ILINOIS
Insurance Supplement

Examination Content Outlines
Effective Date: January 1, 2017

LIFE-GENERAL KNOWLEDGE
CONTENT OUTLINE
Product Knowledge, Terms and Concepts
(50 scored 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
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   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

C. Policy exclusions

III. COMPLETING THE APPLICATION, UNDERWRITING, AND
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   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
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A. Third-party ownership
B. Vatical Settlements
C. Life Settlements
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   1. Conversion privilege
   2. Contributory vs. noncontributory
E. Retirement plans

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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)

LIFE-ILLINOIS SPECIFIC CONTENT OUTLINE
State Statutes, Rules and Regulations
(31 scored plus 8 pretest questions)
Ref: All references to chapter 215 ILCS unless otherwise indicated

I. ILLINOIS STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE ......................... 22
   A. Insurance Director ......................................... (1-2)
      1. General powers
         Ref: 5/401, 5/403; 5/401.1; 5/431
      2. Examinations
         Ref: 5/132; 5/402; 5/500-110
   B. License and registration
      1. Persons required to be licensed .................... (3-5)
         a. Insurance producers
            Ref: 5/500-15; 5/500-20; 5/500-25; 5/500-30
         b. Nonresidents
            Ref: 5/500-40
         c. Business entities
            Ref: 5/500-30; 5/500-35
         d. Temporary insurance producers
            Ref: 5/500-60; 5/500-65
         e. Exemptions
            Ref: 5/500-15; 5/500-20
         f. Reinstatement
            Ref: 5/500-35
      2. Obtaining a license ................................... (1-3)
         a. Qualifications
            Ref: 5/500-30; 5/500-70
         b. License fees
            Ref: 5/500-135
         c. Pre-licensing
            Ref: 5/500-30; Reg. 3119
         d. Bond requirements
            Ref: 5/500-130
      3. Maintaining a license .................................. (1-3)
         a. Continuing education
            Ref: 5/500-35
         b. Controlled business
            Ref: 5/500-125
         c. Change of address
            Ref: 5/500-35
         d. Required fees

II. ILLINOIS STATUTES AND REQUIREMENTS PERTINENT TO LIFE INSURANCE ONLY ........................................ 9
   A. Advertising and sales ................................ (2-3)
      Ref: Reg. 909
   B. Replacement .............................................. (1-2)
      Ref: Reg. 917
      1. Purpose
      2. Definitions
      3. Exemptions
      4. Duties of agent
      5. Duties of replacing insurance company
   C. Life solicitation .......................................... (1-2)
      Ref: Reg. 930
      1. Purpose
      2. Definitions
      3. Exemptions
      4. Disclosure requirements (including Buyer’s Guide content)
      5. Agents’ responsibilities
      6. Suitability in the sale of Life insurance and Annuities
         Ref: Reg. 3120, 909, 3117
         Ref: 5/224
   D. Accelerated benefits .................................. (1-2)
      Ref: 5/4; Reg. 1407
   E. Illustrations ............................................. (1-2)
      Ref: Reg. 1406
   F. Viatical Settlements .................................... (0-1)
      Ref: 159
   G. Unfair Practices ....................................... (0-1)
      Ref: 5/236
   H. Life & Health Insurance Guaranty Association ... (0-1)
      Ref: 5/531.01 through 5/531.19
HEALTH-GENERAL KNOWLEDGE
CONTENT OUTLINE
Product Knowledge, Terms and Concepts
(50 scored 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
      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 earning 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
   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
         c. Adhesion
         d. Aleatory
ACCIDENT & HEALTH- ILLINOIS SPECIFIC CONTENT OUTLINE
State Statutes, Rules and Regulations
(39 scored plus 8 pretest questions)
Ref: All references to chapter 215 ILCS unless otherwise indicated

