

# 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 Adjuster's Examination for Property and Casualty Insurance Series 17-11

150 questions – 2.5-hour time limit

### 1.0 Insurance Regulation 8%

#### 1.1 Licensing requirements

- Qualifications (31A-26-203, 205)
- Process (31A-26-202)
- Licensing exceptions (31A-26-201(2))
- Nonresident adjuster (31A-26-208)
- Emergency adjuster license (31A-26-212)

#### 1.2 Maintenance and duration

- Renewal (31A-26-213; Reg R590-141-3(A))
- Continuing education (31A-26-206; Reg R590-142-1)
- Assumed name (31A-26-209(2))
- Records (31A-26-306(2-4))
- Change of address or telephone number (31A-26-306(1)(b))

#### 1.3 Disciplinary actions

- License termination (31A-26-213)
- Probation (31A-26-214)
- Monetary forfeiture (fines) (31A-2-308)

#### 1.4 Claim settlement laws and regulations (31A-26-301, 303; Reg R590-190-1-14)

#### 1.5 Federal regulation

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

### 2.0 Insurance Basics 26%

#### 2.1 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

#### 2.2 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
  - Valued policy

#### 2.3 Policy structure

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

#### 2.4 Common policy provisions

- Insureds — named, first named and 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
- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Insurer provisions
  - Liberalization
  - Duty to defend
- Third-party provisions
  - Standard mortgage clause
  - Loss payable clause
  - No benefit to the bailee

**2.5 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)
- Suit against insurer (31A-21-313)
- Concealment or fraud (RL 76-6-521)

**3.0 Adjusting Losses 28%**

**3.1 Role of the adjuster**

- Duties and responsibilities (31A-26-304–311)
- Staff and independent adjuster versus public adjuster
- Relationship to legal profession

**3.2 Claim reporting**

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

**3.3 Property losses**

- 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
  - Burden of proof of value and loss
  - Estimates
  - Depreciation

- Salvage
- Claim settlement options
- Payment and discharge

**3.4 Liability losses**

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

**3.5 Coverage problems**

- Dealing with coverage disputes
  - Reservation of rights letter
  - Nonwaiver agreement
  - Declaratory judgment action

**3.6 Claims adjustment procedures**

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

**4.0 Dwelling ('02) Policy 4%**

**4.1 Characteristics and purpose**

**4.2 Coverage forms — Perils insured against**

- Basic
- Broad
- Special

**4.3 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

**4.4 General exclusions**

**4.5 Conditions**

**4.6 Selected endorsements**

- Special provisions — Utah (DP 01 43)
- Automatic increase in insurance (DP 04 11)
- Broad theft coverage (DP 04 72)
- Dwelling under construction (DP 11 43)

**4.7 Personal liability supplement**

**5.0 Homeowners ('00) Policy 7%**

**5.1 Coverage forms**

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

**5.2 Definitions**

**5.3 Section I — Property coverages**

- Coverage A — Dwelling

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

#### **5.4 Section II — Liability coverages**

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

#### **5.5 Perils insured against**

#### **5.6 Exclusions**

#### **5.7 Conditions**

#### **5.8 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 (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)  
Business pursuits (HO 24 71)  
Personal injury (HO 24 82)  
Watercraft — Utah (HO 25 12)

### **6.0 Auto Insurance 7%**

#### **6.1 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)

#### **6.2 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)

#### **6.3 Commercial auto ('06)**

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  
Deductible liability (CA 03 01)  
Lessor — additional insured and loss payee  
(CA 20 01)  
Mobile equipment (CA 20 15)  
Broad form products (CA 25 01)  
False pretense coverage (CA 25 03)  
Auto medical payments coverage (CA 99 03)  
Drive other car coverage (CA 99 10)  
Hired autos specified as covered autos you own  
(CA 99 16)  
Individual named insured (CA 99 17)  
Employees as insureds (CA 99 33)  
Pollution liability — broadened coverage  
(CA 99 48; CA 99 55)  
Commercial carrier regulations  
The Motor Carrier Act of 1980  
Endorsement for motor carrier policies of  
insurance for public liability (MCS-90)

### **7.0 Commercial Package Policy (CPP) 8%**

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

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

#### **7.2 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
- Owners and contractors protective liability coverage form
- Pollution liability
  - Pollution liability coverage form (CG 00 39)
  - Pollution liability limited coverage form (CG 00 40)
  - Pollution liability coverage extension endorsement (CG 04 22)

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

- Commercial property conditions form
- Coverage forms
  - Building and personal property
  - Condominium association
  - Condominium commercial unit-owners
  - Builders risk
  - Business income
  - 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)

### **7.4 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 coverages
  - Extortion — commercial entities (CR 04 03)
  - Lessees of safe deposit boxes (CR 04 09)
  - Securities deposited with others (CR 04 10)
  - Guests' property (CR 04 11)
  - Safe depository (CR 04 12)

### **7.5 Commercial inland marine**

- Nationwide marine definition
- Commercial inland marine conditions form
- Inland marine coverage forms
  - Accounts receivable
  - Bailee's customer
  - 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

### **7.6 Equipment breakdown ('07)**

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

### **7.7 Farm coverage**

- Farm property coverage form ('03)
  - Coverage A — Dwellings
  - Coverage B — Other private structures
  - Coverage C — Household personal property
  - Coverage D — Loss of use
  - Coverage E — Scheduled personal property
  - Coverage F — Unscheduled farm personal property
  - Coverage G — Other farm structures
- Farm liability coverage form ('06)
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal and advertising injury liability
  - Coverage J — Medical payments
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions

Limits  
Additional coverages

## **8.0 Businessowners ('06) Policy 7%**

### **8.1 Characteristics and purpose**

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

Coverages  
Exclusions  
Limits  
Deductibles  
Loss conditions  
General conditions  
Optional coverages  
Definitions

### **8.3 Businessowners Section II — Liability**

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

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

### **8.5 Selected endorsements**

Hired auto and non-owned auto liability (BP 04 04)  
Protective safeguards (BP 04 30)  
Utility services — direct damage (BP 04 56)  
Utility services — time element (BP 04 57)

## **9.0 Workers Compensation Insurance 5%**

### **9.1 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)  
Federal workers compensation laws  
Federal Employers Liability Act (FELA)  
(45 USC 51-60)  
U.S. Longshore and Harbor Workers  
Compensation Act (33 USC 904)  
The Jones Act (46 USC 688)

### **9.2 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  
Foreign coverage  
Anniversary rating date  
Other states  
Sole proprietors, partners, officers and others  
coverage

### **9.3 Premium computations**

Job classification  
Rates  
Payroll  
Adjustment upon audit  
Experience modification factor  
Premium discounts

### **9.4 Other sources of coverage**

Workers' Compensation Fund (31A-22-1001;  
31A-33-101-118)  
Self-insured employers (RR R612-3-1-7)

### **9.5 Rating organization (31A-19a-401-407)**