

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 Personal Lines Examination Series 17-20

100 questions – Two-hour time limit

1.0 Insurance Regulation 10%

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 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
 - 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 26%

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
Causes of loss (perils)
Named perils versus special (open) perils
Direct loss
Consequential or indirect loss

Blanket versus specific insurance
Basic types of construction
Loss valuation

 Actual cash value
 Replacement cost
 Functional replacement cost
 Market value
 Agreed value
 Stated amount
 Valued policy

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
 Split
 Combined single
Policy limits
Restoration/nonreduction of limits

Coinurance
Vacancy or unoccupancy
Named insured provisions
 Duties after loss
 Assignment
 Abandonment
Insurer provisions
 Liberalization
 Subrogation
 Salvage
 Claim settlement options
 Duty to defend
Third-party provisions
 Standard mortgage clause
 Loss payable clause
 No benefit to the bailee

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)

4.0 Dwelling ('02) Policy 10%

4.1 Characteristics and purpose

4.2 Coverage forms — Perils insured against

Basic
Broad
Special

4.3 Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Fair rental value
Coverage E — Additional living expense
Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Utah (DP 01 43)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy 19%

5.1 Coverage forms

HO-2 through HO-6
HO-8

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages

5.4 Section II — Liability coverages

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

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 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 (HO 04 42)
Earthquake (HO 04 54)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Personal injury (HO 24 82)
Watercraft — Utah (HO 25 12)

6.0 Auto Insurance 19%

6.1 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)

6.2 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)

7.0 Other Coverages and Options 6%

7.1 Personal umbrella policies (DL 98 01)

7.2 National Flood Insurance Program

"Write your own" versus government

Eligibility

Coverage

Limits

Deductibles

7.3 Other policies

Boatowners

7.4 Residual markets including Joint Underwriting Association (31A-2-214)