

# 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 Title Insurance Series 14-11

50 questions – One-hour time limit

### 1.0 Insurance Regulation 12%

#### 1.1 Licensing

- Types of licensees (22:1547, 1962(F))
  - Individual producer (22:1542(6), 1546(A))
  - Business entity (22:1542(2), 1546(B))
  - Resident versus nonresident (22:1546, 1548, 1560)
  - Temporary (22:1553)
- Maintenance and duration
  - Expiration (22:1547(B))
  - Renewal (22:1547(C))
  - Change of address (22:1547(G))
  - Assumed names (22:1552)
  - Reporting of actions (22:1563)
  - Continuing education requirements (22:1573; Rule 10 Sec 703, 705)
- Disciplinary actions
  - Hearings (22:1968, 2191–2208)
  - Cease and desist order (22:1969)
  - License probation, suspension, revocation, or refusal to issue or renew (22:1554)
  - Penalties with or without suspension of license (22:1969, 1970)

#### 1.2 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
  - Certificate of authority (22:37, 65)
  - Unfair claims settlement practices (22:1964(14))
  - Appointment (22:1558)
  - Termination of appointment (22:1559)
- Producer regulation
  - Controlled business (22:1544(C))
  - Shared commissions (22:1557)
  - Payment to unlicensed entities (22:1562)
- Unfair trade practices (22:1964)
  - Misrepresentation (22:1964(1, 18))
  - False advertising (22:1964(2))
  - Defamation (22:1964(3))
  - Boycott, coercion and intimidation (22:1964(4))
  - False financial statements (22:1964(5))

- Unfair discrimination (22:1964(7))
- Rebating (22:1964(8))
- Examination of books and records (22:1967, 1981, 1990)
- Insurance fraud (22:1964(13), 1921–1929)
- Privacy of Consumer Financial Information (Reg 76 Sec 9901–.9953)

#### 1.3 Federal regulation

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

### 2.0 General Insurance 12%

#### 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
  - Insurable interest
  - Law of large numbers
  - Reinsurance

#### 2.2 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

#### 2.3 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 Real Property 25%**

#### **3.1 Concepts, principles and practices**

- Definition of real property
- Types of real property
- Title to real property
- Marketable title

#### **3.2 Acquisition and transfer of real property**

- Bond for deed
- Conveyances
- Encumbrances
- Adverse possession
- Expropriation
- Alluvion/dereliction
- Involuntary alienation
- Abandonment
- Foreclosures (judicial and dation en paiement)
- Menonite notice
- Judicial sales
- Claims
- Bankruptcies
- Probates
- Decedents' estates
  - Intestate
  - Testate
- Trusts
- Types of joint ownership
  - Community property
  - Joint ownership
- Acknowledgments
- Legal capacity of parties
  - Individuals
  - Corporations
  - General partnerships
  - Limited partnerships
  - Fictitious names
  - Trust agreements
  - Limited Liability Company (LLC)

#### **3.3 Legal descriptions**

- Types of legal descriptions
- Types of measurements used
- Language of legal descriptions
- Structure and format
- Interpretation

#### **3.4 Escrow principles**

- Escrow terminology
- Types of escrows

- Escrow contracts
- Fiduciary responsibilities of escrow agents (22:532)

#### **3.5 Recording**

- Types of records
- Types of recording systems
- Requirements to record
- Recording steps
- Acknowledgments
- Presumptions

### **4.0 Title Insurance 24%**

#### **4.1 Louisiana laws**

- Title agent requirements (22:517, 518)
- Agent contracts (22:520)
- Policyholder rights and disclosure (22:531)

#### **4.2 Title insurance principles**

- Risks covered by title insurance
  - Risk of error in public records
  - Hidden off-record title risks
  - Risk of omission and commission by agent
- Entities that can be insured; need for insurance
  - Individual
  - Commercial
- Interests that can be insured
  - Fee simple estates
  - Leasehold estates
  - Servitudes
- Title insurance forms
  - Commitments
  - Owner's policy
  - Loan policy
  - Leasehold policies
- Title insurance policy structure and provisions
  - Insuring provisions
  - Schedule A
  - Schedule B — Exceptions from coverage
  - Exclusions from coverage
  - Conditions and stipulations
  - Endorsements

#### **4.3 Title searching techniques**

- Hard copy index
- Computer index
- Chain sheet
- Abstract

### **5.0 Title Exceptions and Procedures for Clearing Title 27%**

#### **5.1 Principles and concepts**

- General exceptions
- Voluntary and involuntary liens
- Judgments
- Federal liens
- Taxes, assessments and tax sales
- Surveys
- Condominiums
- Water rights
- Mineral rights
- Equitable interests

- Attachments
- Executions
- Covenants
- Conditions
- Restrictions

**5.2 Special problem areas and concerns**

- Redhibition
- Acknowledgments
- Building contract (two distinct entities)
- Mechanic's lien
- Bankruptcy
- Probate
- Good faith
- Foreclosure
- Claims against the title
- Lis pendens
- Louisiana community property principles

**5.3 Principles of clearing title**

- Releases
- Mortgage cancellation by financial institution
- Assignments
- Subordinations
- Affidavits

**5.4 Settlement or closing procedures**

- Real Estate Settlement Procedures Act (RESPA)
- Insured closing protection
- Lead paint disclosure