I. ILLINOIS STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE ......................... 22
A. Insurance Director .............................................. (1-2)
   1. General powers
      Ref: 5/401, 5/403; 5/401.1,5/431
   2. Examinations
      Ref: 5/132; 5/402; 5/403; 5/500-110
B. License and registration
   1. Persons required to be licensed ......................... (3-5)
      a. Insurance producers
         Ref: 5/500-15; 5/500-20; 5/500-25; 5/500-30
      b. Nonresidents
         Ref: 5/500-40
      c. Business entities
         Ref: 5/500-30; 5/500-35
      d. Temporary insurance producers
         Ref: 5/500-60; 5/500-65
      e. Exemptions
         Ref: 5/500-15; 5/500-20
      f. Reinstatement
         Ref: 5/500-35
   2. Obtaining a license ......................................... (1-3)
      a. Qualifications
         Ref: 5/500-30; 5/500-70
      b. License fees
         Ref: 5/500-135
      c. Pre-licensing
         Ref: 5/500-30; Reg. 3119
      d. Bond requirements
         Ref: 5/500-130
   3. Maintaining a license ...................................... (1-3)
      a. Continuing education
         Ref: 5/500-35
      b. Controlled business
         Ref: 5/500-125
      c. Change of address
         Ref: 5/500-35
      d. Required fees
         Ref: 5/500-135
   4. License suspension, revocation or denial .......... (1-2)
      Ref: 5/500-70
C. Fiduciary responsibilities ................................. (2-3)
   Ref: 5/500-115; Reg. 3113
D. Commissions and compensation .......................... (0-1)
   Ref: 5/151; 5/500-80
E. Felony convictions .......................................... (0-1)
   Ref: 5/500-95
F. Disclosure .................................................... (0-1)
   Ref: 5/500-75
G. Marketing practices ........................................... (3-5)
   1. Rebating

II. ILLINOIS STATUTES AND REGULATIONS PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY .... 14
A. Medicare supplements .................................... (2-3)
   Ref: 5/363; 5/363a; 5/500-75; Reg. 2008
   1. Minimum standards
   2. Disclosure requirements
   3. Under 65 Disabled
B. Long term care ................................................ (2-3)
   Ref: 5/351A-1; 5/351A-3 thru 5/351A-11
   1. Traditional long term care
      Ref: Reg. 2012
   2. Long Term Care Partnership
      Ref: Reg. 2012
C. Advertising ................................................... (2-3)
   Ref: 5/149; Reg. 2002
D. Minimum standards for Individual Policies .......... (1-2)
   Ref: Reg. 2007
   1. Purpose
   2. Definitions
   3. Prohibited provisions
   4. Benefit standards
   5. Disclosure and replacement requirements
E. Group Insurance ............................................. (2-3)
   1. Discontinuance and replacement
      Ref: 5/367I; 97/20; Reg. 2013
   2. Illinois Health Insurance Portability and Accountability Act (HIPAA)
      Ref: 97/1 thru 50
F. Unfair Practices ............................................. (1-2)
   Ref: 5/364
G. Life & Health Insurance Guaranty
   Association ..................................................... (1-2)
   Ref: 5/531.01 through 5/531.19
H. Health Maintenance Organization Guaranty
   Association ..................................................... (1-2)
   Ref: 125/6-1 thru 6-19

III. ILLINOIS STATUTES AND REGULATIONS PERTINENT TO MANAGED CARE .................................... 3
A. Health Maintenance Organization (HMO) ............ (1-2)
   Ref: 125/1-2; 125/4-1 thru 125/4-16; 25/5-3; 5421.10 thru .40; 5421.100 thru .141
B. Limited Health Service Organizations (LHOS) .... (1-2)
   Ref: 130/1002; 130/3001 thru 130/3005; 130/3008 thru 130/4003
PROPERTY-GENERAL KNOWLEDGE
CONTENT OUTLINE
Product Knowledge, Terms and Concepts
(50 scored 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
      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
      1. Proof of loss
      2. Notice of claim
   I. Appraisal
   J. Other Insurance Provision
   K. Subrogation
   L. Elements of a contract
   M. Warranties, representations, and concealment
   N. Sources of underwriting information
   O. Fair Credit Reporting Act
   P. Privacy Protection (Gramm Leach Bliley)
   Q. Policy Application
   R. Terrorism Risk Insurance Act (TRIA)

