

YOUR EXAM CONTENT OUTLINE

for examinations on or after January 1, 2005.

If you do not receive all four pages of this outline, please contact Experior.

The following outline describes the content of your South Dakota insurance exam. This outline is the basis of your exam. The exam will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section of the exam. For example, 10 percent means that 5 questions will be drawn from the section on a 50-question exam, 10 will be drawn on a 100-question exam, and 15 will be drawn on a 150-question exam.

Series 10-44:

South Dakota Producer's Exam for Casualty Insurance

100 questions—Two-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing

Process (58-30-145, 148)

Types of licensees

Producers (58-30-142, 175)

Nonresident producers (58-30-100, 159, 160)

Temporary (58-30-165, 166)

Maintenance and duration

Renewal (58-30-74, 120, 121)

Termination (58-30-112)

Change of address (58-30-157, 162)

Assumed business name (58-30-164)

Reporting of actions (58-30-193)

Continuing education (58-30-116, 120;
Reg 20:06:18:01–04, 09–13, 18)

Disciplinary actions

Cease and desist order (58-33-39–46)

Suspension, revocation and refusal to issue or
renew (58-30-108, 110, 167)

Right to hearing (58-30-168)

Penalties and fines (58-30-133)

1.2 State regulation

Director's general duties and powers (58-2-22)

Company regulation

Certificate of authority (58-6-1)

Solvency (58-6-23; Reg 20:06:23:02)

Unfair claims settlement practices (58-33-67)

Producer regulation

Reporting of felonies and crimes of moral
turpitude (58-30-194)

Commissions (58-30-171–174)

Unfair trade practices

Rebating (58-33-14, 25)

Misrepresentation (58-33-5, 6, 37)

False advertising (58-33-5, 6)

Twisting (58-33-8)

Illegal inducement (58-33-11, 15, 24)

Boycott, coercion or intimidation (58-33-32)

Charges for extra services (58-33-36)

Defamation of insurer (58-33-7)

Unfair discrimination (58-11-55; 58-33-13.1,
26)

Examination of books and records (58-3-5; 58-30-
91; Reg 20:06:01:05:01)

Producer appointment (58-30-6, 175)

Termination of appointment (58-30-8, 180)

Insurance fraud regulation (58-4A-1–17)

Privacy of consumer financial information

(Reg 20:06:45:01–26)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 10%

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

Surplus lines

Risk retention groups

Risk purchasing groups

Private versus government insurers

Authorized versus unauthorized 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 producers

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 Casualty Insurance Basics 20%

3.1 Principles and concepts

Insurable interest

Underwriting

Function

Loss ratio

Rates

Types

Loss costs

Components

Hazards

Physical

Moral

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, 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 — general versus products —
completed operations

Split

Combined single

Named insured provision

Duties after loss

Assignment

Insurer provisions

Liberalization

Subrogation

Duty to defend

3.4 South Dakota laws, regulations and required provisions

South Dakota Insurance Guaranty Association
(58-29A-54-109)

Cancellation and nonrenewal (58-1-14, 15; 58-20-
14; 58-33-61)

Binders (58-11-29-31)

Countersignatures and fees (58-6-62-67)

Suit against insurer (58-23-1)

Terrorism Risk Insurance Act of 2002 (HR 3210)

4.0 Homeowners ('00) Policy — Section II 10%

4.1 Coverage forms

HO-2 through HO-5

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

Business pursuits (HO 24 71)

Home day care (HO 04 97)

Limited fungi, wet or dry rot, or bacteria coverage
(HO 04 26, HO 04 27)

Permitted incidental occupancies (HO 04 42)

Personal injury (HO 24 82)

Watercraft (HO 24 75)

Special provisions — South Dakota (HO 01 40)

5.0 Auto Insurance 12%

5.1 Laws

South Dakota Financial Responsibility of Vehicle
Owners and Operators Law (RL 32-35)

Required limits of liability (RL 32-35-70)

South Dakota Automobile Insurance Plan (58-11-
57)

