



# South Carolina Department of Insurance

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**Bulletin Number 2000 - 10**  
**(issued upon October 30, 2000)**

**TO:** All Licensed Insurers and Prelicensing Insurance Education Sponsors  
Administering Prelicensing Education Courses in the State of South  
Carolina

**FROM:** Ernst N. Csiszar, Director of Insurance 

**SUBJECT:** Prelicensing Education Insurance Requirements for Insurance Agents

The South Carolina Department of Insurance through Bulletins No. 4-86 of 1986 and 9-90 of 1990 notified all insurers of the passage of legislation requiring prelicensing education for insurance agents and the revision of prelicensing education course requirements, respectively. The purpose of this Bulletin is merely to provide all licensed insurers and Prelicensing Insurance Education Sponsors with updated revisions to prelicensing education course topic outlines for Life, Accident and Health, and Property and Casualty lines of insurance. All other information contained in Bulletin No. 4-86, as it pertains to prelicensing education requirements in South Carolina remains unchanged. Further, this Bulletin replaces Bulletin 9-90. For reference purposes, Act Number 518 of 1986 was codified under South Carolina Code Ann. § 38-43-105 and South Carolina Code Ann. Regulation 69-23.

In addition, currently approved prelicensing education course material must be revised to include the information as outlined in Exhibits 1 and 2 attached to this Bulletin. Revised course material and a completed course topic outline must be submitted to this Department for approval no later than 5:00 P.M. December 15, 2000.

**Your help is needed to ensure timely processing of the attached revised outlines. SCID FORM 3536, (Certification of Completion of Prelicensing Requirements) submitted to the Department after January 31, 2001 without the newly assigned South Carolina Department of Insurance course approval number could result in the agent's prelicensing certification not being accepted.**

Questions regarding implementation of the revised prelicensing education course topic outlines, as well as revised course material should be addressed to the Licensing and Education Coordinator at the above address. The telephone number is (803) 737-6223.

SOUTH CAROLINA DEPARTMENT OF INSURANCE  
 PRELICENSING EDUCATION  
 PROPERTY AND CASUALTY TOPIC OUTLINE  
 Revised Edition  
 (Approved October 30, 2000)

PAGES IN  
 SUBMITTED  
 COURSE ON  
 WHICH SUBJECT  
 MATTER IS  
DISCUSSED

I. PRINCIPLES OF INSURANCE:

A.	Risk, Loss and Basic Insurance Concepts .....	_____
B.	Insurable Interest and the Principle of Indemnity .....	_____
C.	Essential Elements of Insurable Risk .....	_____
D.	Types of Insurance: Property and Casualty vs. Life, and Accident and Health .....	_____
E.	Common Policy Components .....	_____
	1. Declarations .....	_____
	2. Insuring Clause .....	_____
	3. Conditions .....	_____
	4. Exclusions .....	_____
	5. Definitions .....	_____
	6. Endorsements .....	_____
F.	Types of Insurers .....	_____
	1. Forms of Ownership .....	_____
	2. Government Programs .....	_____
	a. South Carolina Windstorm & Hail Underwriting Association .....	_____
	b. South Carolina Property and Casualty Insurance Guaranty Association .....	_____
	3. Risk Retention Groups .....	_____
	4. Eligible Surplus Lines Insurer .....	_____
G.	The Insurance Marketing System .....	_____
	1. Independent Agents .....	_____
	2. Captive Agents .....	_____
	3. Direct Writers .....	_____
	4. Brokers .....	_____
	5. Purchasing Group .....	_____

EXHIBIT I

II. THE LAW AND INSURANCE

- A. Contract Law: Essential Contract Elements ..... \_\_\_\_\_
  - 1. Agreement ..... \_\_\_\_\_
  - 2. Consideration ..... \_\_\_\_\_
  - 3. Competent Parties ..... \_\_\_\_\_
  - 4. Legal Purpose ..... \_\_\_\_\_
- B. Unique Features of Insurance Contracts ..... \_\_\_\_\_
  - 1. Adhesion ..... \_\_\_\_\_
  - 2. Unilateral ..... \_\_\_\_\_
  - 3. Personal Contract ..... \_\_\_\_\_
  - 4. Indemnity and Subrogation ..... \_\_\_\_\_
- C. Legal Interpretations Affecting Insurance Contracts ..... \_\_\_\_\_
  - 1. Concealment ..... \_\_\_\_\_
  - 2. Misrepresentation ..... \_\_\_\_\_
  - 3. Warranties ..... \_\_\_\_\_
  - 4. Waiver and Estoppel ..... \_\_\_\_\_
  - 5. Parol Evidence Rule ..... \_\_\_\_\_
- D. Tort Law ..... \_\_\_\_\_
- E. Agency Law ..... \_\_\_\_\_
- F. Fair Credit Reporting Act ..... \_\_\_\_\_
- G. Regulation of Insurance Industry ..... \_\_\_\_\_

