

# 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 Comprehensive Adjuster Series 14-18

**150 questions - 150-minute time limit**

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements (22:1663, 1666, 1668)

- Types of licenses (22:1665, 1666, 1670)
  - Resident versus nonresident (22:1665, 1670)
  - Limited (22:1666)
- Maintenance and duration
  - Expiration (22:1671(B)(1))
  - Renewal (22:1671(B)(2))
  - Change of address (22:1671(C))
  - Assumed names (22:1671(C))
  - Reporting of actions (22:1677)
  - Continuing education requirements (22:1673)
- Disciplinary actions
  - Hearings (22:1672(B))
  - Cease and desist order (22:1969)
  - License denial, nonrenewal, or revocation (22:1672)
  - Penalties with or without suspension of license (22:1672(A))
- Definitions
  - Adjuster (22:1661(1))
  - Business entity (22:1661(2))
  - Home state (22:1661(4))
  - Individual (22:1661(5))
  - Insurer (22:1661(6))
  - Person (22:1661(7))
  - Uniform individual application (22:1661(8))
  - Uniform business entity application (22:1661(9))

#### 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 (22:1676)
- Standards of Conduct (22:1674)
  - Unlicensed representation (22:1674(A))

- Financial interest (22:1674(B))
- Acquisition of salvage property (22:1674(C))
- Solicitation (22:1674(D),(E))
- Misrepresentation (22:1674(F))

#### 1.4 Federal regulation

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

### 2.0 Contracts 5%

#### 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 5%

#### 3.1 Principles and concepts

- Insurable interest
- Hazards
  - Physical
  - Moral
  - Morale
- Negligence
  - Elements of a negligent act
  - Defenses against negligence
- Damages
  - Compensatory — special versus general
  - Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- 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 ((LRS 9:2800.17(auto) (eff 9/15/2010 HB1008 Act 725))

### 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
  - Contribution by equal shares
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate — general versus products - completed operations
  - Split
  - Combined single
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
  - Duties after loss
  - Assignment
  - Abandonment
- Insurer provisions
  - Liberalization
  - Subrogation
  - Salvage (LRS 22:1292)
  - Claim settlement options
  - Duty to defend
- 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 22:1672(A)(17), 1892)
- 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 Liability losses

- Investigation procedures
  - Verify coverage
  - Determine liability
- Gathering evidence
  - Physical evidence
  - Witness statements
- Determining value of intangible damages

### 4.5 Coverage problems

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

### 4.6 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 Section II — Liability coverages**

Coverage E — Personal liability  
Coverage F — Medical payments to others  
Additional coverages

### **6.5 Perils insured against**

### **6.6 Exclusions**

### **6.7 Conditions**

### **6.8 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)  
Business pursuits (HO 24 71)  
Watercraft (HO 24 75)  
Personal injury — Louisiana (HO 24 81)

## **7.0 Auto Insurance 10%**

### **7.1 Laws**

Louisiana Motor Vehicle Safety Responsibility Law  
(LRS 32:853-910, 1021-3, 1041-3)  
Required limits of liability (LRS 32:900)

Louisiana Automobile Insurance Plan  
(LRS 32:1043)

Uninsured/underinsured motorist (LRS 22:1295)

Definitions — UM/UIM

Bodily injury

Property damage

UM/UIM selection/rejection form

Required limits

Aftermarket crash parts regulation

(LRS 51:2421-2425)

Temporary, substitute, loaner, and rental vehicles

(LRS 22:1291, 1296)

Louisiana Towing and Storage (LRS 22:1292)

### **7.2 Personal auto ('05) policy**

Definitions — Private passenger auto

Liability coverage

Insuring agreement

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured/underinsured motorist coverage

Coverage for damage to your auto

Insuring agreement

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Other coverages

Rental reimbursement

Accidental death

Duties after an accident or loss

Notice of loss to insurer

Minimizing the loss

Proof of loss

General provisions

Selected endorsements

Amendment of policy provisions—Louisiana  
(PP 01 95)

Towing and labor costs (PP 03 03)

