

# ***Your Exam Content Outline***

The following outline describes the content of one of the Pennsylvania insurance examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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.

## **Pennsylvania Producer's Examination for Surplus Lines Insurance Series 16-09**

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

### **1.0 Insurance Regulation 15%**

#### **1.1 Licensing regulation for surplus lines**

- Purpose (40 P.S. § 991.1601)
- Definitions (40 P.S. § 991.1602)
- Who may be licensed (40 P.S. §§ 991.1603, .1615)
  - Individuals
  - Corporations and partnerships
- Current licensing requirements (40 P.S. § 991.1615(b))
- Disciplinary actions
  - Grounds (40 P.S. § 991.1623)
  - Penalties (40 P.S. §§ 310.91, 1171.11, 991.1624–.1625)
- Renewals (40 P.S. § 991.1615(d))
- Authority of license (40 P.S. §§ 991.1616–.1622)

#### **1.2 Unfair insurance practices**

**(40 P.S. §§ 1171.1–.11, 1171.13–.15)**

#### **1.3 Act 147 of 2002 (40 P.S. § 310.11; 40 P.S. §§ 310.71–310.74)**

- Prohibited acts (40 P.S. § 310.11)
- Commissions and fees (40 P.S. §§ 310.72–310.74)
- Producer disclosure (40 P.S. § 310.71)

### **2.0 Surplus Lines Markets and Practices 85%**

#### **2.1 United States nonadmitted market**

- Insurance exchanges
- Foreign nonadmitted market

#### **2.2 Alien insurers**

- London market
  - Lloyd's of London
  - Other London companies
- Other alien markets
- United States trust funds

#### **2.3 Alternative markets**

- Risk retention groups (40 P.S. §§ 991.1501–1506)
- Purchasing groups (40 P.S. §§ 991-1508–1512)
- Independently procured insurance (40 P.S. § 991.1602)

#### **2.4 Eligible surplus lines insurers**

- Requirements (40 P.S. § 991.1605; 31 Pa. Code Ch. 124.9–.10)
- List of eligible surplus lines insurers (40 P.S. § 991.1605(b))
- Withdrawal of eligibility (40 P.S. § 991.1607)
- Service of process (40 P.S. § 991.1624)

#### **2.5 Surplus lines coverages**

- Characteristics and uses
- Types of coverages available

#### **2.6 Requirements for placement of surplus lines insurance (40 P.S. §§ 991.1604, 991.1606)**

- Diligent search
  - Declarations (40 P.S. § 991.1609; 31 Pa. Code Ch. 124.5–.6)
  - Exempt risks (40 P.S. § 991.1610)
- Notice to insured (40 P.S. § 991.1608)
  - Unlicensed insurer
  - Pennsylvania Property and Casualty Insurance Guaranty Association (40 P.S. §§ 991.1801–.1820)
- Evidence of insurance (40 P.S. § 991.1612; 31 Pa. Code Ch. 124.4)

#### **2.7 Authority of surplus lines licensee**

- Binding (40 P.S. §§ 991.1614, .1618; 31 Pa. Code Ch. 124.1–.3)

#### **2.8 Records of licensee**

- Content of records (40 P.S. § 991.1619(a))
- Maintenance (40 P.S. § 991.1619(b))
- Reporting (40 P.S. § 991.1620)

#### **2.9 Surplus lines tax**

**(40 P.S. §§ 991.1621–1622)**

- Amount
- Collection
- Remittance
- Tax report

#### **2.10 Surplus lines advisory organization (40 P.S. § 991.1611)**

- Surplus lines stamping fee
- Functions