DP forms)
    - b. Homeowners (HO) forms
    - c. Mobile homes
  - 3. Homeowners policy
  - 4. Watercraft
  - 5. Flood insurance
  - 6. Commercial Lines
    - a. Commercial package policy (CPP)
      - (1) Building and personal property coverage Form
      - (2) Causes of loss forms
      - (3) Business income coverage form
      - (4) Extra expense coverage form
      - (5) Boiler and machinery coverage form
- 7. Inland marine
  - a. Personal floaters
  - b. Commercial floaters
- 8. Other policies
  - a. Flood insurance
  - b. Personal Watercraft
  - c. Farm and ranch insurance
  - d. Commercial ocean marine
  - e. Earthquake insurance
- V. Wisconsin Property Insurance Law — 2 Hours
  - A. General rate standards – use and file provisions
  - B. Prohibited classification of risks
  - C. Surplus lines
    - 1. Definitions
    - 2. Prohibitions and restrictions
    - 3. Responsibilities of agents and brokers
  - D. Oral contracts
  - E. Content of forms
  - F. Definition of loss
  - G. Wisconsin Insurance Plan
  - H. Valued policy law
  - I. Vacancy rule
  - J. Time period for filing claim

## Chapter Ins 26

### APPENDIX 2M – PERSONAL LINES INSURANCE COURSE REQUIREMENTS

#### SECTION A

##### I. Principles of Insurance — 1 Hour

- A. Definition of risk
- B. Risk management
- C. Insurable and noninsurable risk
- D. Pooling concept—law of large numbers
- E. Types of insurance companies
- F. Reinsurance

##### II. General Wisconsin Insurance Laws — 4 Hours

- A. Duties and powers of Insurance Commissioner—statutory and rule-making
- B. Knowledge of administrative action process, including hearings and penalties
- C. Purpose of licensing, including procedures and who must be licensed
- D. Record keeping and changes in agent status, including change of name or address
- E. Agent license expiration, revocation, suspension, and limitation
- F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
- G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
- H. Unfair claims methods and practices—timely payment of claims
- I. Fair rating practices
- J. Home and telephone solicitation requirements
- K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
- L. Controlled business
- M. Proper exchange of business
- N. Unfair marketing practices
  - 1. Misrepresentation
  - 2. Unfair inducement
  - 3. Unfair discrimination
  - 4. Extra charges
  - 5. Influencing employers
  - 6. Unfair use of official position
  - 7. Returning indicia of agency
  - 8. Churning
  - 9. Twisting
  - 10. Restraint of competition
  - 11. Unfair restriction of contracting parties choice of insurer
- O. Insurance contracts in Wisconsin

##### III. Ethics — 3 Hours

- A. Fiduciary duties, and responsibilities
- B. Conflict of interest
- C. Ethical marketing practices, including fair and ethical treatment of policyholders
- D. Appropriate claims practices
- E. Suitability of product to client
- F. Social responsibility of insurance agent
- G. Agent/company relationships
- H. Maintaining appropriate insurance expertise

#### SECTION B

##### IV. Terms, Concepts and Policies — 10 Hours

- A. Insurance terms and related concepts
  - 1. Insurance
  - 2. Risks
  - 3. Peril (causes of loss)
    - a. Specified (named) perils
      - (1) Standard fire
      - (2) Extended coverage
      - (3) Broad form
    - b. Open perils (all physical loss)
  - 4. Hazards
  - 5. Loss
    - a. Direct
    - b. Indirect
  - 6. Accident
  - 7. Occurrence
  - 8. Indemnity
  - 9. Insurable interest
  - 10. Actual cash value
  - 11. Deductible
  - 12. Limits of liability
  - 13. Replacement cost
  - 14. Negligence
    - a. Contributory
    - b. Comparative
  - 15. Proximate cause
  - 16. Warranties
  - 17. Representations
  - 18. Concealment
  - 19. Liability
  - 20. Bodily injury liability
  - 21. Property damage liability
  - 22. Personal injury liability
  - 23. Incidental contracts
  - 24. Binders
  - 25. Coinsurance
  - 26. Pair and set clause
  - 27. Extensions of coverage