III. THE INSURANCE AGENT'S ROLE

- A. Risk Analysis and Management ..... \_\_\_\_\_
  - 1. Avoidance ..... \_\_\_\_\_
  - 2. Reduction ..... \_\_\_\_\_
  - 3. Retention ..... \_\_\_\_\_
  - 4. Transfer ..... \_\_\_\_\_
- B. Policy Limits and Recovery ..... \_\_\_\_\_
  - 1. Indemnity ..... \_\_\_\_\_
  - 2. Insurable Interest ..... \_\_\_\_\_
  - 3. Actual Cash Value ..... \_\_\_\_\_
  - 4. Stated Value ..... \_\_\_\_\_
  - 5. Replacement Cost ..... \_\_\_\_\_
  - 6. Coinsurance ..... \_\_\_\_\_
  - 7. Insurance - to - Value ..... \_\_\_\_\_
- C. Functions of Agency ..... \_\_\_\_\_
  - 1. Quotations ..... \_\_\_\_\_
  - 2. Applications ..... \_\_\_\_\_
  - 3. Binders ..... \_\_\_\_\_
  - 4. Processing ..... \_\_\_\_\_
  - 5. Claims Handling ..... \_\_\_\_\_
  - 6. Servicing ..... \_\_\_\_\_

IV. INSURANCE REGULATION

A.	Insurance Department and its Duties/Authority	.....	_____
B.	Director of Insurance and his Duties/Authority	.....	_____
C.	Licensing Requirements	.....	_____
1.	Licenses Required	.....	_____
2.	Certificate of Authority - Companies	.....	_____
3.	Penalties for Violations	.....	_____
4.	Definitions	.....	_____
5.	Licensing Fees and Requirements	.....	_____
6.	Written Examination and Exemptions	.....	_____
7.	Broker and Bond Requirement	.....	_____
8.	Temporary Licenses	.....	_____
9.	Non-Resident Licenses	.....	_____
10.	License Expiration and Renewal	.....	_____
II.	Revocation or Suspension of License	.....	_____
12.	Change of Address for Agents	.....	_____
13.	Premiums and Commissions	.....	_____
D	Continuing Education	.....	_____
E.	Unfair Trade Practices	.....	_____
1.	Misrepresentations or False Advertising of Policies	.....	_____
2.	Misrepresentation in Claims Adjustment	.....	_____
3.	False Financial Statements	.....	_____
4.	Defamation	.....	_____
5.	Boycott, Coercion or Intimidation	.....	_____
6.	Coercion of Business by Sellers/Lenders	.....	_____
7.	Unfair Discrimination - Life and Disability Insurance, Annuities	.....	_____
8.	Inducements Prohibited	.....	_____
9.	Free Insurance Prohibited	.....	_____
10.	Insurance Cost to be Specified in Sales	.....	_____
F.	Regulation of the Insurance Product	.....	_____
1.	Forms, Rates, Endorsements	.....	_____
2.	Rating Organizations	.....	_____
3.	Underwriting and Rates for Essential Property Insurance	.....	_____
4.	Emergency Cease and Desist	.....	_____
5.	Insurance Fraud Reporting and Immunity	.....	_____

V. COMMERCIAL PROPERTY INSURANCE

A.	Parts of Policy	.....	_____
1.	Common Policy Declarations	.....	_____

- 2. Common Policy Conditions \_\_\_\_\_
- 3. Coverage Parts \_\_\_\_\_
  - a. Declarations \_\_\_\_\_
  - b. Coverage Form \_\_\_\_\_
  - c. Conditions \_\_\_\_\_
  - d. Exclusions \_\_\_\_\_
- B. Commercial Property Conditions \_\_\_\_\_
  - 1. Cancellation (Including South Carolina Special Provisions) \_\_\_\_\_
  - 2. Concealment, Misrepresentation and Fraud \_\_\_\_\_
  - 3. Legal Action Against Company \_\_\_\_\_
  - 4. Liberalization Clause \_\_\_\_\_
  - 5. Subrogation \_\_\_\_\_
  - 6. Other Insurance \_\_\_\_\_
  - 7. Policy Period \_\_\_\_\_
  - 8. Policy Changes \_\_\_\_\_
  - 9. Inspections and Surveys \_\_\_\_\_
  - 10. Examination of Books and Records \_\_\_\_\_
- C. Building and Personal Property Coverage Form \_\_\_\_\_
  - 1. Property Covered \_\_\_\_\_
    - a. Building \_\_\_\_\_
    - b. Business Personal Property Coverage Form \_\_\_\_\_
    - c. Business Personal Property of Others \_\_\_\_\_
  - 2. Property Not Covered \_\_\_\_\_
  - 3. Additional Coverages \_\_\_\_\_
    - a. Debris Removal \_\_\_\_\_
    - b. Preservation of Property \_\_\_\_\_
    - c. Fire Department Service Charge \_\_\_\_\_
  - 4. Coverage Extensions \_\_\_\_\_
  - 5. Limits of Insurance \_\_\_\_\_
  - 6. Loss Conditions \_\_\_\_\_
    - a. Abandonment \_\_\_\_\_
    - b. Appraisal \_\_\_\_\_
    - c. Insured's Duties \_\_\_\_\_
    - d. Valuation of Loss \_\_\_\_\_
      - 1. South Carolina Valued Policy Law \_\_\_\_\_
      - ii. Actual Cash Value \_\_\_\_\_
      - iii. Replacement Cost \_\_\_\_\_
      - iv. Improvements and Betterments \_\_\_\_\_
      - v. Agreed Value Clauses \_\_\_\_\_
      - vi. Inflation Guard \_\_\_\_\_
      - vii. Additional Conditions \_\_\_\_\_
- D. Causes of Loss Forms \_\_\_\_\_
  - 1. Basic Form \_\_\_\_\_
  - 2. Broad Form \_\_\_\_\_

