

# 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 Title Insurance Series 13-16

50 questions – One-hour time limit

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
  - Producers (44-4049, 4054)
  - 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; 44-19,117)
  - 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 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
  - Insurable interest
  - Law of large numbers
  - Reinsurance

#### 2.2 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

#### 2.3 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 Real Property 26%**

#### **3.1 Concepts, principles and practices**

- Definition of real property
- Types of real property
- Title to real property
- Marketable title

#### **3.2 Acquisition and transfer of real property**

- Conveyances
- Encumbrances
- Adverse possession
- Condemnation
- Accession
- Dedication
- Escheats
- Involuntary alienation
- Abandonment
- Judicial sales
- Decedent's estates
  - Intestate
  - Testate
- Trusts
- Wills
- Types of joint ownership
  - Tenants in common
  - Joint tenancy
- Acknowledgments
- Legal capacity of parties

- Individuals
- Corporations
- General partnerships
- Limited partnerships
- Fictitious names
- Trust agreements
- Limited Liability Company (LLC)

#### **3.3 Legal descriptions**

- Types of legal descriptions
- Types of measurements used
- Language of legal descriptions
- Structure and format
- Interpretation

#### **3.4 Escrow principles**

- Escrow terminology
- Types of escrows
- Escrow contracts

- Fiduciary responsibilities of escrow agents

### **3.5 Recording**

- Types of records
- Types of recording systems
- Requirements to record
- Recording steps
- Acknowledgments
- Presumptions

### **4.0 Title Insurance 30%**

#### **4.1 Title insurance principles**

- Risks covered by title insurance
  - Risk of error in public records
  - Hidden off-record title risks
  - Risk of omission and commission by agent
- Entities that can be insured; need for insurance
  - Individual
  - Commercial
- Interests that can be insured
  - Fee simple estates
  - Leasehold estate
  - Life estate
  - Easements
- Title insurance forms
  - Commitments
  - Owner's policy
  - Loan policy
  - Leasehold policy
- Title insurance policy structure and provisions
  - Insuring provisions
  - Schedule A
  - Schedule B — Exceptions from coverage
  - Exclusions from coverage
  - Conditions and stipulations
  - Endorsements

- Rates and premiums

#### **4.2 Title searching techniques**

- Hard copy index
- Computer index
- Chain sheet

### **5.0 Title Exceptions and Procedures for Clearing Title 24%**

#### **5.1 Principles and concepts**

- General exceptions
- Voluntary and involuntary liens
- Federal liens
- Deeds of trust
- Judgments
- Taxes and assessments
- Surveys
- Condominiums
- Water rights
- Mineral rights
- Equitable interests
- Attachments
- Executions
- Covenants
- Conditions

Restrictions

**5.2 Special problem areas and concerns**

Acknowledgments

Mechanic's lien

Bankruptcy

Probate

Good faith

Foreclosure

Forfeiture

Claims against the title

Lis pendens

**5.3 Principles of clearing title**

Releases

Assignments

Subordinations

Affidavits

Reconveyances

**5.4 Settlement or closing procedures**

Real Estate Settlement Procedures Act (RESPA)

Insured closing protection

Escrow account rules