

Your Exam Content Outline

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

Louisiana Examination for Public Adjuster Series 14-20

100 questions – Two-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing requirements

- Qualifications (22:1694, 1695)
- Persons to be licensed (22:1693)
- Process (22:1694)
- Fees (22:821)
- Surety bond (22:1701)
- Maintenance and duration
 - Renewal (22:1699(A),(D),(E))
 - Contract requirements (22:1704)
 - Records (22:1705)
 - Change of address (22:1699(B))
 - Continuing education requirements (22:1702)

Disciplinary actions

- Hearings (22:1700(C))
- Cease and desist order (22:1969)
- License denial, nonrenewal, or revocation (22:1700)
- Penalties with or without suspension of license (22:1700)

Definitions

- Business entity (22:1692(1))
- First-party claim (22:1692(3))
- Home state (22:1692(4))
- Individual (22:1692(5))
- Person (22:1692(6))
- Public adjuster (22:1692(7))
- Public adjusting (22:1692(8))
- Uniform individual application (22:1692(9))
- Uniform business entity application (22:1692(10))

1.2 Standards of conduct (22:1706)

1.3 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
- Referral practices (22:1706(F))
- Unfair trade practices (22:1961)
 - Solicitation (22:1706(B),(F),(G))
 - Unlicensed representation (22:1706(C))
 - Financial interest (22:1706(D))
 - Acquisition of salvage property (22:1706(E))
 - Misrepresentation (22:1706(H))

2.0 Contracts 10%

2.1 Elements of a legal contract

- Offer and acceptance
- Consideration
- Competent parties
- Legal purpose

2.2 Distinct characteristics of an insurance contract

- Contract of adhesion
- Aleatory contract
- Personal contract
- Unilateral contract
- Conditional contract

2.3 Legal interpretations affecting contracts

- Ambiguities in a contract of adhesion
- Reasonable expectations
- Indemnity
- Utmost good faith
- Representations/misrepresentations
- Warranties
- Concealment
- Fraud
- Waiver and estoppel

2.4 Public adjuster contract (22:1704)

3.0 Property and Casualty Insurance Basics 10%

3.1 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

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, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to bailee

3.4 Louisiana laws, regulations and required provisions

- Louisiana Valued Policy Law (22:1318)
- Louisiana standard fire insurance policy (22:1311)

4.0 Adjusting Losses 25%

4.1 Role of the adjuster

- Duties and responsibilities
 - Standards of conduct (LRS 22:1706)
 - Immediate contact rule (LRS 22:1892, 22:1704(C))
- Staff and independent versus public adjuster
- Relationship to legal profession

4.2 Claim reporting

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

4.3 Property losses

- Coverage territory
- Who is an insured
- 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 (LRS 22:1893)

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

- Payment and discharge

4.4 Claims adjustment procedures

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

5.0 Dwelling Policy ('93) (Louisiana-Specific) 10%

5.1 Characteristics and purpose

5.2 Coverage forms — Perils insured against

- Basic
- Broad
- Special

5.3 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

5.4 General exclusions

5.5 Conditions

6.0 Homeowners ('00) Policy 10%

6.1 Coverage forms

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

6.2 Definitions

6.3 Section I — Property coverages

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

6.4 Perils insured against

6.5 Exclusions

6.6 Conditions

6.7 Selected endorsements

- Special provisions — Louisiana (HO 01 17)
- Limited fungi, wet or dry rot, or bacteria coverage — Louisiana (HO 03 41, HO 03 42)
- Permitted incidental occupancies (HO 04 42)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Ordinance or law (HO 04 77)
- Personal property replacement cost (HO 04 90)
- Home day care (HO 04 97)

7.0 Commercial Package Policy (CPP) 10%

7.1 Components of a commercial policy

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

7.2 Commercial property ('02)

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

7.3 Equipment breakdown ('08)

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

7.4 Farm coverage ('88)

- Farm property coverage forms
 - Coverage A — Dwellings
 - Coverage B — Other private structures
 - Coverage C — Household personal property
 - Coverage D — Loss of use
 - Coverage E — Scheduled farm personal property
 - Coverage F — Unscheduled farm personal property
 - Coverage G — Other farm structures
- Livestock coverage form
- Mobile agricultural machinery and equipment coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

8.0 Businessowners ('02) Policy — Property 10%

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

- Coverage
- Exclusions
- Limits of insurance
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

8.3 Businessowners Section III — Common Policy Conditions

8.4 Selected endorsements

- Louisiana changes (BP 01 30)
- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

9.0 Other Coverages and Options 5%

9.1 National Flood Insurance Program

- "Write your own" versus direct
- Eligibility
- Coverage
- Limits
- Deductibles

9.2 Other policies

- Boatowners
- Difference in conditions
- Aircraft hull

9.3 Residual markets

- Louisiana Citizens Property Insurance Corporation (LRS 22:2291-2315)
- FAIR and Coastal Plans (LRS 22:15, 16, 2321)