

Chapter Ins 26

PRELICENSING EDUCATION

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Ins 26.01 Purpose. The commissioner of insurance finds that prelicensing education should be required of all insurance applicants for major lines of insurance. This requirement will assist in assuring that insurance agents receive needed information regarding insurance, insurance ethics, and sales practices.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.02 Scope. This chapter applies to all applicants for insurance intermediary licenses in the state of Wisconsin unless exempted under s. Ins 26.04 (2).

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.03 Definitions. (1) "Accredited institution of higher education" means a law school accredited by the American bar association or other schools accredited by one of the regional institutional accrediting commissions or associations which have been recognized by the U. S. commission of education.

(2) "Certificate of prelicensing education" means a completed form as described in Appendix 5.

(3) "Credit course" means a course which can be applied toward an associate degree or higher degree at an accredited institution of higher education.

(4) "Evidence of attendance" means an official transcript, student grade report, or commissioner-approved certificate showing satisfactory completion of educational programs or training sessions.

(5) "Exemption form" means a completed form as described in appendix 6.

(6) "Noncredit program" means an educational program or training session which does not satisfy the requirements for an associate degree or higher education degree at the entity offering the educational program or training session.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.04 Prelicensing requirement. (1) Each applicant for a property, casualty, life, or accident and health insurance license shall complete at least 20 hours of a preliminary educational program approved by the commissioner in accordance with this chapter and present with the application a certificate of prelicensing education dated not more than one year earlier than the date tested.

(2) Minimum precicensing educational requirements shall not apply to the following:

(a) Any applicant applying for a limited line insurance license for automobile, credit life/credit accident and health, or title.

(b) Any nonresident applying for a nonresident license in the state of Wisconsin.

(c) Any applicant who has completed a 2-year Wisconsin vocational school degree in insurance who submits evidence of attendance with the application.

(d) Any applicant who has completed a 4-year college degree in business with an insurance emphasis who submits evidence of attendance with their application.

(e) An applicant for a reinsurance intermediary-broker, reinsurance intermediary-manager or managing general agent limited-line license.

(3) If an applicant is exempt under sub. (2), the application shall have an original exemption form attached.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92; emerg. cr. (2) (e), eff. 3-12-93; cr. (2) (e), Register, July, 1993, No. 451, eff. 8-1-93.

Ins 26.05 Requirements for approval of certification of attendance at credit courses. (1) **APPROVAL OF CREDIT COURSES.** An accredited institution of higher education seeking initial approval or reapproval of individual credit courses shall submit its application for course approval on the form provided by the commissioner. The commissioner may require the following information and materials:

(a) The name of the department in the school which is offering the courses;

(b) The method of instruction for each course;

(c) The course numbers and titles;

(d) Detailed outlines of each course with specific allocations of class room hours to each topic showing the minimum time allocated to the topics as described in appendices 1 through 4;

(e) A current school course catalogue;

(f) Evidence of prior accreditation by the Wisconsin educational approval board, if required by s. 38.51, Stats.; and

(g) Other information as specified by the commissioner.

(2) **APPLICATION APPROVAL AND EXPIRATION OF APPROVAL.** Upon receipt of an application for approval of a credit program, the commissioner shall determine if the application meets the requirements and if the program provides for instruction of appendices 1 to 4 in a manner required by this rule. The commissioner shall issue his or her decision on approval of an application no later than 60 days following the receipt of the completed application and all information required. Course approval shall expire on August 30 of the next odd numbered year following the date of initial approval and every August 30 of an odd numbered year

thereafter. Each school shall submit an application for reapproval to the commissioner on or before July 15 each odd-numbered year.

(3) **EVIDENCE OF ATTENDANCE.** The commissioner shall accept only an official transcript or student grade report as evidence of satisfactory completion of credit courses.

