

# Your Exam Content Outline

The following outline describes the content of one of the Louisiana insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

## Louisiana Examination for Public Adjuster Series 14-20

100 questions – Two-hour time limit

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements

- Qualifications (22:1694, 1695)
- Persons to be licensed (22:1693)
- Process (22:1694)
- Fees (22:821)
- Surety bond (22:1701)
- Maintenance and duration
  - Renewal (22:1699(A),(D),(E))
  - Contract requirements (22:1704)
  - Records (22:1705)
  - Change of address (22:1699(B))
  - Continuing education requirements (22:1702)
- Disciplinary actions
  - Hearings (22:1700(C))
  - Cease and desist order (22:1969)
  - License denial, nonrenewal, or revocation (22:1700)
  - Penalties with or without suspension of license (22:1700)
- Definitions
  - Business entity (22:1692(1))
  - First-party claim (22:1692(3))
  - Home state (22:1692(4))
  - Individual (22:1692(5))
  - Person (22:1692(6))
  - Public adjuster (22:1692(7))
  - Public adjusting (22:1692(8))
  - Uniform individual application (22:1692(9))
  - Uniform business entity application (22:1692(10))

#### 1.2 Claim settlement laws and regulations (22:1964(14))

- Unfair claims settlement practices
- Prompt payment of claims
- Notice of settlement of liability claims

#### 1.3 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
- Referral practices (22:1706(F))
- Unfair trade practices (22:1961)
  - Solicitation (22:1706(B),(F),(G))

- Unlicensed representation (22:1706(C))
- Financial interest (22:1706(D))
- Acquisition of salvage property (22:1706(E))
- Misrepresentation (22:1706(H))

#### 1.4 Federal regulation

- Fraud and false statements (18 USC 1033, 1034)

### 2.0 Contracts 10%

#### 2.1 Elements of a legal contract

- Offer and acceptance
- Consideration
- Competent parties
- Legal purpose

#### 2.2 Distinct characteristics of an insurance contract

- Contract of adhesion
- Aleatory contract
- Personal contract
- Unilateral contract
- Conditional contract

#### 2.3 Legal interpretations affecting contracts

- Ambiguities in a contract of adhesion
- Reasonable expectations
- Indemnity
- Utmost good faith
- Representations/misrepresentations
- Warranties
- Concealment
- Fraud
- Waiver and estoppel

### 3.0 Property and Casualty Insurance Basics 10%

#### 3.1 Principles and concepts

- Insurable interest
- Hazards
  - Physical
  - Moral
  - Morale
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
- Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
  - Actual cash value
  - Replacement cost

- Functional replacement cost
- Market value
- Agreed value
- Stated amount

### 3.2 Policy structure

- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

### 3.3 Common policy provisions

- Insureds — named, first named, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
  - Nonconcurrency
  - Primary and excess
  - Pro rata
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Third-party provisions
  - Standard mortgage clause
  - Loss payable clause
  - No benefit to bailee

### 3.4 Louisiana laws, regulations and required provisions

- Louisiana Valued Policy Law (22:1318)
- Louisiana standard fire insurance policy (22:1311)

## 4.0 Adjusting Losses 25%

### 4.1 Role of the adjuster

- Duties and responsibilities
  - Good faith (LRS 22:1973)
  - Immediate contact rule (LRS 22:1892, 22:1704(C))
- Staff and independent versus public adjuster
- Relationship to legal profession

### 4.2 Claim reporting

- Claims investigation
- Claim file documentation of events
- Types of reports
  - Initial or first field
  - Interim or status
  - Full formal
- Adjuster versus appraiser

### 4.3 Property losses

- Coverage territory
- Who is an insured
- Duties of insured after a loss
  - Notice to insurer
  - Minimizing the loss
  - Proof of loss
  - Special requirements
  - Production of books and records

- Abandonment
- Determining value and loss (LRS 22:1893)
  - Burden of proof of value and loss
  - Estimates
  - Depreciation
  - Salvage
- Claim settlement options
- Payment and discharge

### 4.4 Coverage problems

- Dealing with coverage disputes
  - Reservation of rights letter
  - Nonwaiver agreement

### 4.5 Claims adjustment procedures

- Settlement procedures
  - Advance payments
  - Draft authority
  - Execution of releases
- Subrogation procedures
- Alternative dispute resolution
  - Appraisal
  - Competitive estimates
  - Mediation
  - Negotiation