PROPERTY-ILLINOIS SPECIFIC
CONTENT OUTLINE
State Statutes, Rules and Regulations
(30 scored plus 7 pretest questions)
All references to chapter 215 ILCS unless otherwise indicated

I. ILLINOIS STATUTES AND REGULATIONS COMMON TO
   LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY
   AND PERSONAL LINES INSURANCE ....................... 22
   A. Insurance Director ........................................ (1-2)
      1. General powers
         Ref: 5/401, 5/403; 5/401.1; 5/431
      2. Examinations
         Ref: 5/132; 5/402; 5/403; 5/500-110
   B. License and registration
      1. Persons required to be licensed .................. (3-5)
         a. Insurance producers
            Ref: 5/500-15; 5/500-20; 5/500-25; 5/500-30
         b. Nonresidents
            Ref: 5/500-40

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c. Business entities
   Ref: 5/500-30; 5/500-35

d. Temporary insurance producers
   Ref: 5/500-60; 5/500-65

e. Exemptions
   Ref: 5/500-15; 5/500-20
f. Reinstatement
   Ref: 5/500-35

2. Obtaining a license ............................................. (1-3)
a. Qualifications
   Ref: 5/500-30; 5/500-70
b. License fees
   Ref: 5/500-135
c. Pre-licensing
   Ref: 5/500-30
d. Bond requirements
   Ref: 5/500-130

3. Maintaining a license ......................................... (1-3)
a. Continuing education
   Ref: 5/500-35
b. Controlled business
   Ref: 5/500-125
c. Change of address
   Ref: 5/500-35
d. Required fees
   Ref: 5/500-135

4. License suspension, revocation or denial ........... (1-2)
   Ref: 5/500-70

C. Fiduciary responsibilities ..................................... (2-3)
   Ref: 5/500-115; Reg. 3113

D. Commissions and compensation ......................... (0-1)
   Ref: 5/151; 5/500-80

E. Felony convictions ............................................. (0-1)
   Ref: 5/500-95

F. Disclosure .............................................................. (0-1)
   Ref: 5/500-155

G. Marketing practices .............................................. (3-5)
   1. Rebating
      Ref: 5/151; 5/152; 5/153
   2. Misrepresentation
      Ref: 5/149; 5/154
   3. Defamation
      Ref: 5/149
   4. Other unfair practices
      Ref: 5/424

H. Unfair claims practices ........................................... (0-1)
   Ref: 5/154.5; 5/154.6; Reg. 919

I. Illinois Insurance Guaranty Fund .......................... (0-1)
   Ref: 5/532; 5/533; 5/537

II. ILLINOIS STATUTES AND REGULATIONS COMMON TO
    PROPERTY AND CASUALTY INSURANCE
    ONLY ........................................................................... 5

A. Renewal, nonrenewal, cancellation and Certificates
   of Insurance ......................................................... (3-4)
   Ref: 5/141.01; 5/141.02; 5/143.10 thru 5/143.27; 5/154;
   5/155.31; 5/155.45; 157/5 thru 157/99

B. Financing insurance premiums ............................... (0-1)
   Ref: 5/513a-1 thru 5/513a3; 5/513a9 thru 5/513a11