(4) **ATTENDANCE REQUIREMENTS.** Students shall satisfy attendance requirements by successfully completing credit courses in accordance with the attendance requirements of the school. The commissioner shall not accept attendance at credit courses on an audit basis to satisfy the requirements of this chapter.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.06 Requirements for approval of certification of attendance at non-credit programs. (1) **APPROVAL OF NONCREDIT EDUCATIONAL PROGRAMS.** An entity seeking initial approval or reapproval from the commissioner of an insurance noncredit program shall submit a notarized application on the forms provided by the commissioner. The commissioner may require the following information and materials:

(a) Evidence of prior accreditation by the Wisconsin educational approval board, if required by s. 38.51, Stats.;

(b) A description of the qualifications of each instructor and the subject matter the instructor will be teaching. Instructors of noncredit programs shall be approved by the commissioner. Instructors shall meet the criteria set forth in sub. (2) (d);

(c) Listing of the noncredit program's organizational structure, registration policies, fee schedules and promotional material, for the school;

(d) Detailed outlines of the subject matter to be covered by the program with specific allocations of classroom hours to each topic meeting the minimum standards as set forth in appendices 1 through 4. This should include a description of textbooks, workbooks and other instructional materials. The operator of a noncredit program shall present section A and section B. Each must be presented as a separate and discrete segment. Each section can be broken up into subsections as long as no other insurance-related instruction is given by the noncredit program between the subsections;

(e) A description of the student record systems including a description of the methods for documenting attendance;

(f) The method used by the noncredit program for evaluating instructors and a summary of previous evaluations conducted;

(g) The time, date, and location of each noncredit program. The commissioner may allow a noncredit program to apply for initial approval without specific information concerning dates, times, locations, and instructors, but the noncredit program shall provide this information no later than 30 days prior to the start of the course;

(h) An original signature of the person authorized to sign certifications; and

(i) Other information as specified by the commissioner.

(2) **CRITERIA FOR APPROVAL.** In order to be approved, noncredit programs shall:

(a) Not discriminate against anyone on the basis of sex, race, religion, age, physical disability, sexual orientation, or national origin in their educational programs;

(b) Document that instructors are experienced and qualified in insurance and satisfy at least one of the following criteria:

1. An instructor who is or has been engaged in the practice of teaching insurance courses at an accredited institution of higher education for at least the last 3 years;

2. A properly licensed insurance intermediary for at least the past 5 years and demonstrates to the commissioner that he or she is of good character and has the knowledge and breadth of experience to instruct the scope of the subject area for which he or she will be responsible;

3. A member of the state bar in at least one state or the District of Columbia who is engaged in the field of insurance-related law; or

4. A person who, in the judgment of the commissioner, is qualified to teach a section by reason of exemplary experience or education in the lines of insurance being taught; and

(c) Show that information provided to comply with sub. (1) is likely to support a comprehensive and accurate treatment of the subjects required in each section.

(3) **APPLICATION APPROVAL AND EXPIRATION OF APPROVAL.** Upon receipt of an application for approval of a noncredit program, the commissioner shall determine if the application meets the requirements and if the program provides for instruction of appendices 1 to 4 in a manner required by this rule. The commissioner shall issue his or her decision on approval of an application no later than 60 days following the receipt of the completed application and all information required. Noncredit program approval shall expire on every July 31 of the next odd numbered year after approval. Each school shall submit an application for approval for the next period to the commissioner on or before June 1 of each odd numbered year.

(4) **NOTIFICATION.** Noncredit programs shall promptly notify the commissioner of any information filed with the commissioner which has changed.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.07 Evidence of attendance for noncredit programs. (1) (a) Noncredit programs shall provide an original certificate of preclicensing education to each student upon satisfactory completion of a noncredit program. Additional original individual certificates of preclicensing education shall be provided to a student upon request and at no additional charge for each application for an intermediary license the student submits to the commissioner.

(b) Certificates of preclicensing education shall contain the minimum wording and format as prescribed by appendix 5.

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(c) Certificates of prelicensing education shall be signed by authorized persons whose signatures are on file with the commissioner.

(d) The date indicated on certificates of prelicensing education shall be the date of the last class for section B in appendices 1 to 4 attended by the student.

(e) Certificates of prelicensing education shall be on green paper only.

(f) The student needs to take section A of appendices 1 to 4 only once. If the student takes only section B of the requirements, the instructor shall verify that the student completed section A previously before issuing a certificate.

(g) Certificates shall only be given to a student after the instructor verifies the identity of the student using a picture identification card. If the instructor uses a form of identification other than Wisconsin driver's license or Wisconsin ID card, the instructor shall note the form of identification used on the certificate of prelicensing education.

