

Your Exam Content Outline

The following outline describes the content of one of the South Carolina insurance examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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.

South Carolina Producer's Examination for Title Insurance Series 19-10

60 questions – One-hour time limit

1.0 Insurance Regulation 5%

1.1 Licensing

- Process (38-43-100)
- Types of licensees
 - Producer (38-43-10)
 - Nonresident (38-43-70)
 - Temporary (38-43-102)
- Maintenance and duration (38-43-110)
 - Reinstatement (38-43-110(B))
 - Reporting of actions (38-43-247)
 - Change of address (38-43-107)
 - Assumed names (38-43-10(C))
- Disciplinary actions
 - Cease and desist order (38-57-200, 230)
 - Hearings (38-3-170; 38-57-200)
 - Penalties (38-2-10-30, 38-43-130)

1.2 State regulation

- Director's general duties and powers (38-3-60, 110)
- Company regulation
 - Certificate of authority (38-5-80)
 - Solvency (38-5-120)
 - Rates (38-3-110)
 - Policy forms (38-61-20)
 - Unfair claims settlement practices (38-59-20)
 - Examination of books and records (38-13-10-30)
 - Appointment (38-43-40, 50)
 - Termination of appointment (38-43-55)
- Producer regulation
 - Commissions (38-75-1000)
 - Records maintenance (38-43-250)
 - Failure to act as fiduciary (38-43-240)
 - Blank forms (38-43-260)
 - Unfair inducements and marketing practices in obtaining title insurance business (Reg 69-18)
 - Sharing commissions (38-43-200)
 - Representing an unauthorized insurer (38-43-160-180)
- Unfair and prohibited practices
 - Misrepresentation (38-57-40)

- False advertising (38-57-50)
- Defamation (38-57-90)
- Boycott, coercion and intimidation (38-57-100)
- False financial statements (38-57-80)
- Unfair discrimination (38-55-50)
- Rebating (38-57-130)
- Prohibited inducements (38-57-130, 150)
- Insurance fraud act (38-55-510-590)
- Consumer information privacy regulation (Reg 69-58 Sec 1-16)

1.3 Federal regulation

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

2.0 General Insurance 5%

2.1 Concepts

- Elements of insurable risks
- Insurable interest

2.2 Producers and general rules of agency

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

2.3 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- 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 Real Property 30%

3.1 Concepts, principles and practices

- Definition of real property
- Types of real property
- Title to real property

Marketable title

3.2 Acquisition and transfer of real property

Conveyances

Encumbrances

Adverse possession

Condemnation

Accession

Escheats

Involuntary alienation

Abandonment

Judicial sales

Decedents estates

Intestate

Testate

Trusts

Types of joint ownership

Tenants in common

Joint tenancy

Acknowledgments

Legal capacity of parties

Individuals

Corporations

General partnerships

Limited partnerships

Fictitious names

Trust agreements

Limited Liability Company (LLC)

3.3 Legal descriptions

Types of legal descriptions

Types of measurements used

Language of legal descriptions

Structure and format

Interpretation

3.4 Recording

Types of records

Requirements to record

Recording steps

Acknowledgments

Presumptions

4.0 Title Insurance 30%

4.1 Title insurance principles

Risks covered by title insurance

Risk of error in public records

Hidden off-record title risks

Risk of omission and commission by producer

Entities that can be insured; need for insurance

Individual

Commercial

Interests that can be insured

Fee simple estate

Leasehold estate

Life estate

Easements

Title insurance forms

Commitments

Owner's policy

Loan policy

Title insurance policy structure and provisions

Covered risks

Schedule A

Schedule B — Exceptions from coverage

Exclusions from coverage

Conditions

Endorsements

4.2 Title searching techniques

Hard copy index

Computer index

Chain sheet

5.0 Title Exceptions and Procedures for Clearing Title 30%

5.1 Principles and concepts

General exceptions

Voluntary and involuntary liens

Federal liens

Mortgage

Judgments

Taxes and assessments

Surveys

Condominiums

Water rights

Mineral rights

Equitable interests

Executions

Covenants

Conditions

Restrictions

5.2 Special problem areas and concerns

Acknowledgments

Mechanic's lien

Bankruptcy

Probate

Good faith

Foreclosure

Claims against the title

Lis pendens

Insuring manufactured homes as real property

5.3 Principle of clearing title

Releases

Assignments

Subordinations

Affidavits

5.4 Settlement or closing procedures

Closing protection letter