

Your Exam Content Outline

The following outline describes the content of one of the Oregon 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.

Oregon Adjuster's Examination for General Lines Insurance Series 12-07

150 questions – 2.5-hour time limit

PLEASE NOTE: All code and RL references refer to ORS, unless otherwise noted.

1.0 Insurance Regulation 8%

1.1 Licensing requirements (744.505)

- Licensing exceptions (744.515)
- Qualifications (744.002, .525)
- Types of licenses
 - General lines adjuster (744.531)
 - Nonresident adjuster (744.528, .538)
 - Temporary adjuster permit (744.555)

1.2 Maintenance and duration

- Director's general duties and powers (731.236)
- Renewal (744.008, .009(1); OAR 836-071-0130)
- Expiration (744.007)
- Nonrenewal (744.009(2))
- Change of address or telephone number (744.028(1))
- Notification of change, deletion, or addition of an assumed business name (744.028(2))

1.3 Disciplinary actions

- Cease and desist orders (731.252)
- Suspension, revocation, and nonrenewal (744.013)
- Probation (744.014)
- Civil penalty (731.988)
- Criminal penalty (731.992)

1.4 Claim settlement laws and regulations

- Unfair claim practices (746.230; OAR 836-080-0205)
- Misrepresentation and other prohibited claim practices (OAR 836-080-0220)
- Required claim communications practices (OAR 836-080-0225)
- Standard for prompt claim investigation (OAR 836-080-0230)
- Standard for prompt and fair settlements
 - General (OAR 836-080-0235)
 - Automobile insurance (OAR 836-080-0240)
- Adjustment of claims under policy issued by unauthorized insurer (744.541)
- Regulation for automobile insurance claims

- Designation of repair shop prohibited (746.280, .290)
- Proof and amount of loss determination (746.295)
- Liability for damages; attorney fees (746.300)

1.5 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)

2.0 Insurance Basics 14%

2.1 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

2.2 Principles and concepts

- Insurable interest
- 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

2.3 Policy structure

Declarations

Definitions

Insuring agreement or clause

Additional/supplementary coverage

Conditions

Exclusions

Endorsements

2.4 Common policy provisions

Insureds — named, first named and 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

Policy limits

Restoration/nonreduction of limits

Coinurance

Vacancy or unoccupancy

Assignment

Insurer provisions

Liberalization

Duty to defend

Third-party provisions

Standard mortgage clause

Loss payable clause

No benefit to the bailee

2.5 Oregon laws, regulations and required provisions

Oregon Insurance Guaranty Association
(734.510–.710)

Cancellation and nonrenewal

Commercial liability (742.700–.710)

Property (742.224, 746.687)

Suit against insurer (742.240)

Concealment, misrepresentation or fraud
(742.013, .208, .702(1)(b))

3.0 Adjusting Losses 23%

3.1 Role of the adjuster

Duties and responsibilities

Staff and independent adjuster versus public
adjuster

Relationship to legal profession

3.2 Claim reporting

Claim investigation

Claim file documentation of events

Types of reports

Initial or first field

Interim or status

Full formal

3.3 Property losses

Duties of insured after a loss

Notice to insurer

Minimizing the loss

Proof of loss

Special requirements

Production of books and records

Abandonment

Determining value and loss

Burden of proof of value and loss

Estimates

Depreciation

Salvage

Claim settlement options

Payment and discharge

3.4 Liability losses

Investigation procedures

Verify coverages

Determine liability

Gathering evidence

Physical evidence

Witness statements

Determining value of intangible damages

3.5 Coverage problems

Dealing with coverage disputes

Reservation of rights letter

Nonwaiver agreement

Declaratory judgment action

3.6 Claims adjustment procedures

Settlement procedures

Advance payments

Draft authority

Execution of releases

Subrogation procedures

Alternative dispute resolution

Appraisal

Arbitration

Competitive estimates

Mediation

Negotiation

4.0 Dwelling Policy 5%

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 — Oregon (DP 01 36)
- 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 9%

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 — Oregon (HO 01 36)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Personal property replacement cost (HO 04 90)
- Permitted incidental occupancies — Oregon (HO 05 42)
- Home day care — Oregon (HO 05 97)
- Business pursuits (HO 24 71)
- Personal injury (HO 24 82)
- Watercraft (HO 24 75)

6.0 Auto Insurance 16%

6.1 Laws

- Oregon Motor Vehicle Financial Responsibility Law

- Required motor vehicle limits of liability (RL 806.070)

- Other ways to prove responsibility (RL 806.011, .060, .080)

- Personal injury protection (742.520–.544)

- Medical
- Loss of income
- Funeral
- Death
- Essential services
- Exclusions from coverage
- Arbitration

- Uninsured/underinsured motorist (742.500-.510)

- Definitions
- Bodily injury
- Property damage
- Required limits

- Aftermarket Crash Parts Act (746.287, .292)

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 — Oregon (PP 01 94)

- 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)

6.3 Commercial auto ('06)

- Commercial auto coverage forms

- Business auto
- Garage
- Business auto physical damage
- Truckers
- Motor carrier

- Coverage form sections

- Covered autos
- Liability coverage
- Garagekeepers coverage
- Trailer interchange coverage
- Physical damage coverage
- Exclusions
- Conditions
- Definitions

