

# 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 Laws and Regulations Examination Series 17-19

**50 questions – One-hour time limit**

### 1.0 Insurance Regulation 60%

#### 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; Reg R590-141-3(A))
  - Continuing education requirements (31A-23a-202; Reg R590-142-1-10)
  - Reinstatement (31A-23a-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-302; Reg R590-101-4(A))
  - Termination of appointment (Reg R590-101-4(B))
  - 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 (31A-23a-417; 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 40%

#### 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