C. Insurance Claims Fraud Prevention Act ................ (0-1)
   Ref: 5/155.23

D. Use of credit information .................................... (0-1)
   Ref: 5/157/15; 157/20

E. Hate crimes .......................................................... (0-1)
   Ref: 143.24c

III. ILLINOIS STATUTES AND REGULATIONS PERTINENT
    TO PROPERTY INSURANCE ONLY ............................ 3

A. Rejection on basis of location ................................ (0-1)
   Ref: 5/155.22

B. Illinois FAIR Plan (FAIR plan) ............................... (1-2)
   1. Purpose
      Ref: 5/522; 5/524(5)
   2. Definition
      Ref: 5/523
   3. Procedures
      Ref: 5/524
   4. Industry placement
      Ref: 5/525

C. Mine subsidence ................................................... (1-2)
   Ref: 5/801.1 thru 5/817.1

D. Customer affairs and info. dept ............................ (0-1)
   Ref: 5/143d

CASUALTY-GENERAL KNOWLEDGE
CONTENT OUTLINE
Product Knowledge, Terms and Concepts
(50 scored 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
   3. 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

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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
   (Specifics of state law 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
Q. 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)
f. Reinstatement  
Ref: 5/500-35
2. Obtaining a license............................................. (1-3)
   a. Qualifications  
Ref: 5/500-30; 5/500-70
   b. License fees  
Ref: 5/500-135
   c. Pre-licensing  
Ref: 5/500-30
   d. Bond requirements  
Ref: 5/500-130
3. Maintaining a license ......................................... (1-3)
   a. Continuing education  
Ref: 5/500-35
   b. Controlled business  
Ref: 5/500-125
   c. Change of address  
Ref: 5/500-35
   d. Required fees  
Ref: 5/500-135
4. License suspension, revocation or denial ........... (1-2)
Ref: 5/500-70
C. Fiduciary responsibilities .................................... (2-3)
Ref: 5/500-115; Reg. 3113
D. Commissions and compensation....................... (0-1)
Ref: 5/151; 5/500-80
E. Felony convictions ........................................... (0-1)
Ref: 5/500-95
F. Disclosure....................................................... (0-1)
Ref: 5/500-75
G. Marketing practices.........................................(3-5)
   1. Rebating  
Ref: 5/151; 5/152; 5/153
   2. Misrepresentation  
Ref: 5/149; 5/154
   3. Defamation  
Ref: 5/149
   4. Other unfair practices  
Ref: 5/424
H. Unfair claims practices..................................... (0-1)
Ref: 5/154.5; 5/154.6; Reg. 919
I. Illinois Insurance Guaranty Fund ....................... (0-1)
Ref: 5/532; 5/533; 5/537
II. ILLINOIS STATUTES AND REGULATIONS COMMON TO PROPERTY AND CASUALTY INSURANCE ............. 5
A. Renewal, nonrenewal, cancellation, and Certificates of Insurance........................................ (3-4)
Ref: 5/141.01; 5/141.02; 5/143.10 thru 5/143.27; 5/155.31; 5/155.45; 157/5 thru 157/99
B. Financing insurance premiums......................... (0-1)
Ref: 5/513a-1; 5/513a3; 5/513a9 thru 5/513a11
C. Insurance Claims Fraud Prevention Act ........... (0-1)
Ref: 5/155.23
D. Use of credit information................................... (0-1)
Ref: 157/15; 157/20
E. Hate crimes.................................................... (0-1)
Ref: 143.24c
III. ILLINOIS STATUTES AND REGULATIONS PERTINENT TO CASUALTY INSURANCE ONLY ............. 10
A. Auto ..................................................................... (7-8)
   1. Uninsured motorists coverage  
Ref: 5/143a
   2. Underinsured motorists coverage  
Ref: 5/143a-2
   3. Illinois Automobile Insurance Plan (assigned risk)  
Ref: 1A1 Plan Manual, 625 ILCS 5/7-501
      a. Insurance company’s participation  
      b. Insured’s participation  
   4. Defensive driving discount—age 55 and over  
Ref: 5/143.29
   5. Anti-theft mechanism  
5/143.28; Reg. 932
   6. Financial responsibility surcharge  
Ref: 625 ILCS 5/7-317
   7. Equipment exclusion  
Ref: Reg. 924
   8. Persons with physical disabilities  
Ref: 5/143.24a
   9. Disclosure of liability coverage  
Ref: 5/143.24b
10. Surcharge or refusal to insure  
Ref: 5/155.27
11. Oral estimate of premium charges  
Ref: 5/155.28
12. Mandatory auto coverage  
Ref: 625 ILCS 5/7-601 thru 610
13. Financial/Safety responsibility filing  
Ref: 625 ILCS 5/7-317
14. Child restraint system  
Ref: 5/143.32
15. Fraudulent Address  
Ref: 5/155.40
B. Worker’s Compensation Assigned Risk Pool .... (1-2)
Ref: 5/468; Reg. 2904

