

# 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 Personal Lines Adjuster Series 14-21

100 questions – Two-hour 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)
- Unfair trade practices (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

### 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 30%

### 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) 20%**

### **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 25%**

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

### **7.1 Umbrella policies**

Personal

### **7.2 National Flood Insurance Program**

"Write your own" versus direct  
Eligibility  
Coverage  
Limits  
Deductibles

### **7.3 Other policies**

Boatowners

### **7.4 Residual markets**

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