

Your Exam Content Outline

The following outline describes the content of one of the Utah 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.

Utah Producer's Examination for Casualty Insurance Series 17-23

100 questions – Two-hour time limit

1.0 Insurance Regulation 11%

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103-105, 107, 302)
- Types of licensees (31A-23a-106, 203, 401)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201-203)
 - Policy forms (31A-21-201-203)
 - Producer appointment (31A-23a-115; Reg R590-244-1-14)
 - Termination of appointment (Reg R590-244-1-14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190-192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)

- Shared commissions (31A-23a-504)
 - Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))
 - False advertising (31A-23a-402(1))
 - Rebating (31A-23a-402(2))
 - Unfair discrimination (31A-23a-402(3))
 - Boycott, coercion or intimidation (31A-23a-402(4))
 - Illegal inducement (Reg R590-154-11)
 - Examination of records (31A-2-203-205; 31A-23a-412)
 - Privacy of Consumer Information (Reg R590-206)
 - Insurance fraud regulation (31A-31-103-106)
 - Personal liability for unpaid claims (31A-15-105)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681-1681d)
 - Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 11%

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
 - Reciprocals
 - Lloyd's associations
 - Risk retention groups
- Private versus government insurers
- Admitted versus nonadmitted insurers
- Domestic, foreign and alien insurers

Financial status (independent rating services)
Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal
Producer/insurer relationship
Authority and powers of producer
Express
Implied
Apparent
Responsibilities to the applicant/insured

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 Property and 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 and additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Limits of liability
Per occurrence (accident)
Per person
Aggregate—general versus products—
completed operations
Split
Combined single
Policy limits
Named insured provisions
Duties after loss
Assignment
Insurer provisions
Liberalization
Subrogation
Duty to defend

3.4 Utah laws, regulations and required provisions

Utah Property and Casualty Insurance Guaranty
Association (31A-28-202-210,
212-215, 217-218, 220, 222)
Cancellation, issuance and renewal (31A-21-303)
Binders (31A-21-102)
Other insurance (31A-21-307)
Suit against insurer (31A-21-313)
Concealment or fraud (RL 76-6-521)
Federal Terrorism Insurance Program (15 USC
6701; Public Law 107-297, 109-144, 110-160)

4.0 Homeowners ('00) Policy 14%

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 — Utah (HO 01 43)
Limited fungi, wet or dry rot, or bacteria
coverage (HO 04 26, HO 04 27)

- Permitted incidental occupancies — residence premises (HO 04 42)
- Home day care (HO 04 97)
- Business pursuits (HO 24 71)
- Personal injury (HO 24 82)
- Watercraft — Utah (HO 25 12)

5.0 Auto Insurance 14%

5.1 Laws

- Utah Financial Responsibility of Motor Vehicle Owners and Operators Act (RL 41-12a-101-104)
- Required motor vehicle limits of liability (31A-22-301-304)
- Personal injury protection (31A-22-306-309)
 - Medical
 - Loss of income
 - Special damages allowance
 - Funeral
 - Death
- Uninsured/underinsured motorist (31A-22-305-305.3)
 - Definitions
 - Bodily injury
 - Property damage (31A-22-305.5)
 - UM/UIM rejection
 - Required limits
- Utah Assigned Risk Insurance Plan (31A-22-310)
- Aftermarket Crash Parts Act (31A-22-316-319)

5.2 Personal ('05) auto policy

- Definitions
- Liability coverage
 - Bodily injury and property damage
 - Supplementary payments
 - Exclusions
- Medical payments coverage
- Uninsured motorists 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 — Utah (PP 01 93)
 - Towing and labor costs (PP 03 03)
 - Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
 - Miscellaneous type vehicle (PP 03 23)
 - Joint ownership coverage (PP 03 34)

5.3 Commercial auto ('10)

- 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
 - Lessor — additional insured and loss payee (CA 20 01)
 - 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
 - Supplementary payments
 - Who is an insured
 - Limits of insurance
 - Conditions
 - Definitions
 - Exclusions
- 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 coverage form (CG 00 39)

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 coverages

Extortion — commercial entities (CR 04 03)
Guests' property (CR 04 11)

6.4 Farm coverage

Farm liability coverage form ('06)
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 ('10) Policy 10%

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 endorsement

Hired auto and non-owned auto liability
(BP 04 04)

8.0 Workers Compensation Insurance 9%

8.1 Workers compensation laws

Type of law
Monopolistic versus competitive
Compulsory versus elective
Utah Workers' Compensation Law
Exclusive remedy (RL 34A-2-105)
Employment covered (required, voluntary)
(RL 34A-2-103, 104)
Covered injuries (RL 34A-2-401, 402)
Occupational disease (RL 34A-3-101-112)
Benefits provided (RL 34A-2-401, 408-418)
Employers' Reinsurance Fund
(RL 34A-2-702, 703)

Uninsured Employers' Fund (RL 34A-2-704)

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

Selected endorsements

Voluntary compensation

Anniversary rating date

Other states

Sole proprietors, partners, officers and others coverage

8.3 Premium computations

Job classification

Rates

Payroll

Adjustment upon audit

Experience modification factor

Premium discounts

8.4 Other sources of coverage

Workers' Compensation Fund (31A-22-1001;
31A-33-101-118)

Self-insured employers (RR R612-3-1-7)

8.5 Rating organization (31A-19a-401-407)

9.0 Other Coverages and Options 8%

9.1 Umbrella/excess liability policies

Personal (DL 98 01)

Commercial (CU 00 01)

9.2 Specialty liability insurance

Errors and omissions

Professional liability

Directors and officers liability

Fiduciary liability

Liquor liability

Employment practices liability

9.3 Surplus lines (31A-15-103)

Definitions and markets

Licensing requirements

9.4 Surety bonds

Principal, obligee and surety

Contract bonds

License and permit bonds

Judicial bonds

9.5 Aviation insurance

Aircraft liability

9.6 Ocean marine insurance

Major coverages

Protection and indemnity

9.7 Other policies

Boatowners (31A-22-1501-1504)