

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 Casualty Insurance Series 14-05

100 questions – Two-hour time limit

1.0 Insurance Regulation 9%

1.1 Licensing

- Types of licensees (22:1547, 1962(F))
 - Individual producer (22:1542(6), 1546(A))
 - Business entity (22:1542(2), 1546(B))
 - Resident versus nonresident (22:1546, 1548, 1560)
 - Temporary (22:1553)
- Maintenance and duration
 - Expiration (22:1547(B))
 - Renewal (22:1547(C))
 - Change of address (22:1547(G))
 - Assumed names (22:1552)
 - Reporting of actions (22:1563)
 - Continuing education requirements (22:1573; Rule 10.703,.705)
- Disciplinary actions
 - Hearings (22:1968, 2191–2208)
 - Cease and desist order (22:1969)
 - License probation, suspension, revocation, or refusal to issue or renew (22:1554)
 - Penalties with or without suspension of license (22:1969, 1970)

1.2 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
 - Certificate of authority (22:37, 65)
 - Unfair claims settlement practices (22:1964(14))
 - Appointment (22:1558)
 - Termination of appointment (22:1559)
- Producer regulation
 - Controlled business (22:1544(C))
 - Shared commissions (22:1557)
 - Payment to unlicensed entities (22:1562)
- Unfair trade practices (22:1964)
 - Misrepresentation (22:1964(1, 18))
 - False advertising (22:1964(2))
 - Defamation (22:1964(3))
 - Boycott, coercion and intimidation (22:1964(4))
 - False financial statements (22:1964(5))

- Unfair discrimination (22:1964(7))
- Rebating (22:1964(8))
- Examination of books and records (22:1967, 1981, 1990)
- Insurance fraud (22:1964(13), 1921–1929)
- Privacy of Consumer Financial Information (Rule 76.9903–.9953)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 7%

2.1 Concepts

- Risk management key terms
 - Risk
 - Exposure
 - Hazard
 - Peril
 - Loss
- Methods of handling risk
 - Avoidance
 - Retention
 - Sharing
 - Reduction
 - Transfer
- Elements of insurable risks
 - Adverse selection
 - Law of large numbers
 - Reinsurance

2.2 Insurers

- Types of insurers
 - Stock companies
 - Mutual companies
 - Fraternal benefit societies
 - Self insurers
 - Surplus lines
- Private versus government insurers
- Authorized versus unauthorized insurers
- Domestic, foreign and alien insurers
- Financial status (independent rating service)
- Marketing (distribution) systems

2.3 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of producers
 - Express
 - Implied
 - Apparent

2.4 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Distinct characteristics of an insurance contract
 - Contract of adhesion
 - Aleatory contract
 - Personal contract
 - Unilateral contract
 - Conditional contract
- 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 Casualty Insurance Basics 13%

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Loss ratio
- Rates
 - Types
 - Loss costs
 - Components
- 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

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
- Named insured provisions
 - Duties after loss
 - Assignment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Duty to defend

3.4 Louisiana laws, regulations and required provisions

- Louisiana Insurance Guaranty Association (22:2051–2070)
- Cancellation and nonrenewal (22:887)
 - Commercial (22:1267)
 - Homeowners (22:1265, 1333, 1335, 1336)
- Binders (22:870, 1555)
- Loss payment (22:1892)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107–297, 109–144, 110–160)

4.0 Homeowners ('00) Policy — Section II 15%

4.1 Coverage forms

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

4.2 Definitions

4.3 Section II — Liability coverages

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

4.4 Exclusions

4.5 Conditions

4.6 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)
- Home day care (HO 04 97)
- Business pursuits (HO 24 71)
- Watercraft (HO 24 75)
- Personal injury — Louisiana (HO 24 81)

5.0 Auto Insurance 16%

5.1 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

Bodily injury

Property damage

UM/UIM selection/rejection form

Required limits

Cancellation/nonrenewal (LRS 22:1266)

Grounds

Notice

Notice of eligibility in assigned risk plan

Aftermarket crash parts regulation (LRS 51:2421-2425)

5.2 Personal auto ('05) policy

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured motorist coverage

Coverage for damage to your auto

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Duties after an accident or 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)

5.3 Commercial auto ('06) 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

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)

6.0 Commercial Package Policy (CPP) 10%

6.1 Components of a commercial policy

Common policy declarations

Common policy conditions

Interline endorsements

One or more coverage parts

6.2 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

6.3 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)

6.4 Farm coverage ('88)

Farm liability coverage forms
Coverage H — Bodily injury and property damage liability
Coverage I — Personal and advertising injury liability
Coverage J — Medical payments
Definitions
Conditions
Exclusions
Limits
Additional coverages

7.0 Businessowners ('02) Policy — Liability 9%

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

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

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

Louisiana changes (BP 01 30)

8.0 Workers Compensation Insurance 13%

8.1 Workers compensation laws

Types of laws
Monopolistic versus competitive
Compulsory versus elective
Louisiana Workers Compensation Act (RL 23 Ch 10)
Exclusive remedy (RL 23:1032)
Employment covered (required, voluntary) (RL 23:1031, 1035, 1035.1, 1044-1047)
Covered injuries (RL 23:1021, 1081)
Occupational disease (RL 23:1031.1)
Benefits provided (RL 23:1034.2, 1201, 1203, 1210, 1221, 1224, 1226, 1231-1236, 1251-1255)
Second injury fund (RL 23:1371, 1377, 1378)
Federal workers compensation laws
Federal Employer Liability Act (FELA) (45 USC 51-60)
U.S. Longshore & Harbor Workers' Compensation Act (33 USC 901-950)
The Jones Act (46 USC 688)

8.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers compensation insurance
Part Two — Employers liability insurance
Part Three — Other states insurance
Part Four — Your duties if injury occurs
Part Five — Premium
Part Six — Conditions
Voluntary compensation endorsement

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverages

Louisiana Workers' Compensation Corporation (RL 23:1391-1393)
Self-insured employers and employer groups (22:1982; RL 23:1168, 1195)

9.0 Other Coverages and Options 8%

9.1 Umbrella policies

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

9.2 Specialty liability insurance

Errors and omissions
Professional liability
Director and officers liability
Fiduciary liability
Liquor liability

9.3 Surplus lines

Definitions and markets
Licensing requirements

9.4 Fidelity and Surety bonds

Nature of fidelity bonds
Insuring agreement
Bond period
Discovery period
Limit of liability
Aggregate
Single loss
Termination of coverage
Nature of surety bonds
Principal, obligee, surety
Contract bonds
License and permit bonds
Judicial bonds

9.5 Other policies

Boatowners