PERSONAL LINES-GENERAL KNOWLEDGE
Product Knowledge, Terms, and Concepts  
(75 scored 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
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

PERSONAL LINES-
ILLINOIS SPECIFIC CONTENT OUTLINE

State Statutes, Rules and Regulations
(37 scored questions)
Ref: All references to chapter 215 ILCS unless otherwise indicated

I. ILLINOIS STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE ..................... 22
   A. Insurance Director ................................................. (1-2)
      1. General powers
         Ref: Ref: 5/401, 5/403; 5/401.1; 5/431
      2. Examinations
B. License and registration

1. Persons required to be licensed .............................................. (3-5)
   a. Insurance producers
      Ref: 5/500-15; 5/500-20; 5/500-25; 5/500-30
   b. Nonresidents
      Ref: 5/500-40
   c. Business entities
      Ref: 5/500-30; 5/500-35
   d. Temporary insurance producers
      Ref: 5/500-60; 5/500-65
   e. Exemptions
      Ref: 5/500-15; 5/500-20
   f. Reinstatement
      Ref: 5/500-35

2. Obtaining a license ......................................................... (1-3)
   a. Qualifications
      Ref: 5/500-30; 5/500-70
   b. License fees
      Ref: 5/500-135
   c. Pre-licensing
      Ref: 5/500-30
   d. Bond requirements
      Ref: 5/500-130

3. Maintaining a license ...................................................... (1-3)
   a. Continuing education
      Ref: 5/500-35
   b. Controlled business
      Ref: 5/500-125
   c. Change of address
      Ref: 5/500-35
   d. Required fees
      Ref: 5/500-135

4. License suspension, revocation or denial ......................... (1-2)
   Ref: 5/500-70

C. Fiduciary responsibilities .............................................. (2-3)
   Ref: 5/500-115; Reg. 3113

D. Commissions and compensation ....................................... (0-1)
   Ref: 5/151; 5/500-80

E. Felony convictions ......................................................... (0-1)
   Ref: 5/500-95

F. Disclosure ..................................................................... (0-1)
   Ref: 5/500-75

G. Marketing practices ....................................................... (3-5)
   1. Rebating
      Ref: 5/151; 5/152; 5/153
   2. Misrepresentation
      Ref: 5/149; 5/154
   3. Defamation
      Ref: 5/149
   4. Other unfair practices
      Ref: 5/424

H. Unfair claims practices ................................................... (0-1)
   Ref: 5/154.5; 5/154.6; Reg. 919

I. Illinois Insurance Guaranty Fund ..................................... (0-1)
   Ref: 5/532; 5/533; 5/537

II. ILLINOIS STATUTES AND REGULATIONS COMMON TO PROPERTY AND CASUALTY INSURANCE ONLY ............................................. 5

A. Renewal, nonrenewal, cancellation, and Certificates of Insurance .................................................. (3-4)
   Ref: 5/141.01; 5/141.02; 5/143.10 thru 5/143.27; 5/154;
   5/155.31; 5/155.45

B. Financing insurance premiums ......................................... (0-1)
   Ref: 5/513a-1 thru 5/513a3; 5/513a9 thru 5/513a11