(2) A noncredit program shall submit to the commissioner a computerized list giving the name, home address, date of certificate, type of class, date of birth and social security number on a diskette in a format specified by the commissioner of all persons satisfactorily completing noncredit continuing education programs. Accompanying the diskette shall be a letter signed by a person authorized to sign certificates of prelicensing education certifying that the students listed personally attended the minimum required statutory class room instruction. The computerized list shall be furnished to the commissioner within 10 days following the date of completion of noncredit prelicensing education programs.

(3) The operator of a noncredit program shall maintain attendance records for 3 years.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.08 Attendance requirements for noncredit programs. Students shall attend all of the required hours and receive all the required contents before a certificate of prelicensing education may be granted for satisfying any of the requirements in s. Ins. 26.04. Noncredit programs may make arrangements for make-up classes covering the same material as the class missed to enable students to meet the educational requirements.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.09 Correspondence courses. Correspondence courses do not satisfy educational requirements in this chapter except to satisfy requirements in s. Ins. 26.04 (2) (a), (b), (e), and (f).

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

Ins 26.10 Investigation and review. (1) The commissioner or a duly appointed representative shall investigate and review all applications and may investigate or examine previously approved programs, courses, and instructors. The method and timing of the reviews shall be determined by the commissioner in each case and may consist of the following:

(a) Consideration of information available from state, federal, or local agencies, private organizations or agencies, or interested persons.

(b) Conferences with officials, representatives, and former students of the school involved.

(c) A public hearing respecting the noncredit program, course, or instructor involved, with adequate written notice to the school, instructor, or both.

(d) Investigation by visitation without notice to the noncredit program.

(e) Information furnished by the applicant with its application for approval.

(f) Any other information the commissioner or representative deems relative to the investigation.

(2) In addition to investigation or examination upon its own initiative, the commissioner may investigate or examine any noncredit program or instructor upon receipt of a complaint from any person.

(3) The commissioner may examine the program under ss. 601.43 and 601.44, Stats., and bill the costs to the program under s. 601.45, Stats.

(4) If, after investigation or examination, the commissioner denies or deems it proper to withdraw its approval of any program, course, or instructor, written notification shall be given with reasons for such action. The denial constitutes an order pursuant to s. 601.62 (3) (a), Stats., and the noncredit program or instructor may request a hearing before the commissioner under that section.

Note: This chapter requires use of forms which may be obtained from the Office of the Commissioner of Insurance, 121 East Wilson Street, P. O. Box 7873, Madison, Wisconsin 53707-7873.

History: Cr. Register, June, 1992, No. 438, eff. 7-1-92.

**APPENDIX 1 — CASUALTY INSURANCE COURSE
REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 2 Hours
 - A. Nature of risk
 - B. Risk management
 - C. Insurable and noninsurable risk
 - D. Pooling concept — law of large numbers
 - E. Government as insurer
 - F. Forms of ownership
 - G. Marketing systems
 - H. Competition in the industry
 - I. Functions of insurers
 - J. Reinsurance
- II. General Wisconsin Insurance Laws — 3 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 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 solicitation requirements
 - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
- 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
- I. Education of policyholders
- J. Understanding of client needs

SECTION B

IV. Policies, Terms, and Concepts — 6 Hours

A. Types of policies, bonds, and related terms

1. General liability

- a. Owners, landlords, and tenants liability
- b. Manufacturers and contractors liability
- c. Products and completed operations liability
- d. Contractual liability
- e. Comprehensive general liability
- f. Premises/operations liability
- g. Owners and contractors protective liability

2. Automobile Insurance - personal & family auto and business & commercial auto

- a. Physical damage (collision and comprehensive)
 - b. Uninsured motorists
 - c. Underinsured motorists
 - d. Named insureds
 - e. Insureds
 - f. Owned automobile
 - g. Nonowned automobile
 - h. Temporary substitute auto
3. Worker's compensation
4. Professional liability
5. Umbrella/excess liability

B. Insurance terms and related concepts

1. Risks

2. Hazards
3. Indemnity
4. Insurable interest
5. Actual cash value
6. Negligence
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
- C. 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
- V. Wisconsin Casualty Insurance Law — 6 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
- 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