- 3. Special Form .....
- 4. Earthquake .....
- 5. Flood .....
- E. Condominium Form .....
- F. Builder's Risk Form .....
- G. Reporting Form .....
- H. Business Income Coverage Form .....
- I. Extra Expense Coverage Form .....
- J. Commercial Package Policy Program .....
- 1. Commercial Package Policy Program .....
- 2. Farm Owner's/Ranch Owner's Policy .....
- a. Causes of Loss .....
- b. Types of Property Covered .....
- 3. Business Owner's Policy .....
- a. Eligibility .....
- b. Ineligible Risks .....
- c. Coverage Forms .....
- d. Optional Coverages .....
- e. Liability Coverage .....
- K. Excess Property Insurance (Difference In Conditions) .....
- L. Building Codes .....

VI. PERSONAL LINES POLICIES .....

- A. Homeowner's Coverage .....
- 1. Homeowner's Forms .....
- 2. Eligibility .....
- 3. Ineligible Risks .....
- 4. Declarations and Definitions .....
- 5. Persons Insured .....
- 6. General Conditions .....
- B. Homeowner's Section I: Property Coverages .....
- 1. Property and Losses Covered .....
- 2. Additional Coverages .....
- 3. Optional Coverages .....
- 4. Property and Losses Not Covered .....
- 5. Perils Covered .....
- 6. Deductible/Recovery/Valuation .....
- C. Homeowner's Section II: Liability Coverages .....
- 1. Additional Coverages .....
- 2. Optional Liability Coverages .....
- 3. Losses Not Covered .....
- 4. Conditions .....
- D. Homeowner's Form HO-4 .....
- E. Homeowner's Form HO-6 .....

- F. Homeowner's Form HO-8 .....
- G. Other Personal Line Policies .....
- 1. Mobile Homeowner's Insurance .....
- 2. Industrial Fire .....
- 3. Dwelling Fire .....

**VII. NATIONAL FLOOD INSURANCE PROGRAM**

- A. NFIP Incentives and Goals .....
- B. Community Eligibility and Limits .....
- C. Perils Covered .....
- D. Property Covered .....
- E. Property Not Covered .....
- F. "Write Your Own" Programs .....

**VIII. INLAND AND OCEAN MARINE AND AIRCRAFT INSURANCE**

- A. Ocean Marine Insurance .....
- 1. Cargo Insurance .....
- 2. Hull Insurance .....
- 3. Protection and Indemnity Insurance .....
- B. Inland Marine Insurance .....
- 1. Transportation and Communication Risks .....
- 2. Difference in Conditions .....
- 3. Commercial Floaters .....
- 4. Personal Floaters .....
- C. Aircraft Insurance .....
- 1. Aircraft Hull Coverage .....
- 2. Aircraft Liability Insurance .....

**IX. CROP HAIL INSURANCE**

- A. Providers of Crop Insurance .....
- 1. Private Carriers .....
- 2. Federal Crop Insurance Corporation .....
- 3. State Crop Hail Funds .....
- B. The Crop Insurance Market .....
- 1. Size of Market .....
- 2. Concentration by Region .....
- 3. Concentration by Crop .....
- C. History and Role of Crop Hail Insurance Actuarial Association (CHIAA) .....
- 1. Origin and Purpose .....
- 2. Structure of CHIAA .....
- 3. Limits to CHIAA Data .....

- 4. CHIAA Rating Philosophy .....
- D. Crop Insurance Coverage .....
- 1. Insurable Interest .....
- 2. Policy Forms .....
- 3. Policy Term and Coverage Period .....
- 4. Coverage Amount .....
- 5. Excess of Loss - Deductibles .....
- 6. Perils Covered .....
- 7. Losses Not Covered - Exclusions .....
- 8. Policy Provisions .....
- 9. South Carolina State Provisions .....

