

# 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
  - Reciprocal
  - 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

### **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 ('11) 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)

## **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)