

# Your Exam Content Outline

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

## Louisiana Examination for Comprehensive Adjuster Series 14-18

150 questions – 2.5-hour time limit

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements (22:1663, 1666, 1668)

- Types of licenses (22:1665, 1666, 1670)
  - Resident versus nonresident (22:1665, 1670)
  - Limited (22:1666)
- Maintenance and duration
  - Expiration (22:1671(B)(1))
  - Renewal (22:1671(B)(2))
  - Change of address (22:1671(C))
  - Assumed names (22:1671(C))
  - Reporting of actions (22:1677)
  - Continuing education requirements (22:1673)
- Disciplinary actions
  - Hearings (22:1672(B))
  - Cease and desist order (22:1969)
  - License denial, nonrenewal, or revocation (22:1672)
  - Penalties with or without suspension of license (22:1672(A))
- Definitions
  - Adjuster (22:1661(1))
  - Business entity (22:1661(2))
  - Home state (22:1661(4))
  - Individual (22:1661(5))
  - Insurer (22:1661(6))
  - Person (22:1661(7))
  - Uniform individual application (22:1661(8))
  - Uniform business entity application (22:1661(9))

#### 1.2 Claim settlement laws and regulations (22:1964(14))

- Unfair claims settlement practices
- Prompt payment of claims
- Notice of settlement of liability claims

#### 1.3 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
- Referral practices (22:1676)
- Unfair trade practices (22:1674)
  - Unlicensed representation (22:1674(A))

- Financial interest (22:1674(B))
- Acquisition of salvage property (22:1674(C))
- Solicitation (22:1674(D),(E))
- Misrepresentation (22:1674(F))

#### 1.4 Federal regulation

- Fraud and false statements (18 USC 1033, 1034)

### 2.0 Contracts 5%

#### 2.1 Elements of a legal contract

- Offer and acceptance
- Consideration
- Competent parties
- Legal purpose

#### 2.2 Distinct characteristics of an insurance contract

- Contract of adhesion
- Aleatory contract
- Personal contract
- Unilateral contract
- Conditional contract

#### 2.3 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 5%

#### 3.1 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

### 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

Restoration/nonreduction of limits

Coinsurance

Vacancy or unoccupancy

Named insured provisions

Duties after loss

Assignment

Abandonment

Insurer provisions

Liberalization

Subrogation

Salvage (LRS 22:1292)

Claim settlement options

Duty to defend

Third-party provisions

Standard mortgage clause

Loss payable clause

No benefit to bailee

### 3.4 Louisiana laws, regulations and required provisions

Louisiana Valued Policy Law (22:1318)

Louisiana standard fire insurance policy (22:1311)

## 4.0 Adjusting Losses 25%

### 4.1 Role of the adjuster

Duties and responsibilities

Good faith (LRS 22:1973)

Immediate contact rule

(LRS 22:1672(A)(17), 1892)

Staff and independent versus public adjuster

Relationship to legal profession

### 4.2 Claim reporting

Claims investigation

Claim file documentation of events

Types of reports

Initial or first field

Interim or status

Full formal

Adjuster versus appraiser

### 4.3 Property losses

Coverage territory

Who is an insured

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 (LRS 22:1893)

Burden of proof of value and loss

Estimates

Depreciation

Salvage

Claim settlement options

Payment and discharge

### 4.4 Liability losses

Investigation procedures

Verify coverage

Determine liability

Gathering evidence

Physical evidence

Witness statements

Determining value of intangible damages

### 4.5 Coverage problems

Dealing with coverage disputes

Reservation of rights letter

Nonwaiver agreement

### 4.6 Claims adjustment procedures

Settlement procedures

Advance payments

Draft authority

Execution of releases

Subrogation procedures

Alternative dispute resolution

Appraisal

Competitive estimates

Mediation

Negotiation

## **5.0 Dwelling Policy ('93) (Louisiana-Specific) 10%**

### **5.1 Characteristics and purpose**

### **5.2 Coverage forms — Perils insured against**

Basic  
Broad  
Special

### **5.3 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

### **5.4 General exclusions**

### **5.5 Conditions**

## **6.0 Homeowners ('00) Policy 10%**

### **6.1 Coverage forms**

HO-2 through HO-6  
HO-8

### **6.2 Definitions**

### **6.3 Section I — Property coverages**

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

### **6.4 Section II — Liability coverages**

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

### **6.5 Perils insured against**

### **6.6 Exclusions**

### **6.7 Conditions**

### **6.8 Selected endorsements**

Special provisions — Louisiana (HO 01 17)  
Limited fungi, wet or dry rot, or bacteria coverage  
— Louisiana (HO 03 41, HO 03 42)  
Permitted incidental occupancies (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Ordinance or law (HO 04 77)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)  
Business pursuits (HO 24 71)  
Watercraft (HO 24 75)  
Personal injury — Louisiana (HO 24 81)