**APPENDIX 2 — PROPERTY INSURANCE COURSE
REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 2 Hours
 - A. Nature of risk
 - B. Risk management
 - C. Insurable and noninsurable risk
 - D. Pooling concept — law of large numbers
 - E. Government as insurer
 - F. Forms of ownership
 - G. Marketing systems
 - H. Competition in the industry
 - I. Functions of insurers
 - J. Reinsurance
- II. General Wisconsin Insurance Laws — 3 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 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 solicitation requirements
 - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
- 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

I. Education of policyholders

J. Understanding of client needs

SECTION B

IV. Policies, Terms, and Concepts — 6 Hours

A. Types of policies

1. Standard fire

2. Personal lines

a. Dwelling and contents

b. CPL (comprehensive personal liability)

c. Homeowners

3. Commercial

a. General property

b. Special multi-peril

c. Business owner policy

d. Business interruption

1) Gross earnings

2) Earnings

3) Extra expense

4. Inland marine

a. Personal floaters

b. Commercial floaters

5. Others

a. Flood

b. Watercraft

B. Insurance terms and related concepts

1. Insurance

2. Insurable interest

3. Risk
 4. Hazard
 5. Peril
 - a. Specified (named) perils
 - 1) Standard fire
 - 2) Extended coverage
 - 3) Broad form
 - b. All-risk
 6. Loss
 - a. Direct
 - b. Indirect
 7. Proximate cause
 8. Deductible
 9. Indemnity
 10. Actual cash value
 11. Replacement cost
 12. Limits of liability
 13. Coinsurance
 14. Pair and set clause
 15. Extensions of coverage
 16. Additional coverages
 17. Accident
 18. Occurrence
 19. Cancellation
 20. Nonrenewal
 21. Vacancy and unoccupancy
 22. Right of salvage
 23. Abandonment
 24. Liability
 25. Negligence
- C. Policy provisions and contract law
 1. Declarations
 2. Insuring agreement
 3. Conditions

4. Exclusions
5. Definition of the insured
6. Duties of the insured
7. Obligations of the insurance company
8. Mortgagee rights
9. Proof of loss
10. Notice of claim
11. Appraisal
12. Pro rata liability (other insurance)
13. Assignment
14. Subrogation
15. Arbitration
16. Elements of a contract
17. Warranties, representations, and concealment
18. Binders
19. Sources of insurability information
20. Fair Credit Reporting Act
- V. Wisconsin Property Insurance Law — 6 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

**APPENDIX 3 — LIFE INSURANCE COURSE
REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 2 Hours
 - A. Nature of risk
 - B. Risk management
 - C. Insurable and noninsurable risk
 - D. Pooling concept — law of large numbers
 - E. Government as insurer
 - F. Forms of ownership
 - G. Marketing systems
 - H. Competition in the industry
 - I. Functions of insurers
 - J. Reinsurance
- II. General Wisconsin Insurance Laws — 3 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 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 solicitation requirements
 - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
- 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 life products to clients including sales to the elderly

F. Social responsibility of insurance agent

G. Agent/company relationships

H. Maintaining appropriate insurance expertise

I. Education of policyholders

J. Understanding of client needs

SECTION B

IV. Policies, Terms, and Concepts — 6 Hours

A. Types of policies

1. Traditional whole life products

a. Ordinary (straight) life

b. Limited-pay and single-premium life

c. Modified and graded premium whole life

d. Adjustable life

2. Interest-sensitive whole life products

a. Universal life

b. Variable whole life

c. Variable universal life

3. Term life

a. Level, decreasing, and increasing term

b. Renewable term

c. Convertible term

4. Annuities

a. Single, level, and flexible premium

b. Immediate and deferred

c. Fixed and variable — requirement of security license

5. Endowment

6. Combination plans

a. Family policy

b. Family income policy

c. Family maintenance policy

B. Policy riders, provisions, options, and exclusions**1. Policy riders**

- a. Waiver of premium
- b. Guaranteed insurability
- c. Payor benefit
- d. Accidental death and/or accident death, and dismemberment
- e. Term riders
- f. Other insureds (e.g., spouse, children, nonfamily)