C. Insurance Claims Fraud Prevention Act ............................. (0-1)
   Ref: 5/155.23

D. Use of credit information .................................................. (0-1)
   Ref: 157/15; 157/20

E. Hate Crimes .................................................................... (0-1)
   Ref: 143.24c

III. ILLINOIS STATUTES AND REGULATIONS PERTINENT TO PERSONAL LINES INSURANCE ONLY ......................................... 10

A. Rejection on basis of location ........................................... (0-1)
   Ref: 5/155.22

B. Illinois FAIR Plan (FAIR plan) ........................................... (1-2)
   1. Purpose
      Ref: 5/522; 5/524(5)
   2. Definition
      Ref: 5/523
   3. Procedures
      Ref: 5/524
   4. Industry placement
      Ref: 5/525

C. Mine subsidence ............................................................... (1-2)
   Ref: 5/801.1 thru 5/817.1

D. Customer affairs and info. dept ......................................... (0-1)
   Ref: 5/143d

E. Auto ............................................................................... (7-8)
   1. Uninsured motorists coverage
      Ref: 5/143a
   2. Underinsured motorists coverage
      Ref: 5/143a-2
   3. Illinois Automobile Insurance Plan (assigned risk)
      Ref: IAI Plan Manual, 625 ILCS 5/7-501; 478.1
      a. Insurance company’s participation
      b. Insured’s participation
   4. Defensive driving discount–age 55 and over
      Ref: 5/143.29
   5. Antitheft mechanism
      5/143.28; Reg. 932
   6. Financial responsibility surcharge
      Ref: 625 ILCS 5/7-317
   7. Equipment exclusion
      Ref: Reg. 924
   8. Persons with physical disabilities
      Ref: 5/143.24a
   9. Disclosure of liability coverage
      Ref: 5/143.24b
   10. Surcharge or refusal to insure
      Ref: 5/155.27
   11. Oral estimate of premium charges
      Ref: 5/155.28
   12. Mandatory auto coverage
      Ref: 625 ILCS 5/7-601 thru 610
   13. Financial/Safety responsibility filing
      Ref: 625 ILCS 5/7-317
   14. Child restraint system
MOTOR VEHICLE TEST CONTENT OUTLINE

State Statutes, Rules and Regulations

(50 scored questions)

Ref: All references to chapter 215 ILCS unless otherwise indicated

I. ILLINOIS STATUTES AND REGULATIONS COMMON TO LIFE, ACCIDENT AND HEALTH, PROPERTY, CASUALTY AND PERSONAL LINES INSURANCE

A. Insurance Director
   1. General powers
      Ref: 5/401, 5/403; 5/401.1; 5/431
   2. Examinations
      Ref: 5/132; 5/402; 5/403; 5/500-110

B. License and registration
   1. Persons required to be licensed
      a. Insurance producers
         Ref: 5/500-15; 5/500-20; 5/500-25; 5/500-30
      b. Nonresidents
         Ref: 5/500-40
      c. Business entities
         Ref: 5/500-30; 5/500-35
      d. Temporary insurance producers
         Ref: 5/500-60; 5/500-65
      e. Exemptions
         Ref: 5/500-15; 5/500-20
      f. Reinstatement
         Ref: 5/500-35
   2. Obtaining a license
      a. Qualifications
         Ref: 5/500-30; 5/500-70
      b. License fees
         Ref: 5/500-135
      c. Pre-licensing
         Ref: 5/500-30
      d. Bond requirements
         Ref: 5/500-130
   3. Maintaining a license
      a. Continuing education
         Ref: 5/500-35
      b. Controlled business
         Ref: 5/500-125
      c. Change of address
         Ref: 5/500-35
      d. Required fees
         Ref: 5/500-135
   4. License suspension, revocation or denial
      Ref: 5/500-70

