

Your Exam Content Outline

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

Nebraska Producer's Examination for Crop Insurance Series 13-09

60 questions – One-hour time limit

1.0 Insurance Regulation 9%

1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
 - Producers (44-4049, 4054)
 - Consultants (44-2606–2635)
 - Resident versus nonresident (44-2625, 4055, 4063)
 - Temporary (44-4058)
- Maintenance and duration
 - Renewal (44-4054)
 - Name or address change (44-4054(8))
 - Reporting of actions (44-4065)
 - Assumed names (44-4057)
- Continuing education requirements including ethics education (44-3901–3908)
- Disciplinary actions
 - Right to hearing (44-4059(2))
 - Suspension, revocation or refusal to issue or renew (44-2633, 4059)
 - Fines (44-2634, 4059(4))
 - Cease and desist order (44-1529, 1542)

1.2 State regulation

- Director's general duties and powers (44-101.01, 2635)
- Company regulation
 - Certificate of authority (44-303)
 - Capital and surplus requirements (44-214, 305)
 - Unfair claims settlement practices (44-1539, 1540)
 - Examination of books and records (44-1527, 5904)
 - Appointment (44-4061)
 - Termination of appointment (44-4062)
 - Unfair trade practices complaint register (44-1525(9); Reg Ch 21)
- Producer regulation
 - Sharing commissions (44-4060)
 - Controlled business (44-361.01, .02)
 - Prohibited fees or charges (44-354)
 - Records retention (44-5905)

Unfair trade practices

- Misrepresentation (44-1525(1))
- False advertising (44-1525(2))
- Defamation of insurer (44-1525(3))
- Boycott, coercion or intimidation (44-1525(4))
- Unfair discrimination (44-1525(7))
- Rebating (44-361, 1525(8))
- Insurance Fraud Act (44-6601–6608)
- Privacy of Insurance Consumer Information Act (44-901–925)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 9%

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
 - Surplus lines
- 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 licensees

- 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 Crop-Hail Insurance 34%

3.1 Eligibility

- Insureds
- Insurable crops

3.2 Application

- Binder
- Declarations section
- Required signatures
- Required information
- Provision for company rejection

3.3 Term of coverage

- Effective date
- Inception of coverage
- Expiration
- Cancellation

3.4 Perils insured against

3.5 Exclusions

3.6 Limits of coverage

- Insurable value
- Percentage plan
- Deductibles
- Reduction of insurance

3.7 Other provisions

- Replanting clause
- Acreage variation
- Transit extension
- Fire department service charge

- Pro rata liability clause
- Fire and lightning coverage
- Catastrophe loss award
- Assignment
- Subrogation

3.8 Claim settlement practices

- Notice of loss
- Insured's duties after loss
- Appraisal/arbitration

4.0 Federal Multi-Peril Crop Insurance Programs 48%

4.1 Basic crop insurance

- Eligibility
 - Insureds
 - Insurable crops
- Actuarial document books
- Yield guarantee
 - Actual production history (APH)
 - Assigned yield
 - Transitional yield
- Coverage level
- Market price percentage
- Covered causes of loss
- Application
 - Basic unit
 - Administrative fee
 - Production records
 - Acreage reporting
 - Disqualification of producer
- Life of policy
 - Continuous
 - Cancellation
 - Termination

4.2 Multiple peril policy options

- Levels of coverage
- Price election
- Optional units
- High-risk land exclusion
- Hail/fire exclusion
- Replant payments
- Late planting coverage
- Prevented planting coverage
- Transfer of coverage
- Assignment of indemnity

4.3 Other provisions

- Individual crop
- Small grain
- Coarse grain
- Priorities of conflicts between provisions
- Duties after loss
 - Insured
 - Insurer

4.4 Additional programs

- Crop Revenue Coverage (CRC)
- Group Risk Plan (GRP)/(GRIP)
- Revenue Assurance (RA)
- Livestock Risk Protection (LRP)