

# Your Exam Content Outline

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

## Series 16-18 Pennsylvania Public Adjuster Solicitor Examination

60 questions – One-hour time limit

### 1.0 Insurance Regulation 25%

#### 1.1 Licensing requirements

Qualifications (63 P.S. § 1602;  
31 Pa. Code Ch. 115.11–.13)  
Fees (63 P.S. § 1603)  
Surety bond (63 P.S. § 1604)

#### 1.2 Maintenance and duration

Renewal (31 Pa. Code Ch. 115.21)  
Contract requirements (63 P.S. § 1605;  
31 Pa. Code Ch. 115.1–.3)  
Change of address (40 P.S. § 310.11(19))

#### 1.3 Disciplinary actions

Cease and desist orders (40 P.S. §§ 1171.8–.10)  
Suspension and revocation (63 P.S. § 1606)  
Penalties (63 P.S. § 1606)

#### 1.4 Claim settlement laws and regulations

(40 P.S. §§ 1171.1–.11, .13;  
31 Pa. Code Ch. 146.1–.10)

#### 1.5 Role of the adjuster

Duties and responsibilities  
Independent adjuster versus public adjuster  
Public adjuster versus public adjuster solicitor  
Relationship to the legal profession

#### 1.6 Federal regulation

Fraud and false statements (18 USC 1033, 1034)

### 2.0 Insurance Basics 35%

#### 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

#### 2.2 Insurance principles and concepts

Insurable interest  
Hazards  
Physical  
Moral  
Morale  
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

#### 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, additional  
Policy period  
Policy territory  
Cancellation and nonrenewal  
Deductibles  
Other insurance  
Nonconcurrency  
Primary and excess  
Pro rata  
Policy limits  
Restoration/nonreduction of limits  
Coinsurance  
Vacancy or unoccupancy  
Assignment  
Liberalization

- Third-party provisions
  - Standard mortgage clause
  - Loss payable clause
  - No benefit to the bailee

## **2.5 Pennsylvania laws, regulations and required provisions**

- Pennsylvania Property and Casualty Insurance Guaranty Association (40 P.S. §§ 991.1801–.1820)
- Standard fire policy (40 P.S. § 636)
- Cancellation and nonrenewal
  - Private residential (40 P.S. § 1171.5(a)(9); 31 Pa. Code Ch. 59)
  - Commercial (40 P.S. §§ 3401–3407; 31 Pa. Code Ch. 113.81–.88)
  - Basic property insurance — death of named insured (40 P.S. § 636.1)
- Binders (40 P.S. § 636)
- Insurance consultation services exemption (40 P.S. §§ 1841–1844)
- Terrorism Risk Insurance Act of 2002 and Extensions (15 USC 6701; Public Law 109–144, 110–160; HR 2761)

## **3.0 Adjusting Losses 40%**

### **3.1 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

### **3.2 Coverage problems**

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

### **3.3 Claims adjustment procedures**

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