C. Fiduciary responsibilities
   Ref: 5/500-115; Reg. 3113

D. Commissions and compensation
   Ref: 5/151; 5/500-80

E. Felony convictions
   Ref: 5/500-95

F. Disclosure
   Ref: 5/500-75

G. Marketing practices
   1. Rebating
      Ref: 5/151; 5/152; 5/153
   2. Misrepresentation
      Ref: 5/149; 5/154
   3. Defamation
      Ref: 5/149
   4. Other unfair practices
      Ref: 5/424

H. Unfair claims practices
   Ref: 5/143.3; 5/154.6; Reg. 919

I. Illinois Insurance Guaranty Fund
   Ref: 5/532; 5/533; 5/537

II. BASIC CONCEPTS OF AUTOMOBILE INSURANCE

A. Coverages
   1. Bodily injury and property damage
   2. Medical payments
   3. Physical damage

B. Definitions
   1. Insured/covered person
   2. Owned automobiles/covered automobiles
   3. Non-owned automobiles
   4. Temporary substitute automobiles

III. ILLINOIS STATUTES AND REGULATIONS PERTINENT TO MOTOR VEHICLE INSURANCE

A. Uninsured motorists coverage
   Ref: 5/143a

B. Underinsured motorists coverage
   Ref: 5/143a-2

C. Renewal, nonrenewal, cancellation, and Certificates of Insurance
   Ref: 5/141.01; 5/141.02; 5/143.10 thru 5/143.27; 5/155.45

D. Defensive driving discount – age 55 and over
   Ref: 5/143.29

E. Antitheft mechanism
   Ref: 5/143.28; Reg. 932

F. Financial responsibility surcharge
   Ref: 625 ILCS 5/7-317

G. Equipment exclusion
   Ref: Reg. 924

H. Illinois Automobile Insurance Plan (assigned risk)
   Ref: 625 ILCS 5/7-501; IAI Plan Manual
   1. Participation
      a. Insurance companies
      b. Insureds

I. Unfair Practices
   Ref: 5/424

J. Persons with physical disabilities
   Ref: 5/143.24a

K. Disclosure of liability coverage
   Ref: 5/143.24b

L. Surcharge of refusal to insure
   Ref: 5/155.27

M. Oral estimates of premium charges
   Ref: 5/155.28

N. Mandatory auto coverage
O. Financial/Safety responsibility filing
   Ref: 625 ILCS 5/7-317

P. Child restraint system
   Ref: 5/143.32

Q. Fraudulent Address
   Ref: 5/155.40

R. Insurance Claims Fraud Prevention Act
   Ref: 5/155.23

S. Hate crimes
   Ref: 143.24c

T. Unfair Claims Practices
   Ref: 5/143b

IV. FINANCING INSURANCE PREMIUMS ....................... (1/2)
   Ref: 5/513a1 thru 5/513a3; 5/513a9 thru 5/513a11

III. PROPERTY AND CASUALTY POLICY PROVISIONS AND
     CONTRACT LAW .................................................... 5
     A. Proof of loss
     B. Notice of claim
     C. Material misrepresentations
D. Assignment
E. Subrogation
F. Mortgagee rights
G. Apportionment clause

IV. ELECTRICAL AND BUILDING TECHNIQUES ............ 5

V. ILLINOIS LAWS AND REGULATIONS PERTINENT TO PUBLIC ADJUSTERS ......................... 25
   A. Regulation and licensing of Public Adjusters
   B. Public Adjuster practices, responsibilities, and Duties
   C. Unfair Claims Settlement and Trade Practices
      Ref: Standard Fire policy; 5/143.1, 5/143.15 and Part 919
   D. Regulation and licensing of Property and Casualty Insurance
      Ref: 5/143.1, 5/143.13, 5/143.21, 5/397.1, 5/397.05, 5/154.6 and Part 919
   E. Illinois Insurance Guaranty Fund
      Ref: 5/532