

# YOUR EXAM CONTENT OUTLINE

for examinations on or after March 1, 2006.

*If you do not receive all four pages of this outline, please contact Prometric.*

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The following outline describes the content of one of the New Hampshire 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.

## **New Hampshire Producer's Examination for Casualty Insurance**

### **Series 12-85**

### **100 questions – Two-hour time limit**

#### **1.0 Insurance Regulation 8%**

##### **1.1 Licensing**

Process (402-J:5, 6)

Types of licensees

Producer (402-J:2, 14)

Producer with appointment (402-J:14)

Business entity (402-J:6)

Financial institutions (406-C:1–19)

Resident versus nonresident  
(402-J:8, 16; Reg 1301.06)

Temporary (402-J:11)

Maintenance and duration

Renewal (402-J:7(II–IV))

Change of address (402-J:7(VI))

Reporting of actions (402-J:17)

Assumed names (402-J:10)

Continuing education requirements  
(Reg 1302.04)

Disciplinary actions

Cease and desist order (417:12)

Denial, suspension or revocation  
(402:49; 402-J:12)

Penalties and fines (400-A:15(III); 402:42, 48;  
402-J:12(IV); 417:10, 13)

##### **1.2 State regulation**

Commissioner's general duties and powers  
(400-A:3, 15; 417:5, 14)

Company regulation

Producer appointment (402-J:14)

Termination of appointment (402-J:15)

Producer regulation

Acting without a license (402-J:3, 13)

Commissions (402-J:13)

Conversion of funds by producer (402:53)

Controlled business (402:74)

License to transact business (402:12)

Unfair claim settlement practices  
(417:4(XV); Reg 1001.01–.16)

Unfair insurance trade practices

Misrepresentation (402:46; 417:4(I, II))

Twisting (402:47; 417:4(I))

False information and advertising (417:4(III))

Defamation (417:4(IV))

Boycott, coercion and intimidation (417:4(V))

Illegal inducement (417:4(VII))

Unfair discrimination (417:4(VIII))

Rebating (402:39–41; 417:4(IX))

Examination of books and records (400-A:37)

Insurance fraud regulation

(400-A:36-b(II); 417:23; RL 638:20)

Consumer privacy regulation (3001–3006)

#### **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

Surplus lines

Private versus government insurers

Authorized versus unauthorized 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 producers  
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 Casualty Insurance Basics 17%**

### **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**

### **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, additional  
Policy period  
Policy territory  
Cancellation and nonrenewal  
Deductibles  
Other insurance  
Nonconcurrency  
Primary and excess  
Pro rata  
Contribution by equal shares  
Limits of liability  
Per occurrence (accident)  
Per person  
Aggregate — general versus products —  
completed operations  
Split  
Combined single  
Named insured provisions  
Duties after loss  
Assignment  
Insurer provisions  
Liberalization  
Subrogation  
Duty to defend

### **3.4 New Hampshire laws, regulations and required provisions**

New Hampshire Insurance Guaranty Association (404-B)  
Cancellation and nonrenewal (417-B; 417-C)  
Binders (407:6)  
Concealment, misrepresentation or fraud (407:22; RL 638:20)  
Claim settlement (407:12; Reg 1001.02)  
Terrorism Risk Insurance Act of 2002 (HR 3210)

## **4.0 Homeowners ('00) Policy 15%**

### **4.1 Coverage forms**

HO-2 through HO-6

### **4.2 Definitions**

#### **4.3 Section II — Liability coverages**

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

#### **4.4 Exclusions**

#### **4.5 Conditions**

#### **4.6 Selected endorsements**

Special provisions — New Hampshire (HO 01 28)  
Permitted incidental occupancies (HO 04 42)  
Home day care (HO 04 97)  
Business pursuits (HO 24 71)  
Watercraft (HO 24 75)

Personal injury (HO 24 82)

**5.0 Auto Insurance 12%**

**5.1 Laws**

New Hampshire Motor Vehicle Financial Responsibility Law  
 Required limits of liability (RL 259:61, 264:20)

New Hampshire Automobile Reinsurance Facility Plan (Reg 1405)

New Hampshire Commercial Auto Insurance Plan  
 Uninsured/underinsured motorist (RL 264:15)

Definitions  
 Bodily injury  
 Required limits

Cancellation/nonrenewal (417-A)  
 Grounds  
 Notice  
 Notice of eligibility in Automobile Reinsurance Facility Plan (417-A:5(V))

Residency statement (417-A:3-b)

Medical costs coverage (RL 264:16)

After market parts regulation (407-D)

**5.2 Personal ('98) auto policy**

Definitions

Liability coverage  
 Bodily injury and property damage  
 Supplementary payments  
 Exclusions

Medical payments

Uninsured motorist

Coverage for damage to your auto  
 Collision  
 Other than collision  
 Deductibles  
 Transportation expense  
 Exclusions

Duties after an accident or loss

General provisions

Selected endorsements  
 Amendment of policy provisions — New Hampshire (PP 01 76)  
 Towing and labor costs (PP 03 03)  
 Extended non-owned coverage for named individual (PP 03 06)  
 Miscellaneous type vehicle (PP 03 23)  
 Joint ownership coverage (PP 03 34)