- Selected endorsements
 - Deductible liability (CA 03 02)
 - Lessor — additional insured and loss payee (CA 20 01)
 - Mobile equipment (CA 20 15)
 - Broad form products (CA 25 01)
 - False pretense coverage (CA 25 03)
 - 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)
 - Employees as insureds (CA 99 33)
 - Pollution liability — broadened coverage (CA 99 48; CA 99 55)
- Commercial carrier regulations
 - The Motor Carrier Act of 1980
 - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

7.0 Commercial Package Policy (CPP) 9%

7.1 Components of a commercial policy

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

7.2 Commercial general liability ('04)

- 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 insurance
 - 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
- Owners and contractors protective liability coverage form
- 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)

7.3 Commercial property ('02)

- Commercial property conditions form
- Coverage forms
 - Building and personal property

- Condominium association
- Condominium commercial unit-owners
- Builders risk
- Business income
- Legal liability
- Extra expense
- Causes of loss forms
 - Basic
 - Broad
 - Special
- Selected endorsements
 - Ordinance or law (CP 04 05)
 - Spoilage (CP 04 40)
 - Peak season limit of insurance (CP 12 30)
 - Value reporting form (CP 13 10)

7.4 Commercial crime ('06)

- 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 money
- Other crime coverages
 - Extortion — commercial entities (CR 04 03)
 - Lessees of safe deposit boxes (CR 04 09)
 - Securities deposited with others (CR 04 10)
 - Guests' property (CR 04 11)
 - Safe depository (CR 04 12)

7.5 Commercial inland marine

- Nationwide marine definition
- Commercial inland marine conditions form
- Inland marine coverage forms
 - Accounts receivable
 - Bailee's customer
 - Commercial articles
 - Contractors equipment floater
 - Electronic data processing
 - Equipment dealers
 - Installation floater
 - Jewelers block
 - Signs
 - Valuable papers and records
- Transportation coverages
 - Common carrier cargo liability
 - Motor truck cargo forms

Transit coverage forms

7.6 Equipment breakdown ('07)

Equipment breakdown protection coverage form
(EB 00 20)

Selected endorsement

Actual cash value (EB 99 59)

7.7 Farm coverage

Farm property coverage form ('03)

Coverage A — Dwellings

Coverage B — Other private structures

Coverage C — Household personal property

Coverage D — Loss of use

Coverage E — Scheduled personal property

Coverage F — Unscheduled farm personal
property

Coverage G — Other farm structures

Farm liability coverage form ('06)

Coverage H — Bodily injury and property
damage liability

Coverage I — Personal and advertising injury
liability

Coverage J — Medical payments

Mobile agricultural machinery and equipment
coverage form

Livestock coverage form

Definitions

Causes of loss (basic, broad and special)

Conditions

Exclusions

Limits

Additional coverages

8.0 Businessowners ('06) Policy 5%

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverages

Exclusions

Limits

Deductibles

Loss conditions

General conditions

Optional coverages

Definitions

8.3 Businessowners Section II — Liability

Coverages

Exclusions

Who is an insured

Limits of insurance

General conditions

Definitions

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

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

Protective safeguards (BP 04 30)

Utility services — direct damage (BP 04 56)

Utility services — time element (BP 04 57)

9.0 Workers Compensation Insurance 5%

9.1 Workers compensation laws

Type of law

Monopolistic versus competitive

Compulsory versus elective

Oregon Workers Compensation Law (Chapter 656)

Exclusive remedy (RL 656.018)

Employment covered (required, voluntary,
leased) (RL 656.017, .023, .027-.041)

Covered injuries (RL 656.005(7))

Occupational disease (RL 656.802-804)

Benefits provided (RL 656.202, .204, .206,
.208, .210, .211, .212, .214, .216, .245,
.258)

Workers Compensation Handicapped Workers
Program (RL 656.628)

Federal workers compensation laws

Federal Employers Liability Act (FELA)
(45 USC 51-60)

U.S. Longshore and Harbor Workers
Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

9.2 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

Foreign coverage

9.3 Premium computations

Job classification

Rates

Payroll

Adjustment upon audit

Experience modification factor

Premium discounts

9.4 Other sources of coverage

Oregon Workers Compensation Fund Insurance Plan
(RL 656.730; OAR 836-043-0001-0091)

Self-insured employers and employer groups
(RL 656.403, .407)

10.0 Other Coverages and Options 6%

10.1 Umbrella/excess liability policies

Personal (DL 98 01)

Commercial (CU 00 01)

10.2 Specialty liability insurance

Errors and omissions

Directors and officers liability

Fiduciary liability

Liquor liability

Employment practices liability

10.3 Surplus lines

- Definitions and markets
- Licensing requirements

10.4 Surety bonds

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

10.5 Aviation insurance

- Aircraft hull
- Aircraft liability

10.6 Ocean marine insurance

- Major coverages
 - Hull insurance
 - Cargo insurance
 - Freight insurance
- Protection and indemnity

10.7 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

10.8 Other policies

- Boatowners
- Difference in conditions

10.9 Residual markets

- Joint Underwriting Association
(735.200-.260; 737.390)
- Oregon FAIR Plan Association
(735.005, .015, .045)