Supplemental coverage (58-23-7, 8)

Medical

Disability

Accidental death

Uninsured/underinsured motorist (58-11-9, 9.4)

- Definitions (58-11-9.1)
- Bodily injury (58-11-9.5)
- Stacked and non-stacked (58-11-9.7, 9.8, 9.9)
- Required limits (58-11-9)

Cancellation/nonrenewal

- Grounds (58-11-46, 47, 50)
- Notice (58-11-49, 51, 52)
- Notice of eligibility in assigned risk plan (58-11-53)

- Aftermarket crash parts (58-33-70, 71)

5.2 Personal ('05) Auto Policy

Definitions

Liability coverage

- Bodily injury and property damage
- Supplementary payments
- Exclusions

Medical payments

Uninsured motorist

Coverage for damage to your auto

- Collision
- Other than collision
- Deductibles
- Transportation expense
- Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

- Extended non-owned coverage (PP 03 06)
- Joint ownership coverage (PP 03 34)
- Miscellaneous type vehicle (PP 03 23)
- Towing and labor costs (PP 03 03)
- Amendment of policy provisions — South Dakota (PP 01 65)

5.3 Commercial auto ('01)

Commercial auto coverage forms

- Business auto
- Business auto physical damage
- Garage
- Truckers
- Motor carrier

Coverage form sections

- Covered autos
- Liability coverage
- Garagekeepers coverage
- Physical damage coverage
- Conditions
- Definitions
- Exclusions

Selected endorsements

- Additional insured — lessor (CA 20 01)
- Auto medical payments coverage (CA 99 03)
- Drive other car coverage (CA 99 10)
- Individual named insured (CA 99 17)
- Mobile equipment (CA 20 15)

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) 11%

6.1 Components of a commercial policy

Common policy declarations

- Common policy conditions
- Interline endorsements (as needed)
- One or more coverage parts

6.2 Commercial general liability ('04)

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 liability
- 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

6.3 Commercial crime ('02)

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 — theft of money and securities
- Inside — robbery or safe burglary of other property
- Outside premises — theft, disappearance or destruction
- Computer fraud
- Funds transfer fraud
- Money orders and counterfeit paper currency

Other crime coverages

- Extortion — commercial entities (CR 04 03)

6.4 Farm coverage ('03)

Farm liability coverage form

- Coverage H — Bodily injury and property damage liability
- Coverage I — Personal advertising injury liability
- Coverage J — Medical payments

Definitions

Conditions

Exclusions

Limits

Additional coverages

7.0 Businessowners ('02) Policy — Liability 11%

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

Business liability

Medical expenses

Limits

Conditions

Exclusions

Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

Hired auto and nonowned auto liability (BP 04 04)

8.0 Workers Compensation Insurance 8%

8.1 Workers compensation laws

Types of laws

Monopolistic versus competitive

Compulsory versus elective

South Dakota Workers Compensation Law

Exclusive remedy (RL 62-3-2, 62-8-6)

Employment covered (required, voluntary)

(RL 62-1-2, 3,7; RL 62-3-15, 16, 17)

Covered injuries (RL 62-1-1(7); RL 62-4-37)

Occupational disease (RL 62-8-1, 4)

Benefits provided (RL 62-4-1-3, 5, 5.1, 6, 8-22)

Federal workers compensation laws

Federal Employer Liability Act (FELA)

(45 USC 51-60)

U.S. Longshore and Harbor Workers

Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

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

Voluntary compensation endorsement

8.3 Premium computation

Job classification — payroll and rates

Experience modification factor

Premium discounts

8.4 Other sources of coverages

Assigned risk plan (58-20-15)

Self-insured employers and employer groups
(RL 62-5-5)

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

Definitions and markets

Licensing requirements

Premium tax obligations (58-32-44, 50)

9.4 Surety bonds

Principal, obligee, surety

Contract bonds

License and permit bonds

Judicial bonds

9.5 Other policies

Boatowners

Aircraft liability

9.6 Residual markets