**5.3 Commercial auto ('01)**

Commercial auto coverage forms  
 Business auto  
 Garage  
 Business auto physical damage

Coverage form sections  
 Covered autos  
 Liability coverage  
 Garagekeepers coverage  
 Physical damage coverage  
 Exclusions

Conditions

Definitions

Selected endorsements  
 Lessor — additional insured and loss payee (CA 20 01)  
 Mobile equipment (CA 20 15)  
 Auto medical payments coverage (CA 99 03)  
 Drive other car coverage (CA 99 10)  
 Hired autos specified as covered autos you own (CA 99 16)  
 Individual named insured (CA 99 17)  
 Pollution liability — broadened coverage (CA 99 48; CA 99 55)

**6.0 Commercial Package Policy (CPP) 11%**

**6.1 Components of a commercial policy**

Common policy declarations  
 Common policy conditions  
 Interline endorsements  
 One or more coverage parts

**6.2 Commercial general liability ('01)**

Commercial general liability coverage forms  
 Bodily injury and property damage liability  
 Personal and advertising injury liability  
 Medical payments  
 Supplementary payments  
 Who is an insured  
 Limits of liability  
 Conditions  
 Definitions  
 Exclusions

Occurrence versus claims-made  
 Claims-made features  
 Trigger  
 Retroactive date  
 Extended reporting periods — basic versus supplemental  
 Claim information

Premises and operations  
 Products and completed operations  
 Insured contract  
 Pollution liability  
 Pollution liability coverage form (CG 00 39)  
 Pollution liability limited coverage form (CG 00 40)  
 Pollution liability coverage extension endorsement (CG 04 22)

**6.3 Commercial crime ('02)**

General definitions  
 Burglary  
 Theft  
 Robbery

Crime coverage forms  
 Commercial crime coverage forms (discovery/loss sustained)  
 Government crime coverage forms (discovery/loss sustained)

- Coverages
  - Employee theft
  - Forgery or alteration
  - Inside the premises — theft of money and securities
  - Inside the premises — robbery or safe burglary of other property
  - Outside the premises
  - Computer fraud
  - Funds transfer fraud
  - Money orders and counterfeit paper currency
- Other crime coverage
  - Extortion — commercial entities

#### **6.4 Farm Coverage ('98)**

- Farm liability coverage form
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal advertising injury liability
  - Coverage J — Medical payments

- Definitions
- Conditions
- Exclusions
- Limits
- Additional coverages

#### **7.0 Businessowners ('02) Policy 10%**

##### **7.1 Characteristics and purpose**

##### **7.2 Businessowners Section II — Liability**

- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions

##### **7.3 Businessowners Section III — Common Policy Conditions**

##### **7.4 Selected endorsements**

- Hired auto and non-owned auto liability (BP 04 04)

#### **8.0 Workers Compensation Insurance 10%**

##### **8.1 Workers compensation law**

- Types of laws
  - Monopolistic versus competitive
  - Compulsory versus elective
- New Hampshire Workers Compensation Law (RL Ch 281-A)
  - Exclusive remedy (RL 281-A:8)
  - Employment covered (required, voluntary) (RL 281-A:2(VI), 2(VIII), 3, 5, 6, 18, 18-a)
  - Covered injuries (RL 281-A:2(XI), 12, 14)
  - Occupational disease (RL 281-A:2(XIII), 16)
  - Benefits provided (RL 281-A:23–23-b, 25–37)
  - Subsequent injury fund (RL 281-A:55)

- Federal workers compensation laws
  - Federal Employer Liability Act (FELA) (45 USC 51–60)
  - U.S. Longshore and Harbor Workers Compensation Act (33 USC 904)
  - The Jones Act (46 USC 688)

#### **8.2 Workers compensation and employers liability insurance policy**

- General section
- Part One — Workers compensation insurance
- Part Two — Employers liability insurance
- Part Three — Other states insurance
- Part Four — Your duties if injury occurs
- Part Five — Premium
- Part Six — Conditions
- Selected endorsements
  - Voluntary compensation

#### **8.3 Premium computation**

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts

#### **8.4 Other source of coverages**

- Assigned risk plan (404-C:1–13)
- Self-insured employers and employer groups (404-C:5-a; RL 281-A:5-a–5-c)

#### **9.0 Other Coverages and Options 7%**

##### **9.1 Umbrella/excess liability policies**

- Personal (DL 98 01)
- Commercial (CU 00 01)

##### **9.2 Specialty liability insurance**

- Errors and omissions
- Professional liability
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

##### **9.3 Surplus lines**

- Definitions and markets
- Licensing requirements

##### **9.4 Surety bonds**

- Principal, obligee, surety
- Contract bonds
- License and permit bonds
- Judicial bonds

##### **9.5 Aviation insurance**

- Aircraft liability

##### **9.6 Ocean marine insurance**

- Protection and indemnity

##### **9.7 Other policies**

- Boatowners

##### **9.8 Residual markets**

- Joint underwriting or joint reinsurance associations (412:26)