X. GENERAL LIABILITY

- A. The Liability Exposure .....
- 1. Premises Exposures .....
- 2. Operations Exposures .....
- 3. Products/Completed Exposures .....
- 4. Other Exposures .....
- B. Claims Made vs. Occurrence Policies .....
- C. Commercial General Liability Policy .....
- 1. Coverage A .....
- a. Claims-Made Coverage Trigger .....
- b. Occurrence Coverage Trigger .....
- 2. Coverage B .....
- 3. Supplementary Payments .....
- 4. Coverage C .....
- D. Limits of Liability .....
- 1. General Aggregate .....
- 2. Products-Completed Operations Aggregate .....
- 3. Other Limits .....
- E. Claims-Made Endorsement .....
- F. Professional Liability/Errors and Omissions Liability .....
- 1. Professional Liability Insurance .....
- 2. Directors and Officers Liability Insurance .....
- 3. Patient's Compensation Fund .....
- G. Umbrella and Excess Liability .....

XI. AUTOMOBILE INSURANCE

- A. Personal Lines Policy Modernization .....
- B. Personal Auto Policy (PAP) .....
- 1. Eligible Vehicles .....
- 2. Definitions .....
- C. PAP Liability Coverage - Part A .....
- D. PAP Medical Payments - Part B .....



E.	PAP Uninsured Motorists - Part C	_____	_____
F.	PAP Physical Damage - Part D	_____	_____
G.	PAP Duties After an Accident or Loss - Part E	_____	_____
H.	PAP General Provisions - Part F	_____	_____
1.	Personal Auto Coverage Endorsements	_____	_____
1.	Towing and Labor Costs	_____	_____
2.	Miscellaneous Type Vehicles	_____	_____
3.	Named Nonowner Liability	_____	_____
4.	Named Nonowner Coverage	_____	_____
5.	Underinsured Motorists Coverage	_____	_____
6.	Optional Physical Damage Coverage	_____	_____
J.	Commercial Lines Policy Modernization	_____	_____
K.	Business Auto Policy (BAP)	_____	_____
1.	Eligible Vehicles	_____	_____
2.	Policy Format	_____	_____
3.	Declarations	_____	_____
4.	Definitions	_____	_____
5.	Covered Autos	_____	_____
6.	Policy Period and Territory	_____	_____
L.	BAP Liability Coverage - Part IV	_____	_____
M.	BAP Physical Damage - Part V	_____	_____
N.	BAP Conditions - Part VI	_____	_____
O.	Commercial Auto Coverage Endorsements	_____	_____
1.	Medical Payments	_____	_____
2.	Uninsured and Uninsured Motorist Coverage	_____	_____
3.	Driver Other Car Coverage	_____	_____
4.	Employees as Insureds	_____	_____
P.	Garage Policy	_____	_____
Q.	Truckers Policy	_____	_____
R.	Automobile Insurance Reform:		
	Requirements and Mechanisms	_____	_____
1.	Compulsory Insurance and Financial Responsibility Laws	_____	_____
2.	Automobile Insurance Plans	_____	_____
a.	South Carolina Reinsurance Facility	_____	_____
b.	South Carolina Associated Automobile insurance Plan (SCAAIP)	_____	_____
c.	No-Fault Insurance	_____	_____
3.	South Carolina Joint Underwriters Association	_____	_____
4.	Uninsured Motorist Fund	_____	_____

XII. WORKERS' COMPENSATION

- A. History of Workers' Compensation Insurance ..... \_\_\_\_\_
  - 1. Common Law Obligations ..... \_\_\_\_\_
  - 2. Common Law Defenses ..... \_\_\_\_\_
  - 3. Early Laws ..... \_\_\_\_\_
- B. Workers' Compensation Today ..... \_\_\_\_\_
  - 1. Jurisdictions Covered ..... \_\_\_\_\_
  - 2. Methods of Coverage ..... \_\_\_\_\_
  - 3. South Carolina Law ..... \_\_\_\_\_
  - 4. Losses Covered ..... \_\_\_\_\_
  - 5. Types of Benefits ..... \_\_\_\_\_
  - 6. Second Injury Funds ..... \_\_\_\_\_
  - 7. South Carolina Workers' Compensation  
Assigned Risk Plan ..... \_\_\_\_\_
  - 8. Insurance Casualty and Surety Rates ..... \_\_\_\_\_
- C. State Workers' Compensation Benefits ..... \_\_\_\_\_
- D. Workers' Compensation and Employers  
Liability Policy ..... \_\_\_\_\_
  - 1. Information or "Declaration" Page ..... \_\_\_\_\_
  - 2. Workers' Compensation ..... \_\_\_\_\_
  - 3. Employer's Liability ..... \_\_\_\_\_
  - 4. Other States' Insurance ..... \_\_\_\_\_
  - 5. Other Provisions ..... \_\_\_\_\_
  - 6. Common Endorsements ..... \_\_\_\_\_
  - 7. Drug-free Workplace Credits ..... \_\_\_\_\_

