

# 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 Automobile Adjuster Series 14-17

60 questions – One-hour time limit

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements (22:1663, 1666, 1668)

- Types of licenses (22:1665, 1666, 1670)
  - Resident versus nonresident (22:1665, 1670)
  - Limited (22:1666)
- Maintenance and duration
  - Expiration (22:1671(B)(1))
  - Renewal (22:1671(B)(2))
  - Change of address (22:1671(C))
  - Assumed names (22:1671(C))
  - Reporting of actions (22:1677)
  - Continuing education requirements (22:1673)
- Disciplinary actions
  - Hearings (22:1672(B))
  - Cease and desist order (22:1969)
  - License denial, nonrenewal, or revocation (22:1672)
  - Penalties with or without suspension of license (22:1672(A))
- Definitions
  - Adjuster (22:1661(1))
  - Business entity (22:1661(2))
  - Home state (22:1661(4))
  - Individual (22:1661(5))
  - Insurer (22:1661(6))
  - Person (22:1661(7))
  - Uniform individual application (22:1661(8))
  - Uniform business entity application (22:1661(9))

#### 1.2 Claim settlement laws and regulations (22:1964(14))

- Unfair claims settlement practices
- Prompt payment of claims
- Notice of settlement of liability claims

#### 1.3 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
- Referral practices (22:1676)
- Unfair trade practices (22:1674)
  - Unlicensed representation (22:1674(A))
  - Financial interest (22:1674(B))

- Acquisition of salvage property (22:1674(C))
- Solicitation (22:1674(D),(E))
- Misrepresentation (22:1674(F))

#### 1.4 Federal regulation

- Fraud and false statements (18 USC 1033, 1034)

### 2.0 Contracts 5%

#### 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

### 3.0 Property and Casualty Insurance Basics 5%

#### 3.1 Principles and concepts

- Insurable interest
- 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
- Causes of loss (perils)
- Direct loss

- Consequential or indirect loss
- Blanket versus specific insurance
- Loss valuation
  - Actual cash value
  - Replacement cost
  - Functional replacement cost
  - Market value
  - Agreed value
  - Stated amount
  - Diminished value

### **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
  - Contribution by equal shares
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate
  - Split
  - Combined single
- Named insured provisions
  - Duties after loss
  - Assignment
  - Abandonment
- Insurer provisions
  - Liberalization
  - Subrogation
  - Salvage (LRS 22:1292)
  - Claim settlement options
  - Duty to defend
- Third-party provisions
  - Loss payable clause
  - No benefit to bailee

## **4.0 Adjusting Losses 40%**

### **4.1 Role of the adjuster**

- Duties and responsibilities
  - Good faith (LRS 22:1973)
  - Immediate contact rule (LRS 22:1672(A)(17), 1892)
- 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
  - Burden of proof of value and loss
  - Estimates
  - Depreciation
  - Salvage
- Claim settlement options
- Payment and discharge

### **4.4 Liability losses**

- Investigation procedures
  - Verify coverage
  - Determine liability
- Gathering evidence
  - Physical evidence
  - Witness statements
- Determining value of intangible damages

### **4.5 Coverage problems**

- Dealing with coverage disputes
  - Reservation of rights letter
  - Nonwaiver agreement

### **4.6 Claims adjustment procedures**

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

## **5.0 Auto Insurance 40%**

### **5.1 Laws**

- Louisiana Motor Vehicle Safety Responsibility Law (LRS 32:853–910, 1021–3, 1041–3)
  - Required limits of liability (LRS 32:900)
- Louisiana Automobile Insurance Plan (LRS 32:1043)
- Uninsured/underinsured motorist (LRS 22:1295)
  - Definitions — UM/UIM

- Bodily injury
- Property damage
- UM/UIIM selection/rejection form
- Required limits

- Aftermarket crash parts regulation (LRS 51:2421-2425)
- Temporary, substitute, loaner, and rental vehicles (LRS 22:1291, 1296)
- Louisiana Towing and Storage (LRS 22:1292)

## **5.2 Personal auto ('05) policy**

- Definitions — Private passenger auto
- Liability coverage
  - Insuring agreement
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Uninsured/underinsured motorist coverage
- Coverage for damage to your auto
  - Insuring agreement
  - Collision
  - Other than collision
  - Deductibles
  - Transportation expenses
  - Exclusions
  - Other coverages
    - Rental reimbursement
    - Accidental death
- Duties after an accident or loss
  - Notice of loss to insurer
  - Minimizing the loss
  - Proof of loss
- General provisions
- Selected endorsements
  - Amendment of policy provisions—Louisiana (PP 01 95)
  - Towing and labor costs (PP 03 03)
  - Extended non-owned coverage (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage (PP 03 34)
  - Named driver exclusion — Louisiana (PP 13 43)

## **5.3 Commercial auto ('06) policy**

- 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 — Commercial auto
- Selected endorsements
  - Louisiana – lessor – additional insured and loss payee (CA 04 13)
  - 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)