

Your Exam Content Outline

The following outline describes the content of one of the South Carolina 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.

South Carolina Producer's Examination for Crop Insurance Series 19-22

50 questions – One-hour time limit

1.0 Insurance Regulation 15%

1.1 Licensing

- Process (38-43-100)
- Types of licensees
 - Producer (38-43-10, 30)
 - Nonresident (38-43-70)
 - Temporary (38-43-102)
- Maintenance and duration (38-43-110)
 - Reinstatement (38-43-110(B))
 - Reporting of actions (38-43-247)
 - Change of address (38-43-107)
 - Assumed names (38-43-10(C))
 - Continuing education (38-43-106)
- Disciplinary actions
 - Cease and desist order (38-57-200, 230)
 - Hearings (38-3-170; 38-57-200)
 - Penalties (38-2-10–30, 38-43-130)

1.2 State regulation

- Director's general duties and powers (38-3-60, 110)
- Company regulation
 - Certificate of authority (38-5-80)
 - Solvency (38-5-120)
 - Rates (38-3-110)
 - Policy forms (38-61-20)
 - Unfair claims settlement practices (38-59-20)
 - Examination of books and records (38-13-10–30)
 - Appointment (38-43-40, 50)
 - Termination of appointment (38-43-55)
- Producer regulation
 - Records maintenance (38-43-250)
 - Failure to act as fiduciary (38-43-240)
 - Blank forms (38-43-260)
 - Sharing commissions (38-43-200)
 - Representing an unauthorized insurer (38-43-160–180)
- Unfair and prohibited practices
 - Misrepresentation (38-57-40)
 - False advertising (38-57-50)
 - Defamation (38-57-90)

- Boycott, coercion and intimidation (38-57-100)
- False financial statements (38-57-80)
- Unfair discrimination (38-55-50)
- Rebating (38-57-130)
- Twisting (38-57-60)
- Prohibited inducements (38-57-130, 150)
- Insurance fraud act (38-55-510–590)
- Consumer information privacy regulation (Reg 69-58 Sec 1–16)

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
 - Lloyd's associations
 - Risk retention groups
 - Captive companies (Title 38, Ch 90)
- 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

- 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 Crop Insurance 25%

3.1 Eligibility

- Insureds
- Insurable crops

3.2 Application

- Binder
- Declarations section
- Required signatures
- Required information

3.3 Terms of coverage

- Effective date
- Inception of coverage
- Expiration
- Cancellation

3.4 Perils insured against

3.5 Exclusions

3.6 Limits of coverage

- Insurable value
- Percentage plan
- Deductibles
- Reduction of insurance

3.7 Other provisions

- Replanting clause
- Acreage variation
- Transit coverage
- Fire department service charge
- Pro rata liability clause
- Fire and lightning coverage
- Windrowed crops
- Assignment
- Subrogation

3.8 Claim settlement practices

- Notice of loss
- Insured's duties after loss
- Appraisal/arbitration

3.9 Mandatory endorsements

- NCIS — 444 Truck and Vine Crops
- NCIS — 578 Tree Fruits
- NCIS — 678 Field Diagram

4.0 Federal Multi-Peril Crop Insurance Programs 50%

4.1 Basic crop insurance

- Eligibility
 - Insureds
 - Insurable crops
- Actuarial document books
- Yield guarantee
 - Actual production history (APH)
 - Assigned yield
 - Transitional yield
- Coverage level
- Market price percentage
- Covered causes of loss
- Application
 - Basic unit
 - Administrative fee
 - Production records
 - Acreage reporting
 - Disqualification of producer
- Life of policy
 - Continuous
 - Cancellation
 - Termination

4.2 Multiple peril policy options

- Levels of coverage
- Price election
- Optional units
- High-risk land exclusion
- Hail/fire exclusion
- Replant payments
- Late planting coverage
- Prevented planting coverage
- Transfer of coverage
- Assignment of indemnity
- Subrogation

4.3 Other provisions

- Individual crop
- Small grain
- Coarse grain
- Priorities of conflicts between provisions
- Duties after loss
 - Insured
 - Insurer

4.4 Additional programs

- Group Risk Plan (GRP)
- County expected yield
- County average yield
- Eligible crops