- 28. Additional coverages
  - 29. Cancellation
  - 30. Nonrenewal
  - 31. Vacancy and unoccupancy
  - 32. Right of salvage
  - 33. Abandonment
  - 34. Negligence
  - B. Policy provisions
    - 1. Elements of a contract
    - 2. Declarations
    - 3. Insuring agreement
    - 4. Sources of insurability information
    - 5. Conditions
    - 6. Exclusions
    - 7. Limitations
    - 8. Warranties, representations, and concealment
      - a. Warranty
      - b. Affirmative
    - 9. Promissory
    - 10. Breach of warranty
    - 11. Concealment
    - 12. Binders
    - 13. Definition of the insured
    - 14. Duties of the insured
    - 15. Obligations of the insurance company
    - 16. Mortgagee rights
    - 17. Cancellation and nonrenewal provisions
    - 18. Supplementary payment (additional coverages)
    - 19. Proof of loss
    - 20. Notice of claim
    - 21. Appraisal
    - 22. Assignment
    - 23. Arbitration
    - 24. Pro rata liability (other insurance)
    - 25. Salvage
    - 26. Consent to settle a loss
    - 27. Subrogation
    - 28. Compliance with provisions of Fair Credit Reporting Act
  - C. Types of policies and related terms
    - 1. Automobile Insurance – personal & family auto
      - a. Bodily injury
      - b. Property damage
      - c. Limits
        - (1) Split
        - (2) Single
      - d. Medical payments
      - e. Supplementary payments
    - f. Physical damage
      - (1) Collision
      - (2) Comprehensive
    - g. Uninsured motorist
    - h. Underinsured motorist
    - i. Named insureds
    - j. Insureds
    - k. Owned automobile
    - L. Nonowned automobile
    - m. Temporary substitute auto
    - n. Hired auto
    - o. Cancellation and nonrenewal
    - p. Towing and labor
    - q. Personal auto policy
    - r. Family auto policy
  - 2. Personal Watercraft
  - 3. Standard fire
  - 4. Personal lines
    - a. Dwelling (DP forms)
    - b. Homeowners (HO) forms
    - c. Mobile homes
  - 5. Homeowners policy
  - 6. Farm and ranch insurance
  - 7. Flood insurance
  - 8. Inland marine – Personal floaters
  - 9. Earthquake insurance
  - 10. Personal Umbrella/excess liability
- V. **Wisconsin Property and Casualty Insurance Law — 2 Hours**
  - A. General rate standards
  - B. Prohibited classification of risks
  - C. Surplus lines
    - 1. Definition
    - 2. Prohibitions and restrictions
    - 3. Responsibilities of agents and brokers
  - D. Oral contracts
  - E. Automobile liability
    - 1. Financial responsibility
      - a. Definition
      - b. Persons required to show proof
    - 2. Required coverages and prohibited exclusions
      - a. Uninsured motorist
    - 3. cancellation or nonrenewal
    - 4. Responsibility for minors operating motor vehicles
    - 5. Wisconsin Automobile Insurance Plan
  - F. Definition of loss
  - G. Wisconsin Insurance Plan
  - H. Valued policy law
  - I. Vacancy rule
  - J. Time period for filing claim

**Chapter Ins 26****APPENDIX 3 – LIFE INSURANCE COURSE REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 1 Hour
  - A. Definition of risk
  - B. Risk management
  - C. Insurable and noninsurable risk
  - D. Pooling concept—law of large numbers
  - E. Types of insurance companies
  - F. Reinsurance
- II. General Wisconsin Insurance Laws — 4 Hours
  - A. Duties and powers of Insurance Commissioner—statutory and rule-making
  - B. Knowledge of administrative action process, including hearings and penalties
  - C. Purpose of licensing, including procedures and who must be licensed
  - D. Record keeping and changes in agent status, including change of name or address
  - E. Agent license expiration, revocation, suspension, and limitation
  - F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
  - G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
  - H. Unfair claims methods and practices—timely payment of claims
  - I. Fair rating practices
  - J. Home and telephone solicitation requirements
  - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
  - L. Controlled business
  - M. Proper exchange of business
  - N. Unfair marketing practices
    - 1. Misrepresentation
    - 2. Unfair inducement
    - 3. Unfair discrimination
    - 4. Extra charges
    - 5. Influencing employers
    - 6. Unfair use of official position
    - 7. Returning indicia of agency
    - 8. Churning
    - 9. Twisting
    - 10. Restraint of competition
    - 11. Unfair restriction of contracting parties choice of insurer
  - O. Insurance contracts in Wisconsin
- III. Ethics — 3 Hours
  - A. Fiduciary duties and responsibilities
  - B. Conflict of interest
  - C. Ethical marketing practices, including fair and ethical treatment of policyholders
  - D. Appropriate claims practices
  - E. Suitability of product to client
  - F. Social responsibility of insurance agent
  - G. Agent/company relationships
  - H. Maintaining appropriate insurance expertise