2. Policy provisions and options

- a. Entire contract
- b. Insuring clause
- c. Free look
- d. Consideration clause
- e. Owner's rights
- f. Primary and contingent beneficiaries
- g. Revocable and irrevocable beneficiaries
- h. Change of beneficiary
- i. Modes of premium payment
- j. Grace period
- k. Automatic premium loan
- l. Reinstatement
- m. Policy loan
- n. Nonforfeiture options
- o. Dividends and dividend options
- p. Incontestability
- q. Assignment
- r. Suicide
- s. Misstatement of age
- t. Settlement options
- u. Conversion options (individual policy)

3. Policy exclusions**C. Completing the application, underwriting, and delivering the policy****1. Completing the application**

- a. Requiring 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. Obtaining a statement of good health
 - c. Explaining the policy and its provisions, riders, exclusions, and ratings to the client
- D. Taxes, Retirement, and Other Insurance Concepts
 1. Third-party ownership
 2. Group life insurance
 3. Retirement plans
 4. Business insurance (e.g., key employe, buy and sell agreement, split-dollar, etc.)
 5. Social security benefits and taxes
 6. Tax treatment of insurance premiums, and proceeds
- V. Wisconsin Life Insurance Law — 6 Hours
 - A. Policy provisions
 1. Grace period
 2. Separate benefits
 3. Incontestability
 4. Misstatement of age
 5. Assignment of rights
 6. Designation of beneficiaries
 7. Variable contracts
 - B. Marketing practices
 1. Bonuses
 2. Replacement of policies

3. Disclosure requirements
 4. Suitability
 5. Combination sales
 6. Recordkeeping
- C. State Life Insurance Fund

**APPENDIX 4 — ACCIDENT AND HEALTH INSURANCE
COURSE REQUIREMENTS****SECTION A**

- I. Principles of Insurance — 2 Hours
 - A. Nature of risk
 - B. Risk management
 - C. Insurable and noninsurable risk
 - D. Pooling concept — law of large numbers
 - E. Government as insurer
 - F. Forms of ownership
 - G. Marketing systems
 - H. Competition in the industry
 - I. Functions of insurers
 - J. Reinsurance
- II. General Wisconsin Insurance Laws — 3 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 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 solicitation requirements
 - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
- 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 accident and health products to clients including specifically sales to the elderly

F. Social responsibility of insurance agent

G. Agent/company relationships

H. Maintaining appropriate insurance expertise

I. Education of policyholders

J. Understanding of client needs

SECTION B

IV. Policies, Terms, and Concepts — 6 Hours

A. Types of policies

1. Disability income

a. Individual disability income policy

b. Business overhead expense policy

c. Business health insurance

2. Accidental death and dismemberment

3. Medical expense insurance

a. Basic hospital, medical, and surgical policies

b. Major medical policies

c. Comprehensive major medical policies

d. Health maintenance organizations (HMO)

e. Multiple employer trusts (MET)

f. Service organizations (Blue plans)

4. Medicare supplement policies

5. Group insurance

a. Group conversion

b. Differences between individual and group contracts

c. General concepts

B. Policy provisions, clauses, and riders

1. Mandatory provisions

a. Entire contract

b. Time limit on certain defenses (incontestable)

c. Grace period

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- 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. Cancellable
 - c. Guaranteed renewable
 - d. Conditionally renewable

- e. Optionally renewable
- f. Period of time
- C. Social insurance
 - 1. Medicare
 - 2. Medicaid
 - 3. Social security benefits
- D. 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 (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.)
- E. 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 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
- V. Wisconsin Health Insurance Law — 6 Hours
 - A. General policy provisions

1. Right of return
2. Right of insurer to contest
3. Pre-existing conditions
4. Application process
5. Grace periods
- B. Mandated benefits
 1. Handicapped children
 2. Newborn children
 3. Chiropractors services
 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
- C. Riders and endorsements
- D. Marketing methods and practices
 1. Advertising
Company approval of advertising
 2. Suitability
 3. Outline of coverage
 4. Replacement
 5. Medicare supplement policies
 6. Nursing home policies
 7. Continuation and conversion
 8. Cancer insurance and other dread disease
- E. Health Insurance Risk Sharing Plan

**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