## 5.0 Dwelling Policy ('93) (Louisiana-Specific) 10%

### 5.1 Characteristics and purpose

### 5.2 Coverage forms — Perils insured against

- Basic
- Broad
- Special

### 5.3 Property coverages

- Coverage A — Dwelling
- Coverage B — Other structures
- Coverage C — Personal property
- Coverage D — Fair rental value
- Coverage E — Additional living expense
- Other coverages

### 5.4 General exclusions

### 5.5 Conditions

## 6.0 Homeowners ('00) Policy 10%

### 6.1 Coverage forms

- HO-2 through HO-6
- HO-8

### 6.2 Definitions

### 6.3 Section I — Property coverages

- Coverage A — Dwelling
- Coverage B — Other structures
- Coverage C — Personal property
- Coverage D — Loss of use
- Additional coverages

### 6.4 Perils insured against

### 6.5 Exclusions

### 6.6 Conditions

### 6.7 Selected endorsements

- Special provisions — Louisiana (HO 01 17)
  - Limited fungi, wet or dry rot, or bacteria coverage
    - Louisiana (HO 03 41, HO 03 42)

Permitted incidental occupancies (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Ordinance or law (HO 04 77)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)

## **7.0 Commercial Package Policy (CPP) 10%**

### **7.1 Components of a commercial policy**

Common policy declarations  
Common policy conditions  
Interline endorsements  
One or more coverage parts

### **7.2 Commercial property ('02)**

Commercial property conditions form  
Coverage forms  
    Building and personal property  
    Condominium association  
    Condominium commercial unit-owners  
    Builders risk  
    Business income/interruption  
    Legal liability  
    Extra expense  
Causes of loss forms  
    Basic  
    Broad  
    Special  
Selected endorsements  
    Ordinance or law (CP 04 05)  
    Spoilage (CP 04 40)  
    Peak season limit of insurance (CP 12 30)  
    Value reporting form (CP 13 10)

### **7.3 Commercial inland marine**

Commercial inland marine conditions form  
Inland marine coverage forms  
    Accounts receivable  
    Bailee's customers  
    Commercial articles  
    Contractors equipment floater  
    Electronic data processing  
    Equipment dealers  
    Installation floater  
    Jewelers block  
    Signs  
    Valuable papers and records

### **7.4 Equipment breakdown ('08)**

Equipment breakdown protection coverage form  
(EB 00 20)  
Selected endorsement  
    Actual cash value (EB 99 59)

### **7.5 Farm coverage ('88)**

Farm property coverage forms  
    Coverage A — Dwellings  
    Coverage B — Other private structures  
    Coverage C — Household personal property  
    Coverage D — Loss of use  
    Coverage E — Scheduled farm personal  
        property  
    Coverage F — Unscheduled farm personal  
        property

Coverage G — Other farm structures  
Livestock coverage form  
Mobile agricultural machinery and equipment  
    coverage form  
Definitions  
Causes of loss (basic, broad and special)  
Conditions  
Exclusions  
Limits  
Additional coverages

## **8.0 Businessowners ('02) Policy — Property 10%**

### **8.1 Characteristics and purpose**

### **8.2 Businessowners Section I — Property**

Coverage  
Exclusions  
Limits of insurance  
Deductibles  
Loss conditions  
General conditions  
Optional coverages  
Definitions

### **8.3 Businessowners Section III — Common Policy Conditions**

### **8.4 Selected endorsements**

Louisiana changes (BP 01 30)  
Protective safeguards (BP 04 30)  
Utility services — direct damage (BP 04 56)  
Utility services — time element (BP 04 57)

## **9.0 Other Coverages and Options 5%**

### **9.1 Ocean marine insurance**

Major coverages  
    Hull insurance  
    Cargo insurance  
    Freight insurance  
Implied warranties  
Perils  
General and particular average

### **9.2 National Flood Insurance Program**

"Write your own" versus direct  
Eligibility  
Coverage  
Limits  
Deductibles

### **9.3 Other policies**

Boatowners  
Difference in conditions  
Aircraft hull

### **9.4 Residual markets**

Louisiana Citizens Property Insurance Corporation  
(LRS 22:2291–2315)  
FAIR and Coastal Plans (LRS 22:15, 16, 2321)