

CFP® Certification Examination Topics List Correlation Table

INSURANCE PLANNING AND RISK MANAGEMENT (10%)	<i>Tools and Techniques of Life Insurance Planning, 4th ed.</i>	<i>Risk Management for Financial Planners, 2nd ed.</i>
15. Principles of risk and insurance		
A. Definitions		Chapter 1, "General Principles of Risk and Insurance"
B. Concepts		
1. Peril		Chapter 1, "General Principles of Risk and Insurance"
2. Hazard		
3. Law of large numbers		
4. Adverse selection	Chapter 1, "Introduction to Life Insurance"	
5. Insurable risks	Chapter 1, "Introduction to Life Insurance"	
6. Self-insurance		Chapter 1, "General Principles of Risk and Insurance"
C. Risk management process		
D. Response to risk		
1. Risk control		
a. Risk avoidance		
b. Risk diversification		
c. Risk reduction		
2. Risk financing		
a. Risk retention		
b. Risk transfer		
E. Legal aspects of insurance		
1. Principle of indemnity		Chapter 2, "Legal Aspects of Insurance and Risk Assessment"
2. Insurable interest		
3. Contract requirements		
4. Contract characteristics		
5. Policy ownership	Chapter 22, "Transfer for Value Rule"; Chapter 23, "Estate Taxation of Life Insurance"; Chapter 24, "Gift Taxation of Life Insurance"; Chapter 27, "Buy-Sell Agreements"; Chapter 30, "Irrevocable Life Insurance Trusts"; Chapter 35, "Revocable Life Insurance Trusts"; Chapter 37, "Split Dollar Life Insurance"	
6. Designation of beneficiary	Chapter 5, "Legal Aspects of Life Insurance"	
16. Analysis and evaluation of risk exposures		
A. Personal		
1. Death	Chapter 2, "How to Estimate the Insurance Need"	
2. Disability		Chapter 19, "Overview of Health-Related Insurance"
3. Poor health		
4. Unemployment		Chapter 1, "General Principles of Risk and Insurance"

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5. Outliving one's capital	Chapter 8, "Annuities"	
6. Superannuation		
B. Property		
1. Real		Chapter 5, "Overview of Property Insurance"
2. Personal		
3. Auto		
C. Liability		
1. Negligence		Chapter 5, "Liability and Contract Issues"
2. Intentional torts		
3. Strict liability		
D. Business-related risks		Chapter 13, "Business Liability Issues in Insurance"
17. Property, casualty and liability insurance		
A. Individual		
1. Homeowners insurance		Chapter 7, "Personal Property Insurance"
2. Auto insurance		Chapter 6, "Automobile and Recreational Vehicle Insurance"
3. Umbrella liability		Chapter 8, "Personal Umbrella Coverage"
B. Business		
1. Commercial Property Insurance		Chapter 11, "Commercial Property Insurance"
2. Commercial liability insurance		
a. Auto liability		Chapter 12, "Business Automobile Insurance"
b. Umbrella liability		Chapter 15, "Commercial Umbrella Liability Insurance"
c. Professional liability		Chapter 17, "Professional Liability/Errors and Omissions Insurance"
d. Directors and officers		Chapter 18, "Directors and Officers Liability Insurance"
e. Workers' compensation and employers liability		Chapter 16, "Workers Compensation"
18. Health insurance and health care cost management (individual)		
A. Hospital, surgical and physicians' expense insurance		Chapter 20, "Types of Individual Health Insurance Coverage"
B. Major medical insurance and calculation of benefits		Chapter 20, "Types of Individual Health Insurance Coverage"
C. Continuance and portability		Chapter 21, "Taxation of Individual Health Insurance Coverage"
D. Medicare		Chapter 20, "Types of Individual Health Insurance Coverage"
E. Taxation of premiums and benefits		Chapter 21, "Taxation of Individual Health Insurance Coverage"

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CFP® Certification Examination Topics List Correlation Table**