**SECTION B**

- IV. Life Insurance — 9 Hours
  - A. Purpose of life insurance
  - B. Types of policies
    - 1. Term life
      - a. Level term
      - b. Decreasing term
      - c. Increasing term
      - d. Special features
        - (1) Renewable
        - (2) Convertible
    - 2. Whole life
      - a. Ordinary life
      - b. Limited pay policies
      - c. Single pay policy
      - d. Modified and graded premium whole life
      - e. Adjustable life
    - 3. Interest-sensitive life products
      - a. Variable life
      - b. Universal life
      - c. Variable universal life
      - d. Interest-sensitive whole life
    - 4. Endowment
    - 5. Combination plans
      - a. Family policy
      - b. Family income policy
      - c. Family maintenance policy
      - d. Joint life
      - e. Survivorship life
    - 6. Annuities – non-qualified
      - a. Single, level, and flexible premium
      - b. Immediate and deferred
      - c. Fixed and variable
    - 7. Retirement plans – qualified
      - a. Individual Retirement Account (IRA)
      - b. 403(b) Plan – Tax Sheltered Annuity (TSA)
      - c. Simplified Employee Pension (SEP)
      - d. Self-employed Keogh (HR–10) Plans
      - e. 401 (k) Plans
      - f. Defined contribution plan
      - g. Defined benefit plan
    - 8. Group life insurance
    - 9. Life insurance sold to fund prearranged funeral plans
    - 10. Viatical settlements
  - C. Other insurance concepts
    - 1. Business insurance
      - a. Key employee life
      - b. Buy and sell agreement
      - c. Split dollar plan
    - 2. Third-party ownership
    - 3. Accelerated death benefits – living benefits
  - D. Social security benefits and taxes
    - 1. Retirement benefits
    - 2. Survivorship benefits
    - 3. Disability benefits

4. Tax treatment of insurance premiums, proceeds, dividends
  - a. Individual life
  - b. Group life
  - c. 1035 exchange form
- E. Policy Riders, provisions, options, and exclusions
  1. Policy riders
    - a. Waiver of premium
    - b. Guaranteed insurability
    - c. Payor benefit
    - d. Accidental death and dismemberment
    - e. Term riders
    - f. Other insureds
  2. Policy provisions and options
    - a. Entire contract provision
    - b. Insuring clause
    - c. Free look
    - d. Consideration
    - e. Owner's rights
    - f. Beneficiary designations
      - (1) Primary, contingent, and tertiary
      - (2) Revocable and irrevocable
      - (3) Changes
      - (4) Common disaster
    - g. Premium payment
      - (1) Modes
      - (2) Grace period
      - (3) Automatic premium loan
      - (4) Level or flexible
    - h. Reinstatement
    - i. Policy Loans, withdrawals, partial surrenders
    - j. Nonforfeiture options
    - k. Dividends and dividend options
      - l. Incontestability
    - m. Assignments
    - n. Suicide
    - o. Misstatement of age
    - p. Settlement options
  3. Policy exclusions
- F. Completing and application, underwriting, and delivering the policy
  1. Completing the application
    - a. Required signatures
    - b. Changes in the application
    - c. Consequences of incomplete applications
    - d. Warranties and representations
    - e. Collecting the initial premium and issuing the receipt
  2. Underwriting
    - a. Insurable interest
    - b. Medical information and consumer reports
    - c. Fair Credit Reporting Act
    - d. Risk classification
  3. Delivering the policy
    - a. When coverage begins
    - b. Explaining the policy and its provisions, riders, exclusions, and ratings to the client
- V. Wisconsin Life Insurance Law -- 3 Hours
  - A. Life insurance marketing
    1. Bonuses
    2. Policy replacement
    3. Backdating
    4. Proposal requirements
    5. Life insurance sold with a mutual fund
    6. disclosure requirements – life insurance
    7. Policy summary/life insurance illustrations
    8. Other selling requirements
    9. Requirements for advertisements, representations, and solicitations
    10. Disclosure requirements – annuities
    11. Preliminary contract summary
  - B. Definition of a variable contract
  - C. Contestability of individual life policies by insurer
  - D. Assignment of rights
  - E. Misstatement of age
  - F. Designation of beneficiary
  - G. Special requirement related to AIDS
  - H. State life insurance fund



