

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 Producer's Examination for Casualty Insurance Series 12-13

100 questions – Two-hour time limit

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

1.0 Insurance Regulation 11%

1.1 Licensing

Purpose

Process (744.058, .059, .062)

Types of licensees

Producers (744.052, .053)

Consultants (744.605, .609, .626;
OAR 836-071-0150)

Adjusters (744.531)

Nonresidents (744.063)

Temporary (744.073)

Maintenance and duration

Renewal and nonrenewal (744.072, .074)

Continuing education requirements
(744.072(4); OAR 836-071-0215–0250)

Reinstatement (744.018, .072(6))

Assumed business name (744.028(2), .068)

Change of address or telephone number
(744.028(1), .068)

Reporting of actions (744.089)

Disciplinary actions

Cease and desist orders (731.252)

License probation, suspension, revocation or
refusal to issue or renew (744.074)

Civil penalty (731.988)

Criminal penalty (733.992)

1.2 State regulation

Director's general duties and powers (731.236)

Company regulation

Solvency (731.554(6))

Producer appointment (744.078)

Termination of appointment (744.079, .081)

Unfair claim settlement practices (746.230;
OAR 836-080-0205–0250)

Producer regulation

Fiduciary and trust account responsibilities
(744.083; OAR 836-074-0020–0050)

Place of business/records maintenance
(744.068)

Controlled business (746.065, .160)

Shared commissions (744.076, .077;
OAR 836-071-0269–0277)

Unfair trade practices

Misrepresentation (746.075, .100)

False advertising (746.110;
OAR 836-080-0155)

Rebating (746.045)

Unfair discrimination (746.015;
OAR 836-081-0005 and 0010)

Illegal inducement (746.035)

Examination of records (744.068(2, 3))

Privacy of Consumer Information (746.620)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements including 1033 waiver
(18 USC 1033, 1034)

2.0 General Insurance 11%

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 13%

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 and additional

Policy period

Policy territory

Cancellation and nonrenewal

Deductibles

Other insurance

Nonconcurrency

Primary and excess

Limits of liability

Per occurrence (accident)

Per person

Aggregate—general versus products—completed operations

Split

Combined single

Policy limits

Named insured provisions

Duties after loss

Assignment

Insurer provisions

Liberalization

Subrogation

Duty to defend

3.4 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)

Binders (742.043)

Rates (737.025, .310)

Policy forms (742.003)

Suit against insurer (742.240)

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

Unfair discrimination (746.018)

Terrorism Risk Insurance Act of 2002 and Extension
Act of 2005 (15 USC 6701; Public Law 109–144)

4.0 Homeowners ('00) Policy 14%

4.1 Coverage forms

HO-2 through HO-6

HO-8

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 — Oregon (HO 01 36)

Limited fungi, wet or dry rot, or bacteria coverage
(HO 04 26, HO 04 27)
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)

5.0 Auto Insurance 14%

5.1 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)

5.2 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)

5.3 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
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)
Individual named insured (CA 99 17)
Commercial carrier regulations
The Motor Carrier Act of 1980
Endorsement for motor carrier policies of
insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP) 10%

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 ('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
Pollution liability coverage form (CG 00 39)

6.3 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)
Guests' property (CR 04 11)

6.4 Farm coverage

Farm liability coverage form ('06)
Coverage H — Bodily injury and property damage liability
Coverage I — Personal and advertising injury liability
Coverage J — Medical payments

Definitions

Exclusions

Limits

Additional coverages

7.0 Businessowners ('06) 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 9%

8.1 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)

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 computations

Job classification
Rates
Payroll
Adjustment upon audit
Experience modification factor
Premium discounts

8.4 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)

9.0 Other Coverages and Options 8%

9.1 Umbrella/excess liability policies

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

9.2 Specialty liability insurance

Errors and omissions
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 and surety
Contract bonds
License and permit bonds
Judicial bonds

9.5 Aviation insurance

Aircraft liability

9.6 Ocean marine insurance

Major coverages
Protection and indemnity

9.7 Other policies

Boatowners