Extended non-owned coverage (PP 03 06)

Miscellaneous type vehicle (PP 03 23)

Joint ownership coverage (PP 03 34)

Named driver exclusion — Louisiana  
(PP 13 43)

### **7.3 Commercial auto ('10) policy**

Commercial auto coverage forms

Business auto

Garage

Business auto physical damage

Truckers

Motor carrier

Coverage form sections

Covered autos

Liability coverage

Garagekeepers coverage

Trailer interchange coverage

Physical damage coverage

- Exclusions
- Conditions
- Definitions — Commercial auto
- Selected endorsements
  - Louisiana – lessor – additional insured and loss payee (CA 04 13)
  - Mobile equipment (CA 20 15)
  - Auto medical payments coverage (CA 99 03)
  - Drive other car coverage (CA 99 10)
  - Individual named insured (CA 99 17)
- Commercial carrier regulations
  - The Motor Carrier Act of 1980
  - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

- 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)

#### **8.4 Commercial crime ('06)**

- General definitions
  - Burglary
  - Theft
  - Robbery
- Crime coverage forms
  - Commercial crime coverage forms (discovery/loss sustained)
  - Government crime coverage forms (discovery/loss sustained)

#### Coverages

- Employee theft
- Forgery or alteration
- Inside the premises — theft of money and securities
- Inside the premises — robbery or safe burglary of other property
- Outside the premises
- Computer fraud
- Funds transfer fraud
- Money orders and counterfeit money
- Other crime coverage
  - Extortion — commercial entities (CR 04 03)

#### **8.5 Commercial inland marine ('04)**

- 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
- Transportation coverages
  - Common carrier cargo liability
  - Motor truck cargo forms
  - Transit coverage forms

#### **8.6 Equipment breakdown ('11)**

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

#### **8.7 Farm coverage ('03)**

- Farm property coverage forms
  - Coverage A — Dwellings
  - Coverage B — Other private structures
  - Coverage C — Household personal property
  - Coverage D — Loss of use

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

#### **8.1 Components of a commercial policy**

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

#### **8.2 Commercial general liability ('07)**

- Commercial general liability coverage forms
  - Bodily injury and property damage liability
  - Personal and advertising injury liability
  - Medical payments
  - Exclusions
  - Supplementary payments
  - Who is an insured
  - Limits of insurance
  - Conditions
  - Definitions
- Occurrence versus claims-made
- Claims-made features
  - Trigger
  - Retroactive date
  - Extended reporting periods — basic versus supplemental
  - Claim information
- Premises and operations
- Products and completed operations
- Insured contract
- Pollution liability
  - Pollution liability coverage form
  - Pollution liability limited coverage form
  - Pollution liability coverage extension endorsement

#### **8.3 Commercial property ('07)**

- 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

- Coverage E — Scheduled farm personal property
- Coverage F — Unscheduled farm personal property
- Coverage G — Other farm structures
- Farm liability coverage forms ('06)
- Coverage H — Bodily injury and property damage liability
- Coverage I — Personal and advertising injury liability
- Coverage J — Medical payments
- Livestock coverage form
- Mobile agricultural machinery and equipment coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

## **9.0 Businessowners ('06) Policy 10%**

### **9.1 Characteristics and purpose**

### **9.2 Businessowners Section I — Property**

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

### **9.3 Businessowners Section II — Liability**

- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions

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

### **9.5 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)

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

### **10.1 Umbrella policies**

- Personal (DL 98 01)
- Commercial (CU 00 01)

### **10.2 Surplus lines**

- Definitions and markets
- Licensing requirements

### **10.3 Ocean marine insurance**

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

### **10.4 National Flood Insurance Program**

- "Write your own" versus direct
- Eligibility
- Coverage
- Limits
- Deductibles

### **10.5 Other policies**

- Aircraft hull
- Boatowners
- Difference in conditions
- Inland marine

### **10.6 Residual markets**

- Louisiana Citizens Property Insurance Corporation (LRS 22:2291–2314)
- FAIR and Coastal Plans (LRS 22:2321)