**Chapter Ins 26****APPENDIX 4 – ACCIDENT AND HEALTH INSURANCE COURSE REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 1 Hour
  - A. Definition of risk
  - B. Risk management
  - C. Insurable and noninsurable risk
  - D. Pooling concept—law of large numbers
  - E. Types of insurance companies
  - F. Reinsurance
- II. General Wisconsin Insurance Laws — 4 Hours
  - A. Duties and powers of Insurance Commissioner—statutory and rule-making
  - B. Knowledge of administrative action process, including hearings and penalties
  - C. Purpose of licensing, including procedures and who must be licensed
  - D. Record keeping and changes in agent status, including change of name or address
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  - G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
  - H. Unfair claims methods and practices—timely payment of claims
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    - 1. Misrepresentation
    - 2. Unfair inducement
    - 3. Unfair discrimination
    - 4. Extra charges
    - 5. Influencing employers
    - 6. Unfair use of official position
    - 7. Returning indicia of agency
    - 8. Churning
    - 9. Twisting
    - 10. Restraint of competition
    - 11. Unfair restriction of contracting parties choice of insurer
  - O. Insurance contracts in Wisconsin
- III. Ethics — 3 Hours
  - A. Fiduciary duties and responsibilities
  - B. Conflict of interest
  - C. Ethical marketing practices, including fair and ethical treatment of policyholders
  - D. Appropriate claims practices
  - E. Suitability of product to client
  - F. Social responsibility of insurance agent
  - G. Agent/company relationships
  - H. Maintaining appropriate insurance expertise

**SECTION B**

- IV. Accident and Health Insurance—9 Hours
  - A. Purpose of accident and health insurance
  - B. Types of policies
    - 1. Medical expense policies
      - a. Basic hospital, medical, and surgical policies (base or scheduled policies)
      - b. Major medical policies
      - c. Comprehensive major medical policies
      - d. Long Term Care
      - e. Health Maintenance Organizations (HMO)
      - f. Preferred Provider Organization (PPO)
      - g. Multiple Employer Trusts (MET)
      - h. Multiple Employer Welfare Association (MEWA)
      - i. Service organizations (Blue Plans)
    - 2. Disability income
      - a. Individual disability income policy
      - b. Business overhead expense policy
      - c. Business disability buyout policy
      - d. Group disability income policy
    - 3. Accidental death and dismemberment
    - 4. Group insurance
      - a. Group conversion
      - b. Differences between individual and group contracts
      - c. General concepts
      - d. COBRA
    - 5. Medicare supplement and Medicare select policies
  - C. Policy provisions, clauses, and riders
    - 1. Mandatory (uniform policy) provisions
      - a. Entire contract
      - b. Time limit on certain defenses (incontestable period)
      - c. Grace period
      - d. Reinstatement
      - e. Notice of claim
      - f. Claim forms
      - g. Proof of loss
      - h. Time of payment of claims
      - i. Payment of claims
      - j. Physical examination and autopsy
      - k. Legal actions
      - l. Change of beneficiary
    - 2. Optional provisions
      - a. Change of occupation
      - b. Misstatement of age
      - c. Illegal occupation
    - 3. Other provisions and clauses
      - a. Insuring clause
      - b. Free look (10-day, 20-day, etc.)
      - c. Consideration clause
      - d. Probationary (waiting) period
      - e. Elimination (waiting) period
      - f. Waiver of premium
      - g. Exclusions
      - h. Pre-existing conditions
      - i. Recurrent disability

