

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