

# Your Exam Content Outline

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

## Utah Producer's Examination for Casualty Insurance Series 17-23

100 questions – Two-hour time limit

### 1.0 Insurance Regulation 11%

#### 1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103–105, 107, 302)
- Types of licensees (31A-23a-106, 203, 401)
  - Producers
  - Consultants
  - Adjusters
  - Nonresidents (31A-23a-109)
- Maintenance and duration
  - Renewal (31A-23a-105)
  - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
  - Reinstatement (31A-23a-111(2), 113)
  - Assumed name (31A-23a-110(2))
  - Change of address or telephone number (31A-23a-412(1)(c))
  - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
  - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
  - Probation (31A-23a-112)
  - Monetary forfeiture (fines) (31A-2-308)

#### 1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
  - Solvency (31A-4-105, 105.5)
  - Rates (31A-19a-201–203)
  - Policy forms (31A-21-201–203)
  - Producer appointment (31A-23a-115; Reg R590-244-1–14)
  - Termination of appointment (Reg R590-244-1–14)
  - Unfair claim settlement practices (31A-26-303; Reg R590-190–192)
- Producer regulation
  - Fiduciary and trust account responsibilities (31A-23a-409)
  - Place of business/records maintenance (31A-23a-412)
  - Controlled business (31A-23a-502)

- Shared commissions (31A-23a-504)
  - Unfair marketing practices (Reg R590-154)
    - Misrepresentation (31A-21-105; 31A-23a-402(1))
    - False advertising (31A-23a-402(1))
    - Rebating (31A-23a-402(2))
    - Unfair discrimination (31A-23a-402(3))
    - Boycott, coercion or intimidation (31A-23a-402(4))
    - Illegal inducement (Reg R590-154-11)
  - Examination of records (31A-2-203–205; 31A-23a-412)
  - Privacy of Consumer Information (Reg R590-206)
  - Insurance fraud regulation (31A-31-103–106)
  - Personal liability for unpaid claims (31A-15-105)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681–1681d)
  - Fraud and false statements (18 USC 1033, 1034)

### 2.0 General Insurance 11%

#### 2.1 Concepts

- Risk management key terms
  - Risk
  - Exposure
  - Hazard
  - Peril
  - Loss
- Methods of handling risk
  - Avoidance
  - Retention
  - Sharing
  - Reduction
  - Transfer
- Elements of insurable risks
  - Adverse selection
  - Law of large numbers
  - Reinsurance

#### 2.2 Insurers

- Types of insurers
  - Stock companies
  - Mutual companies
  - Fraternal benefit societies
  - Reciprocal
  - Lloyd's associations
  - Risk retention groups
- Private versus government insurers
- Admitted versus nonadmitted insurers
- Domestic, foreign and alien insurers

Financial status (independent rating services)  
Marketing (distribution) systems

### **2.3 Producers and general rules of agency**

Insurer as principal  
Producer/insurer relationship  
Authority and powers of producer  
    Express  
    Implied  
    Apparent  
Responsibilities to the applicant/insured

### **2.4 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  
    Waiver and estoppel

## **3.0 Property and Casualty Insurance Basics 13%**

### **3.1 Principles and concepts**

Insurable interest  
Underwriting  
    Function  
    Loss ratio  
Rates  
    Types  
    Loss costs  
    Components  
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

### **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 and additional  
Policy period  
Policy territory  
Cancellation and nonrenewal  
Deductibles  
Other insurance  
    Nonconcurrency  
    Primary and excess  
Limits of liability  
    Per occurrence (accident)  
    Per person  
    Aggregate—general versus products—completed operations  
    Split  
    Combined single  
    Policy limits  
Named insured provisions  
    Duties after loss  
    Assignment  
Insurer provisions  
    Liberalization  
    Subrogation  
    Duty to defend

### **3.4 Utah laws, regulations and required provisions**

Utah Property and Casualty Insurance Guaranty Association (31A-28-202–210, 212–215, 217–218, 220, 222)  
Cancellation, issuance and renewal (31A-21-303)  
Binders (31A-21-102)  
Other insurance (31A-21-307)  
Suit against insurer (31A-21-313)  
Concealment or fraud (RL 76-6-521)  
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107–297, 109–144, 110–160)

## **4.0 Homeowners ('00) Policy 14%**

### **4.1 Coverage forms**

HO-2 through HO-6  
HO-8

### **4.2 Definitions**

### **4.3 Section II — Liability coverages**

Coverage E — Personal liability  
Coverage F — Medical payments to others  
Additional coverages

### **4.4 Exclusions**

### **4.5 Conditions**

### **4.6 Selected endorsements**

Special provisions — Utah (HO 01 43)  
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)

- Permitted incidental occupancies — residence premises (HO 04 42)
- Home day care (HO 04 97)
- Business pursuits (HO 24 71)
- Personal injury (HO 24 82)
- Watercraft — Utah (HO 25 12)