XIII. CRIME INSURANCE AND FIDELITY BONDS

- A. Commercial Crime Policy ..... \_\_\_\_\_
  - 1. Employee Dishonesty ..... \_\_\_\_\_
  - 2. Public Employee Dishonesty ..... \_\_\_\_\_
  - 3. Robbery and Safe Burglary ..... \_\_\_\_\_
  - 4. Burglary ..... \_\_\_\_\_
  - 5. Forgery or Alteration ..... \_\_\_\_\_
  - 6. Theft ..... \_\_\_\_\_
  - 7. Disappearance and Destruction ..... \_\_\_\_\_
  - 8. Computer Fraud ..... \_\_\_\_\_
  - 9. Other Crime Coverage Forms ..... \_\_\_\_\_
  - 10. Extortion ..... \_\_\_\_\_
  - 11. Vandalism ..... \_\_\_\_\_
- B. Types of Property That Can Be Covered ..... \_\_\_\_\_
  - 1. Money ..... \_\_\_\_\_
  - 2. Securities ..... \_\_\_\_\_
  - 3. Property Other Than Money and Securities ..... \_\_\_\_\_

- C. Fidelity Bonds ..... \_\_\_\_\_
- 1. Depositor's Forgery ..... \_\_\_\_\_
- 2. Public Officials and Employees ..... \_\_\_\_\_
- 3. Financial Institutions ..... \_\_\_\_\_

**XIV. SURETY BONDS**

- A. Suretyship and Insurance ..... \_\_\_\_\_
- Parties to Bond ..... \_\_\_\_\_
- B. Contract Bonds ..... \_\_\_\_\_
- 1. Bid Bonds ..... \_\_\_\_\_
- 2. Performance and Payment Bonds ..... \_\_\_\_\_
- 3. Maintenance Bonds ..... \_\_\_\_\_
- C. Judicial Bonds ..... \_\_\_\_\_
- 1. Court Bonds ..... \_\_\_\_\_
- 2. Fiduciary Bonds ..... \_\_\_\_\_
- D. Bail Bonds ..... \_\_\_\_\_
- 1. Licensing Requirements ..... \_\_\_\_\_
- 2. Types of Bondsmen ..... \_\_\_\_\_
- 2. Pre-licensing Requirements ..... \_\_\_\_\_
- 3. Continuing Education Requirements ..... \_\_\_\_\_
- 4. Licensing and Renewal Fees ..... \_\_\_\_\_

**XV. OTHER MULTI-LINE AND SPECIALTY COVERAGES**

- A. Boiler and Machinery Insurance ..... \_\_\_\_\_
- B. Mechanical Breakdown ..... \_\_\_\_\_
- C. Credit Insurance ..... \_\_\_\_\_
- D. Title Insurance ..... \_\_\_\_\_

**XVI. PREMIUM SERVICE COMPANIES**

- A. Licensing Requirements ..... \_\_\_\_\_
- 1. Fees ..... \_\_\_\_\_
- 2. Cancellation Process ..... \_\_\_\_\_

SOUTH CAROLINA DEPARTMENT OF INSURANCE  
 PRELICENSING EDUCATION  
 LIFE, ACCIDENT AND HEALTH TOPIC OUTLINE  
 Revised Edition  
 (Approved October 30, 2000)

PAGES IN  
 SUBMITTED  
 COURSE ON  
 WHICH SUBJECT  
 MATTER IS  
DISCUSSED

I. BASICS OF INSURANCE:

A.	Risk and Insurance .....	_____
B.	Insurable Interest .....	_____
C.	Essential Ingredients of Insurable Interest .....	_____
	1. The Law of Large Numbers .....	_____
	2. Loss Must Be Definite and Definable .....	_____
	3. Loss Must be Accidental .....	_____
	4. Economic Hardship and Reasonable Cost .....	_____
	5. Exclusion of Catastrophic Perils .....	_____
D.	Types of Producers	
	1. Agents .....	_____
	a. Life and Health Agents .....	_____
	b. Property and Casualty Agents .....	_____
	2. Brokers .....	_____
	3. General Agents .....	_____
	4. Method of Distribution .....	_____
E.	Underwriting Life Insurance .....	_____
	1. Sources of Information .....	_____
	a. Application .....	_____
	b. Medical Exam .....	_____
	c. Inspection Reports .....	_____
	d. Medical Information .....	_____
	e. Agent's Report .....	_____
	2. Selection Criteria .....	_____
	3. Risk Selection and Premium Distribution .....	_____
	a. Standard Risk .....	_____
	b. High Risk .....	_____
	c. Frequency of Premium Payment .....	_____

EXHIBIT 2

F.	Underwriting Accident and Health Insurance	.....	_____
1.	The Application	.....	_____
2.	Underwriting Factors	.....	_____
a.	Age	.....	_____
b.	Sex	.....	_____
c.	Occupation	.....	_____
d.	Physical Condition	.....	_____
c.	Lifestyles	.....	_____
3.	Premium Determination	.....	_____
a.	Deductibles	.....	_____
b.	Coinsurance/Co-pays	.....	_____
c.	Reserves	.....	_____
G.	South Carolina Life and Accident and Health Guaranty Association	.....	_____