- j. Coinsurance
- k. Deductibles
- 4. Riders
  - a. Impairment rider
  - b. Guaranteed insurability rider
  - c. Multiple indemnity rider (double, triple)
- 5. Rights of renewability
  - a. Noncancellable
  - b. Cancelable
  - c. Guaranteed renewable
  - d. Conditionally renewable
  - e. Optionally renewable
  - f. Period of time
- D. Social insurance
  - 1. Medicare
    - a. primary, secondary payor
    - b. Medicare and Choice
  - 2. Medicaid
  - 3. Social security benefits
  - 4. Badger Care
- E. Other insurance concepts
  - 1. Total, partial, and residual disability
  - 2. Owner's rights
  - 3. Dependent children benefits
  - 4. Primary and contingent beneficiaries
  - 5. Modes of premium payments (monthly, quarterly, annually, semiannual, etc.)
  - 6. Nonduplication and coordination of benefits (e.g., primary vs. excess)
  - 7. Occupational vs. nonoccupational
  - 8. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income, and medical expense, etc.)
  - 9. Managed care
- F. Field underwriting procedures
  - 1. Completing application and obtaining necessary signatures
  - 2. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)
  - 3. Upon payment of initial premium, giving prospect conditional receipt, and explaining the effect of that receipt (e.g., medical exam, etc.)
  - 4. Submitting application (and initial premium, if collected) to company for underwriting
  - 5. Assuring delivery of policy to client
  - 6. Explaining policy and its provisions, riders, exclusions, and ratings to clients
  - 7. In cases where initial premium did not accompany application, obtaining signed statement of continued good health, and obtaining premium for transmittal
  - 8. Contract law
    - a. Requirements of a contract
    - b. Insurable interest
    - c. Warranties and representations
- d. Unique aspects of the health contract
  - (1) Conditional
  - (2) Unilateral
  - (3) Adhesion
- V. Wisconsin Health Insurance Law — 3 Hours
  - A. General policy provisions
    - 1. Right of return
    - 2. Right of insurer to contest
    - 3. Pre-existing conditions
    - 4. Application responsibilities for accident and health
    - 5. Grace periods
  - B. Mandated benefits
    - 1. Handicapped children
    - 2. Newborn children
    - 3. Declined risks
    - 4. Alcoholism, drug abuse, and mental and nervous disorders
    - 5. Home health care
    - 6. Skilled nursing care
    - 7. Kidney disease treatment
    - 8. Diabetes
    - 9. Maternity benefits
    - 10. Nurse practitioners
    - 11. Optometrists
    - 12. Chiropractic
    - 13. Adopted children
    - 14. Grandchildren
    - 15. Mammograms
    - 16. Lead screening
    - 17. TMJ coverage
    - 18. Hospital/anesthesia coverage for dental care
    - 19. Breast reconstruction
  - C. Wisconsin Medicare supplements
  - D. Requirements of Medicare supplements
  - E. Special nursing home and long term care regulations for nursing home and long term care policies
  - F. Special provisions, sale of group or individual health to small employers
  - G. HIPAA (Health Insurance Portability and Accountability Act)
  - H. Continuation and conversion privileges
  - I. Cancer insurance and other dread disease
  - J. Marketing methods and practices
    - 1. Advertising Company approval of advertising
    - 2. Suitability
    - 3. Outline of coverage
    - 4. Policy replacement
    - 5. Identification of insurer (advertiser)
    - 6. Testimonials, endorsements, or commendations by third parties
    - 7. Disparaging comparisons and statements
  - K. Health Insurance Risk-Sharing Plan (HIRSP)

## Chapter Ins 26

### APPENDIX 5—CERTIFICATE OF PRELICENSING EDUCATION (Note: Must be on green paper)

I hereby certify that (name) has completed a prelicensing educational course which complies with the requirements in ch. Ins 26, Wis. Adm. Code, for the insurance line of (life) (accident & health) (property) (casualty). The last day of class for section B of this particular course was (date). I have verified the identification of this applicant by using:

- A Wisconsin driver's license
- A Wisconsin identification card
- Other (please describe)

Authorized Representative

Date

Name of Program

## Chapter Ins 26

### APPENDIX 6 – EXEMPTION FORM FROM PRELICENSING REQUIREMENTS (Note: Must be on green paper)

I hereby certify that I am exempt from the prelicensing requirement for the following reason(s):

\_\_\_\_ 1. Applicant for a limited line insurance license for automobile, credit life/credit accident and health, managing general agent, or title.

\_\_\_\_ 2. Any applicant who has completed a two-year Wisconsin vocational school degree in insurance (attach an original transcript).

\_\_\_\_ 3. Any applicant who has completed a four-year college degree in business with an insurance emphasis (attach an original transcript).

\_\_\_\_ 4. Any applicant applying for an original resident license who held a license within the previous 6 months as a resident insurance agent in another state for each of the lines applied for in Wisconsin (attach an original resident state letter of clearance dated not more than 60 days prior to the date of application as evidence of previous licensure).

I have attached the necessary documentation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

Attachments