## **5.0 Auto Insurance 14%**

### **5.1 Laws**

- Utah Financial Responsibility of Motor Vehicle Owners and Operators Act (RL 41-12a-101–104)
- Required motor vehicle limits of liability (31A-22-301–304)
- Personal injury protection (31A-22-306–309)
  - Medical
  - Loss of income
  - Special damages allowance
  - Funeral
  - Death
- Uninsured/underinsured motorist (31A-22-305–305.3)
  - Definitions
  - Bodily injury
  - Property damage (31A-22-305.5)
  - UM/UIM rejection
  - Required limits
- Utah Assigned Risk Insurance Plan (31A-22-310)
- Aftermarket Crash Parts Act (31A-22-316–319)

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

- Definitions
- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Uninsured motorists coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision
  - Deductibles
  - Transportation expenses
  - Exclusions
- Duties after an accident or loss
- General provisions
- Selected endorsements
  - Amendment of policy provisions — Utah (PP 01 93)
  - Towing and labor costs (PP 03 03)
  - Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage (PP 03 34)

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

- 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
- Selected endorsements
  - Lessor — additional insured and loss payee (CA 20 01)
  - 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)

## **6.0 Commercial Package Policy (CPP) 10%**

### **6.1 Components of a commercial policy**

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

### **6.2 Commercial general liability ('07)**

- Commercial general liability coverage forms
  - Bodily injury and property damage liability
  - Personal and advertising injury liability
  - Medical payments
  - Supplementary payments
  - Who is an insured
  - Limits of insurance
  - Conditions
  - Definitions
  - Exclusions
- Occurrence versus claims-made
- Claims-made features
  - Trigger
  - Retroactive date
  - Extended reporting periods — basic versus supplemental
  - Claim information
- Premises and operations
- Products and completed operations
- Insured contract
- Pollution liability coverage form (CG 00 39)

### **6.3 Commercial crime ('06)**

- General definitions
  - Burglary
  - Theft
  - Robbery
- Crime coverage forms
  - Commercial crime coverage forms (discovery/loss sustained)

Government crime coverage forms  
(discovery/loss sustained)

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

Extortion — commercial entities (CR 04 03)  
Guests' property (CR 04 11)

**6.4 Farm coverage**

Farm liability coverage form ('06)  
Coverage H — Bodily injury and property damage liability  
Coverage I — Personal and advertising injury liability  
Coverage J — Medical payments

Definitions

Conditions

Exclusions

Limits

Additional coverages

**7.0 Businessowners ('06) Policy 10%**

**7.1 Characteristics and purpose**

**7.2 Businessowners Section II — Liability**

Coverages  
Exclusions  
Who is an insured  
Limits of insurance  
General conditions  
Definitions

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

**7.4 Selected endorsement**

Hired auto and non-owned auto liability (BP 04 04)

**8.0 Workers Compensation Insurance 9%**

**8.1 Workers compensation laws**

Type of law  
Monopolistic versus competitive  
Compulsory versus elective  
Utah Workers' Compensation Law  
Exclusive remedy (RL 34A-2-105)  
Employment covered (required, voluntary) (RL 34A-2-103, 104)  
Covered injuries (RL 34A-2-401, 402)  
Occupational disease (RL 34A-3-101–112)  
Benefits provided (RL 34A-2-401, 408–418)  
Employers' Reinsurance Fund (RL 34A-2-702, 703)  
Uninsured Employers' Fund (RL 34A-2-704)

**8.2 Workers compensation and employers liability insurance policy**

General section

Part One — Workers compensation insurance

Part Two — Employers liability insurance

Part Three — Other states insurance

Part Four — Your duties if injury occurs

Part Five — Premium

Part Six — Conditions

Selected endorsements

Voluntary compensation

Anniversary rating date

Other states

Sole proprietors, partners, officers and others coverage

**8.3 Premium computations**

Job classification

Rates

Payroll

Adjustment upon audit

Experience modification factor

Premium discounts

**8.4 Other sources of coverage**

Workers' Compensation Fund (31A-22-1001; 31A-33-101–118)

Self-insured employers (RR R612-3-1–7)

**8.5 Rating organization (31A-19a-401–407)**

**9.0 Other Coverages and Options 8%**

**9.1 Umbrella/excess liability policies**

Personal (DL 98 01)

Commercial (CU 00 01)

**9.2 Specialty liability insurance**

Errors and omissions

Professional liability

Directors and officers liability

Fiduciary liability

Liquor liability

Employment practices liability

**9.3 Surplus lines (31A-15-103)**

Definitions and markets

Licensing requirements

**9.4 Surety bonds**

Principal, obligee and surety

Contract bonds

License and permit bonds

Judicial bonds

**9.5 Aviation insurance**

Aircraft liability

**9.6 Ocean marine insurance**

Major coverages

Protection and indemnity

**9.7 Other policies**

Boatowners (31A-22-1501–1504)