II.           GENERAL INSURANCE LAWS:

A.	Introduction	.....	_____
B.	Contract Law	.....	_____
C.	Contractual Agreement	.....	_____
1.	Offer	.....	_____
2.	Acceptance	.....	_____
D.	Consideration	.....	_____
E.	Competent Parties	.....	_____
F.	Legal Purpose - Public Policy	.....	_____
G.	Unique Features of Insurance Contract	.....	_____
1.	Utmost Good Faith	.....	_____
2.	Aleatory	.....	_____
3.	Adhesion	.....	_____
4.	Unilateral	.....	_____
H.	Insurable Interest and the Principle of Indemnity	.....	_____
1.	Contracts and the Courts	.....	_____
1.	Waiver and Estoppel	.....	_____
2.	Parol Evidence Rule	.....	_____
3.	Representation	.....	_____
4.	Warranty	.....	_____
5.	Concealment	.....	_____
J.	Formation of a Life and Health Insurance Contract	.....	_____
K.	Premium Receipts	.....	_____
1.	Insurability Conditional Receipt	.....	_____
2.	Approval Conditional Receipt	.....	_____
3.	Binding Receipt	.....	_____

L.	Fair Credit Reporting Act	.....	_____
1.	Consumer Report	.....	_____
2.	Investigative Consumer Report	.....	_____
3.	Prohibited Information	.....	_____
4.	Consumer Rights	.....	_____
5.	Penalties	.....	_____
M.	Agency Regulation of Insurance Industry	.....	_____
1.	Legislative Regulation	.....	_____
2.	Administrative Regulation	.....	_____
3.	Judicial Regulation	.....	_____
4.	Self-Regulation	.....	_____
N.	Areas of Regulation	.....	_____
1.	Licensing of New Companies	.....	_____
2.	Examination of Companies	.....	_____
3.	Company Financial Solvency	.....	_____
4.	Regulation of Agents	.....	_____
5.	Taxation	.....	_____
6.	Rates and Policy Forms	.....	_____

III. RULES AND REGULATIONS:

A.	Department of Insurance	.....	_____
B.	Duties of Director of Insurance	.....	_____
C.	Licensing	.....	_____
1.	Change of Address for Agents	.....	_____
D.	Fees and Requirements for Licensing	.....	_____
E.	Nonresident Licensing	.....	_____
F.	Licensing Renewal	.....	_____
G.	Continuing Education	.....	_____
H.	Revocation or Suspension of License	.....	_____
I.	Insurance Code Provisions	.....	_____
1.	Omnibus Health Benefit	.....	_____
J.	Unfair Trade Practices	.....	_____
1.	Unfair Methods or Deceptive Acts Prohibited	.....	_____
2.	Misrepresentation/False Advertising of Policies	.....	_____
3.	Misrepresentations in Adjustments of Claims Prohibited	.....	_____
4.	False Financial Statements Prohibited	.....	_____
5.	Defamation Prohibited	.....	_____
6.	Boycotts, Intimidation, Coercion Prohibited	.....	_____
7.	Coercion of Business by Sellers or Lenders Prohibited	.....	_____

- 8. Unfair Discrimination of Life Insurance, Annuities and Disability insurance Prohibited \_\_\_\_\_
- 9. Misrepresentations, Special Inducements and Rebates Prohibited on All Insurance Contracts \_\_\_\_\_
- 10. Free Insurance or Advertisement Thereof Prohibited \_\_\_\_\_
- 11. Insurance Cost to be Specified in Sales \_\_\_\_\_
- 12. Churning Prohibited \_\_\_\_\_
- K. South Carolina Regulations \_\_\_\_\_
  - 1. Replacement of Life Insurance and Annuities \_\_\_\_\_
  - 2. Solicitation of Life Insurance \_\_\_\_\_
  - 3. Life Insurance Illustrations \_\_\_\_\_
  - 4. Annuity and Deposit Fund \_\_\_\_\_
- L. Federal Statutes \_\_\_\_\_
  - 1. Gramm-Leach-Bliley \_\_\_\_\_
  - 2. Privacy Protection \_\_\_\_\_

**IV. - TYPES OF INSURANCE COMPANIES:**

- A. Stock Companies \_\_\_\_\_
- B. Mutual Companies \_\_\_\_\_
- C. Stock-Mutual Companies \_\_\_\_\_
- D. Fraternal \_\_\_\_\_
- E. Government Insurers \_\_\_\_\_
- F. Service Insurers \_\_\_\_\_
- G. Mutual Insurance Holding Companies \_\_\_\_\_

**V. TYPES OF LIFE INSURANCE POLICIES:**

- A. Whole Life \_\_\_\_\_
  - 1. Single Premium Whole Life \_\_\_\_\_
  - 2. Continuous Premium Whole Life \_\_\_\_\_
  - 3. Limited Payment Whole Life \_\_\_\_\_
  - 4. Variable Whole Life \_\_\_\_\_
  - 5. Characteristics of All Whole Life Policies \_\_\_\_\_
    - a. Level Premium \_\_\_\_\_
    - b. Cash Surrender Value \_\_\_\_\_
    - c. Constant Face Amount \_\_\_\_\_
- B. Term Insurance \_\_\_\_\_
  - 1. Level Term \_\_\_\_\_
  - 2. Decreasing Term \_\_\_\_\_
  - 3. Increasing Term \_\_\_\_\_
  - 4. Renewable Term \_\_\_\_\_