## **7.0 Auto Insurance 10%**

### **7.1 Laws**

Louisiana Motor Vehicle Safety Responsibility Law  
(LRS 32:853–1043)  
Required limits of liability (LRS 32:900)  
Louisiana Automobile Insurance Plan  
(LRS 32:1043)  
Uninsured/underinsured motorist (LRS 22:1295)

Definitions — UM/UIM

Bodily injury

Property damage

UM/UIM selection/rejection form

Required limits

Aftermarket crash parts regulation

(LRS 51:2421–2425)

Temporary, substitute, loaner, and rental vehicles

(LRS 22:1291, 1296)

Louisiana Towing and Storage (LRS 22:1292)

### **7.2 Personal auto ('05) policy**

Definitions — Private passenger auto

Liability coverage

Insuring agreement

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured/underinsured motorist coverage

Coverage for damage to your auto

Insuring agreement

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Other coverages

Rental reimbursement

Accidental death

Duties after an accident or loss

Notice of loss to insurer

Minimizing the loss

Proof of loss

General provisions

Selected endorsements

Amendment of policy provisions—Louisiana  
(PP 01 95)

Towing and labor costs (PP 03 03)

Extended non-owned coverage (PP 03 06)

Miscellaneous type vehicle (PP 03 23)

Joint ownership coverage (PP 03 34)

Named driver exclusion (PP 13 43)

### **7.3 Commercial auto ('06) policy**

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 — Commercial auto

Selected endorsements

- Louisiana – lessor – additional insured and loss payee (CA 04 13)
- 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)

- Spoilage (CP 04 40)
- Peak season limit of insurance (CP 12 30)
- Value reporting form (CP 13 10)

#### **8.4 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 coverage
  - Extortion — commercial entities (CR 04 03)

#### **8.5 Commercial inland marine**

- Commercial inland marine conditions form
- Inland marine coverage forms
  - Accounts receivable
  - Bailee's customers
  - 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

#### **8.6 Equipment breakdown ('08)**

- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsement
  - Actual cash value (EB 99 59)

#### **8.7 Farm coverage ('88)**

- Farm property coverage forms
  - Coverage A — Dwellings
  - Coverage B — Other private structures
  - Coverage C — Household personal property
  - Coverage D — Loss of use
  - Coverage E — Scheduled farm personal property
  - Coverage F — Unscheduled farm personal property

### **8.0 Commercial Package Policy (CPP) 10%**

#### **8.1 Components of a commercial policy**

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

#### **8.2 Commercial general liability ('07)**

- Commercial general liability coverage forms
  - Bodily injury and property damage liability
  - Personal and advertising injury liability
  - Medical payments
  - Exclusions
  - Supplementary payments
  - Who is an insured
  - Limits of insurance
  - Conditions
  - Definitions
- 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
  - Pollution liability limited coverage form
  - Pollution liability coverage extension endorsement

#### **8.3 Commercial property ('02)**

- Commercial property conditions form
- Coverage forms
  - Building and personal property
  - Condominium association
  - Condominium commercial unit-owners
  - Builders risk
  - Business income/interruption
  - Legal liability
  - Extra expense
- Causes of loss forms
  - Basic
  - Broad
  - Special
- Selected endorsements
  - Ordinance or law (CP 04 05)

- Coverage G — Other farm structures
- Farm liability coverage forms
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal and advertising injury liability
  - Coverage J — Medical payments
- Livestock coverage form
- Mobile agricultural machinery and equipment coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

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

- 9.1 Characteristics and purpose**
- 9.2 Businessowners Section I — Property**
  - Coverage
  - Exclusions
  - Limits of insurance
  - Deductibles
  - Loss conditions
  - General conditions
  - Optional coverages
  - Definitions
- 9.3 Businessowners Section II — Liability**
  - Coverages
  - Exclusions
  - Who is an insured
  - Limits of insurance
  - General conditions
  - Definitions
- 9.4 Businessowners Section III — Common Policy Conditions**
- 9.5 Selected endorsements**
  - Louisiana changes (BP 01 30)
  - Protective safeguards (BP 04 30)
  - Utility services — direct damage (BP 04 56)
  - Utility services — time element (BP 04 57)

## **10.0 Other Coverages and Options 5%**

- 10.1 Umbrella policies**
  - Personal (DL 98 01)
  - Commercial (CU 00 01)
- 10.2 Surplus lines**
  - Definitions and markets
  - Licensing requirements
- 10.3 Ocean marine insurance**
  - Major coverages
    - Hull insurance
    - Cargo insurance
    - Freight insurance
  - Implied warranties
  - Perils
  - General and particular average
- 10.4 National Flood Insurance Program**
  - "Write your own" versus direct
  - Eligibility
  - Coverage
  - Limits
  - Deductibles
- 10.5 Other policies**
  - Aircraft hull
  - Boatowners
  - Difference in conditions
  - Inland marine
- 10.6 Residual markets**
  - Louisiana Citizens Property Insurance Corporation (LRS 22:2291–2315)
  - FAIR and Coastal Plans (LRS 22:15, 16, 2321)