

YOUR EXAM CONTENT OUTLINE

for examinations on or after March 1, 2006.

If you do not receive all three pages of this outline, please contact Prometric.

The following outline describes the content of one of the New Hampshire 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.

New Hampshire Producer's Examination for Personal Lines Insurance

Series 12-86

100 questions – Two-hour time limit

1.0 Insurance Regulation 11%

1.1 Licensing

Process (402-J:5, 6)

Types of licensees

Producer (402-J:2, 14)

Producer with appointment (402-J:14)

Business entity (402-J:6)

Financial institutions (406-C:1–19)

Resident versus nonresident
(402-J:8, 16; Reg 1301.06)

Temporary (402-J:11)

Maintenance and duration

Renewal (402-J:7(II–IV))

Change of address (402-J:7(VI))

Reporting of actions (402-J:17)

Assumed names (402-J:10)

Continuing education requirements
(Reg 1302.04)

Disciplinary actions

Cease and desist order (417:12)

Denial, suspension or revocation
(402:49; 402-J:12)

Penalties and fines (400-A:15(III); 402:42, 48;
402-J:12(IV); 417:10, 13)

1.2 State regulation

Commissioner's general duties and powers
(400-A:3, 15, 417:5, 14)

Company regulation

Producer appointment (402-J:14)

Termination of appointment (402-J:15)

Producer regulation

Acting without a license (402-J:13)

Commissions (402-J:13)

Conversion of funds by producer (402:53)

Controlled business (402:74)

License to transact business (402:12)

Unfair claim settlement practices
(417:4(XV); Reg 1001.01–.16)

Unfair insurance trade practices

Misrepresentation (402:46; 417:4(I, II))

Twisting (402:47; 417:4(I))

False information and advertising (417:4(III))

Defamation (417:4(IV))

Boycott, coercion and intimidation (417:4(V))

Illegal inducement (417:4(VII))

Unfair discrimination (417:4(VIII))

Rebating (402:39–41; 417:4(IX))

Examination of books and records (400-A:37)

Insurance fraud regulation

(400-A:36-b(II); 417:23; RL 638:20)

Consumer privacy regulation (Reg. 3001–3006)

1.3 Federal regulation

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

Fraud and false statements (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

Surplus lines

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
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 17%

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
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
Limits of liability
Per occurrence (accident)
Per person
Split
Combined single
Restoration/nonreduction of limits
Coinsurance
Vacancy or unoccupancy
Named insured provisions
Duties after loss
Assignment
Abandonment
Insurer provisions
Liberalization
Subrogation
Salvage
Claim settlement options
Duty to defend
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee

3.4 New Hampshire laws, regulations and required provisions

New Hampshire Valued Policy Law (407:11)
New Hampshire Insurance Guaranty Association (404-B)
Standard fire policy (407:1-2-a, 22)

Cancellation and nonrenewal (417-B)
Binders (407:6)
Concealment, misrepresentation or fraud
(407:22; RL 638:20)
Claim settlement (407:12; Reg 1001.02)

4.0 Dwelling ('89) Policy 10%

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 — New Hampshire (DP 01 28)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)

5.0 Homeowners ('00) Policy 22%

5.1 Coverage forms

HO-2 through HO-6

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 — New Hampshire (HO 01 28)
Limited fungi, wet or dry rot, or bacteria coverage
(HO 04 26, HO 04 27)
Permitted incidental occupancies (HO 04 42)
Earthquake (HO 04 54)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)

6.0 Auto Insurance 22%

6.1 Laws

New Hampshire Motor Vehicle Financial
Responsibility Law
Required limits of liability (RL 259:61, 264:20)
New Hampshire Automobile Reinsurance Facility
Plan (Reg 1405)
Uninsured/underinsured motorist (RL 264:15)
Definitions
Bodily injury
Required limits
Cancellation/nonrenewal (417-A)
Grounds
Notice
Notice of eligibility in Automobile Reinsurance
Facility Plan (417-A:5(V))
Residency statement (417-A:3-b)
Medical costs coverage (RL 264:16)
After market parts regulation (407-D)

6.2 Personal ('98) auto policy

Definitions

Liability coverage

Bodily injury and property damage
Supplementary payments
Exclusions

Medical payments

Uninsured motorist

Coverage for damage to your auto

Collision
Other than collision
Deductibles
Transportation expense
Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Amendment of policy provisions — New
Hampshire (PP 01 76)
Towing and labor costs (PP 03 03)
Extended non-owned coverage for named
individual (PP 03 06)
Miscellaneous type vehicle (PP 03 23)
Joint ownership coverage (PP 03 34)

7.0 Other Coverages and Options 7%

7.1 Umbrella/excess liability policies

Personal (DL 98 01)

7.2 National Flood Insurance Program

"Write your own" versus government
Eligibility
Coverage
Limits
Deductibles

7.3 Other policies

Boatowners