- 5. Convertible Term .....
- 6. Advantages and Disadvantages of  
Term Insurance .....
- C. Universal Life .....
- D. Variable Universal .....
- E. Endowment Insurance .....
- F. Other Policy Forms .....
- 1. Family Income Policy .....
- 2. Family Maintenance Policy .....
- 3. The Family Policy .....
- 4. Multiple Protection Policy .....
- 5. Joint Life Policy .....
- 6. Reversionary or Survivorship, Policy .....
- 7. Juvenile Policy .....
- 8. Minimum Deposit Policy .....
- 9. Modified Life Policy .....
- 10. Adjustable Life Policy .....
- 11. Variable Life Policy .....
- 12. Equity Indexed Life Policy .....
- G. Funeral Directors .....
- 1. Pre-Need Insurance .....

VI. LIFE INSURANCE POLICY PROVISIONS:

- A. Contract Provisions .....
- 1. Insuring Agreement .....
- 2. Owner's Rights .....
- 3. Settlement .....
- 4. Payment of Premiums .....
- 5. Grace Period .....
- 6. Statement of Age .....
- 7. Policy Loan .....
- 8. Non-forfeiture .....
- 9. Incontestability .....
- 10. Entire Contract and Representations .....
- 11. Assignment .....
- 12. Misstatement of Age or Sex .....
- 13. Modifications .....
- 14. Policy Change .....
- 15. Policy Year .....
- 16. Participating Policies .....
- 17. Brief and Correct Description of Benefits .....
- 18. Free Look .....



- 19. Proof of Death \_\_\_\_\_
- 20. Reinstatement \_\_\_\_\_
- 21. Designation/Change of Beneficiary \_\_\_\_\_
- 22. Form Number \_\_\_\_\_
- B. Exclusions \_\_\_\_\_
  - 1. Suicide \_\_\_\_\_
  - 2. Aviation Restrictions \_\_\_\_\_
  - 3. War \_\_\_\_\_
  - 4. Hazardous Sports or Occupations \_\_\_\_\_
- C. Beneficiary Provisions \_\_\_\_\_
  - 1. Designation of Beneficiary \_\_\_\_\_
  - 2. Succession of Beneficiaries \_\_\_\_\_
  - 3. Insured's Estate as Beneficiary \_\_\_\_\_
  - 4. Trust as Beneficiary \_\_\_\_\_
  - 5. Minor as Beneficiary \_\_\_\_\_
  - 6. Beneficiaries Must Be Clearly Named \_\_\_\_\_
  - 7. Class Designation \_\_\_\_\_
  - 8. Common Disaster \_\_\_\_\_
  - 9. Change of Beneficiary \_\_\_\_\_
- D. Annuities \_\_\_\_\_
  - 1. Classification of Annuities \_\_\_\_\_
    - a. Number of Lives Covered \_\_\_\_\_
    - b. Method of Premium Payment \_\_\_\_\_
    - c. Time When Benefits Begin \_\_\_\_\_
    - d. Disposition of Proceeds \_\_\_\_\_
      - i. Life Annuity \_\_\_\_\_
      - ii. Guaranteed Minimum Annuities \_\_\_\_\_
      - iii. Life Annuity - Period Certain \_\_\_\_\_
      - iv. Life Annuity - Refund \_\_\_\_\_
      - v. Annuity Certain \_\_\_\_\_
      - vi. Temporary Life Annuity \_\_\_\_\_
    - e. Pay out of Benefits \_\_\_\_\_
  - 2. Individual Annuity Contracts \_\_\_\_\_
    - a. Retirement Annuity \_\_\_\_\_
    - b. Flexible Premium Annuity \_\_\_\_\_
  - 3. Tax Sheltered Annuities \_\_\_\_\_
  - 4. Type of Variable Annuities \_\_\_\_\_
    - a. Single Premium Immediate Variable Annuity \_\_\_\_\_
    - b. Single Premium Deferred Variable Annuity \_\_\_\_\_
    - c. Periodic Payment Variable Annuity \_\_\_\_\_
  - 5. Equity Indexed Annuity \_\_\_\_\_