19. Disability income insurance (individual)		
A. Definitions of disability		Chapter 22, "Standard Provisions of Individual Disability Income Insurance"
B. Benefit period		
C. Elimination period		
D. Benefit amount		
E. Provisions		
F. Taxation of premiums and benefits		Chapter 23, "Taxation of Individual Disability Income Insurance"
20. Long-term care insurance (individual)		
A. Eligibility		Chapter 25, "Determining Coverage needs and Selecting a Long-Term Care Policy"; Chapter 26, "Standard Provisions of Long-Term Care Insurance"
B. Services covered		
C. Medicare limitations		
D. Benefit period		
E. Elimination period		
F. Benefit amount		
G. Provisions		
H. Taxation of premium and benefits		Chapter 27, "Taxation of Long-Term Care Insurance"
21. Life insurance		
A. Concepts and personal uses	Chapter 1, "Introduction to Life Insurance"	
B. Policy Types	Chapter 7, "Adjustable Life"; Chapter 9, "Current-Assumption Whole Life"; Chapter 10, "Group Life Insurance"; Chapter 11, "Joint Life Insurance"; Chapter 12, "Limited-Pay Whole Life Insurance"; Chapter 13, "Ordinary Level-Premium Whole Life Insurance"; Chapter 14, "Single Premium Life Insurance"; Chapter 15, "Survivorship Life"; Chapter 16, "Term Insurance"; Chapter 17, "Universal Life"; Chapter 18, "Variable and Variable Universal Life"	
C. Contractual provisions	Chapter 5, "Legal Aspects of Life Insurance"; Chapter 6, "Special Policy Provisions and Riders"	
D. Dividend options		
E. Non-forfeiture options	Chapter 5, "Legal Aspects of Life Insurance"	
F. Settlement options		
G. Illustrations	Chapter 4, "How to Determine the Right Policy"	
H. Policy replacement		
I. Viatical and life settlements	Chapter 26, "Accelerated Death Benefits and Viatical Settlements"	
22. Income taxation of life insurance		
A. Dividends	Chapter 21, "Taxation of Benefits"	
B. Withdrawals and loans		
C. Death benefits		

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CFP® Certification Examination Topics List Correlation Table**

D. Modified endowment contracts (MECs)	Chapter 19, "Modified Endowment Contracts"	
E. Transfer-for-value	Chapter 22, "The Transfer for Value Rule"	
F. §1035 exchanges	Chapter 20, "Section 1035 Exchanges"	
23. Business uses of insurance		
A. Buy-sell agreements	Chapter 27, "Buy-Sell Agreements"	
B. Key employee life insurance	Chapter 31, "Key Employee Life Insurance"	
C. Split-dollar life insurance	Chapter 37, "Split Dollar Life Insurance"	
D. Business overhead expense insurance		Chapter 24, "Business Overhead Expense (BOE) Insurance"
24. Insurance needs analysis		
A. Life insurance amount required	Chapter 2, "How to Estimate the Insurance Need"	
B. Disability insurance		Chapter 22, "Standard Provisions of Individual Disability Insurance Coverage"
C. Long-term care insurance		Chapter 25, "Determining Coverage needs and Selecting a Long-Term Care Policy"
D. Health insurance		Chapter 20, "Types of Individual Health Insurance Coverage"
E. Property insurance		Chapter 3, "Insurance Policy Selection"; Chapter 10, "Overview of Property Insurance"
F. Liability insurance		
25. Insurance policy and company selection		
A. Purpose of coverage	Chapter 4, "How to Determine the Right Policy"	Chapter 3, "Insurance Policy Selection"
B. Duration of coverage		
C. Participating or non-participating		
D. Cost-benefit analysis		
E. Company selection		
1. Industry ratings	Chapter 3, "How to Determine the Right Company"	Chapter 4, " Insurance Company Selection"; Appendix A, "Explanation of Insurance Company Ratings"
2. Underwriting		Chapter 4, " Insurance Company Selection"
26. Annuities		
A. Types	Chapter 8, "Annuities"	
B. Uses		
C. Taxation		

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