

Life Insurance Basics

Course Outline

Lesson One: Life Insurance: Purpose, Functions, and Providers

- Why do people buy life insurance?
- Transferring economic loss
- The risk of premature death
- The life insurance industry
- The financial services industry
- Insurance providers

Lesson Two: Life Company Operations

- Line units
Actuarial, Investments, Marketing, Underwriting, Reinsurance, Customer Service, Claim Administration
- Staff units
Accounting, Information Systems, Legal, Human Resources

Lesson Three: Product Development and Distribution

- Product development
- Idea generation and screening
- Comprehensive business analysis
- Technical design
- Implementation
- Product introduction
- Sales monitoring and review
- Distribution systems
- Agency distribution system
- Ordinary agency system
- Multiple-line agency system
- Home service distribution
- Brokerage distribution
- Group insurance sales
- Direct response system
- Location-selling system
- Worksite marketing
- Bank-sold insurance distribution system

Lesson Four: Pricing Life Insurance Products

- Review of basic insurance terms
- Key pricing factors
- Mortality rates
- Investment income
- Expenses
- Gross premium
- Reserves
- Net amount at risk

Lesson Five: Life Insurance Products

- Term insurance
- Types of term insurance

- Term insurance: Renewability and convertibility
- Traditional whole life permanent insurance
- Policy reserves and cash value
- Premium-payment schedules
- Other types of permanent life insurance
- Modified whole life insurance
- Joint whole life insurance
- Universal life insurance
- Interest-sensitive whole life insurance
- Variable life insurance
- Variable universal life insurance
- Supplementary benefit riders
- Guaranteed insurability rider

Lesson Six: The Insurance Policy

- The application
- Insurable interest
- The policy's face page
- Policy provisions
- Incontestability
- Grace period
- Nonforfeiture options
- Policy loans
- Misstatement of age
- Reinstatement
- Settlement options
- Group life insurance