VII. LIFE INSURANCE POLICY OPTIONS:

- A. Nonforfeiture Options ..... \_\_\_\_\_
  - 1. Cash Value ..... \_\_\_\_\_
  - 2. Reduced Paid-Up Benefits ..... \_\_\_\_\_
  - 3. Extended Term Insurance ..... \_\_\_\_\_
- B. Dividend Options ..... \_\_\_\_\_
  - 1. Cash ..... \_\_\_\_\_
  - 2. Application to Reduce Premium ..... \_\_\_\_\_
  - 3. Accumulation of Interest ..... \_\_\_\_\_
  - 4. Paid-Up Additions ..... \_\_\_\_\_
  - 5. Accelerated Endowment ..... \_\_\_\_\_
  - 6. Paid-Up Option ..... \_\_\_\_\_
  - 7. One-Year Term Options ..... \_\_\_\_\_
- C. Settlement Options ..... \_\_\_\_\_
  - 1. Interest Only ..... \_\_\_\_\_
  - 2. Fixed-Period Installments ..... \_\_\_\_\_
  - 3. Life Income ..... \_\_\_\_\_
  - 4. Joint and Survivor ..... \_\_\_\_\_
  - 5. Other Settlement Arrangements ..... \_\_\_\_\_

VIII. LIFE INSURANCE POLICY RIDERS:

- A. Accidental Death Rider ..... \_\_\_\_\_
- B. Waiver of Premium Rider ..... \_\_\_\_\_
- C. Waiver of Premium with Disability Income Rider ..... \_\_\_\_\_
- D. Accelerated Death Benefit ..... \_\_\_\_\_
- E. Disability Income ..... \_\_\_\_\_

IX. TYPES OF ACCIDENT AND HEALTH INSURANCE POLICIES:

INDIVIDUAL:

- A. Basic Hospital Expense Coverage ..... \_\_\_\_\_
- B. Basic Medical/Surgical Expense Coverage ..... \_\_\_\_\_
- C. Hospital Confinement Indemnity Coverage ..... \_\_\_\_\_
- D. Major Medical Expense Coverage ..... \_\_\_\_\_
- E. Disability Income Protection Coverage ..... \_\_\_\_\_
- F. Accident Only Coverage ..... \_\_\_\_\_
- G. Specified Disease and Specified Accident Coverage ..... \_\_\_\_\_
- H. Medicare Supplement Coverage ..... \_\_\_\_\_
- I. Limited Benefit Health Insurance Coverage ..... \_\_\_\_\_
- J. Long Term Care Coverage ..... \_\_\_\_\_

GROUP:

- A. HMO (Health Maintenance Organization) .....
- B. POS (Point of Service) .....
- C. Major Medical .....
- D. Disability .....
- E. Vision .....
- F. Dental .....
- G. Cancer .....
- H. Accident .....
- I. Hospital Confinement .....

X. ACCIDENT AND HEALTH POLICY PROVISION:

- A. Mandatory Provisions .....
- 1. Individual Insurance .....
- a. Entire Contract; Changes .....
- b. Time Limit on Certain Defenses .....
- 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 .....
- in. Conformity with State Statutes .....
- 2. Group Insurance .....
- a. Grace Period .....
- b. Contestability Provision .....
- c. Application .....
- d. Evidence of Insurability .....
- e. Misstatement of Age .....
- f. Certificate .....
- g. Notice of Claim .....
- h. Claim Forms .....
- i. Written Proof of Loss .....
- J. Time of Payment of Claims .....
- k. Payment of Claims .....
- l. Physical Examination and Autopsy .....
- m. Legal Action .....

- B. Optional Provisions (Individual Insurance) ..... \_\_\_\_\_
  - 1. Change of Occupation ..... \_\_\_\_\_
  - 2. Misstatement of Age ..... \_\_\_\_\_
  - 3. Other Insurance in this Insurer ..... \_\_\_\_\_
  - 4. Insurance with Other Insurers ..... \_\_\_\_\_
  - 5. Relation of Earnings to Insurance ..... \_\_\_\_\_
  - 6. Unpaid Premiums ..... \_\_\_\_\_
  - 7. Illegal Occupation ..... \_\_\_\_\_
  - 8. Intoxicants and Narcotics ..... \_\_\_\_\_
- C. HIPAA - (Health Insurance Portability and Accountability Act) ..... \_\_\_\_\_
  - 1. Individual ..... \_\_\_\_\_
    - a. Renewability ..... \_\_\_\_\_
  - 2. Group ..... \_\_\_\_\_
    - a. Renewability ..... \_\_\_\_\_
    - b. Pre-existing ..... \_\_\_\_\_
    - c. Creditable Coverage ..... \_\_\_\_\_
- D. Small Employer Health Insurance Availability ..... \_\_\_\_\_
  - 1. Definition ..... \_\_\_\_\_
  - 2. Rating Requirement ..... \_\_\_\_\_
  - 3. Guarantee Issue ..... \_\_\_\_\_

XI. ACCIDENT AND HEALTH INSURANCE POLICY RIDERS:

- A. Return of Premium ..... \_\_\_\_\_
- B. Prescription Drug ..... \_\_\_\_\_
- C. Accidental Death and Dismemberment ..... \_\_\_\_\_
- D. Life ..... \_\_\_\_\_

XII. HEALTH INSURANCE POOL:

- A. Eligibility ..... \_\_\_\_\_

XIII. THIRD PARTY ADMINISTRATOR:

- A. Licensing Requirements ..... \_\_\_\_\_
- B. Licensing Fee ..... \_\_\_\_\_