

# Your Exam Content Outline

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

## Massachusetts Public Adjuster Examination Series 16-58

100 questions – Two-hour time limit

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements (175:162)

Qualifications (175:172)

Process (175:172)

Fees (175:14)

#### 1.2 Maintenance and duration

Renewal (175:172)

Contract requirements (175:172)

Continuing education requirements (175:172)

#### 1.3 Disciplinary actions

Cease and desist orders (176D:7)

Suspension and revocation (175:172)

Penalties and fines (175:172; 176D:7, 10)

#### 1.4 Claim settlement laws and regulations (176D:3(9))

#### 1.5 State regulation

Unfair or deceptive insurance practices (176D:3)

### 2.0 Insurance Basics 10%

#### 2.1 Contract basics

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

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

#### 2.2 Insurance principles and concepts

Insurable interest

Direct loss

Basic types of construction

Loss valuation

Actual cash value

Replacement cost

Functional replacement cost

Market value

Agreed value

Stated amount

Valued policy

#### 2.3 Policy structure

Declarations

Definitions

Insuring agreement or clause

Additional/supplementary coverage

Conditions

Exclusions

Endorsements

#### 2.4 Common policy provisions

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

#### 2.5 Massachusetts laws, regulations and required provisions

Massachusetts Insurers Insolvency Fund  
(175D:1–17)

Massachusetts standard fire policy (175:99)

Concealment, misrepresentation or fraud  
(175:99, 186)

Certificate of municipal lien (175:97A)

Terrorism Risk Insurance Act of 2002 and  
Extensions (15 USC 6701; Public Law 109–144,  
110–160; HR 2761)

### 3.0 Adjusting Losses 25%

#### 3.1 Role of the adjuster

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

#### 3.2 Property losses

- Duties of insured after a loss
  - Notice to insurer (175:102)
  - 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

#### 3.3 Claims adjustment procedures

- Subrogation procedures
- Alternative dispute resolution (175:99, 100, 101)

### 4.0 Dwelling ('02) Policy 11%

#### 4.1 Characteristics and purpose

#### 4.2 Coverage forms — Perils insured against

- Basic
- Broad
- Special

#### 4.3 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

#### 4.4 General exclusions

#### 4.5 Conditions

#### 4.6 Selected endorsements

- Special provisions — Massachusetts (DP 01 20)
- Automatic increase in insurance (DP 04 11)
- Broad theft coverage (DP 04 72)
- Dwelling under construction (DP 11 43)

### 5.0 Homeowners ('00) Policy — Section I 16%

#### 5.1 Coverage forms

- HO-2 through HO-6

#### 5.2 Definitions

#### 5.3 Section I — Property coverages

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

#### 5.4 Perils insured against

#### 5.5 Exclusions

#### 5.6 Conditions

#### 5.7 Selected endorsements

- Special provisions — Massachusetts (HO 01 20)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27, HO 04 28)
- Permitted incidental occupancies — residence premises (HO 04 42)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Personal property replacement cost (HO 04 90)
- Home day care (HO 04 97)

### 6.0 Commercial Package Policy (CPP) 14%

#### 6.1 Components of a commercial policy

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

#### 6.2 Commercial property ('02)

- Commercial property conditions form
- Coverage forms
  - Building and personal property
  - Condominium association
  - Condominium commercial unit-owners
  - Builders risk
  - Business income
  - Extra expense
- Cause of loss forms
- 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)

#### 6.3 Commercial crime ('06)

- General definitions
  - Burglary
  - Theft
  - Robbery
- 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
  - Kidnap/ransom and extortion (CR 00 40)
  - Extortion — commercial entities (CR 04 03)
  - Lessees of safe deposit boxes (CR 04 09)
  - Securities deposited with others (CR 04 10)
  - Guests' property (CR 04 11)
  - Safe depository (CR 04 12)

**6.4 Commercial inland marine**

- Nationwide marine definition  
(Reg 211 CMR 10.00)
- Commercial inland marine conditions form
- Inland marine coverage forms
  - Accounts receivable
  - Contractors equipment floater
  - Electronic data processing
  - Equipment dealers
  - Installation floater
  - Signs
  - Valuable papers and records

**6.5 Equipment breakdown ('07)**

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

**7.0 Businessowners ('06) Policy — Property  
13%**

**7.1 Characteristics and purpose**

**7.2 Businessowners Section I — Property**

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

**7.3 Businessowners Section III — Common  
Policy Conditions**

**7.4 Selected endorsements**

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

**8.0 Other Coverages and Options 1%**

**8.1 National Flood Insurance Program**

- "Write your own" versus government
- Eligibility
- Coverages
- Limits
- Deductibles

**8.2 Other policies**

- Boatowners
- Difference in conditions