

Your Exam Content Outline

For examinations on and after July 1, 2007

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

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

Series 16-11
Pennsylvania Public Adjuster and Public Adjuster Solicitor Examination

100 questions – Two-hour time limit

1.0 Insurance Regulation 13%

1.1 Licensing requirements

Qualifications (63 P.S. § 1602;
31 Pa. Code Ch. 115.11-.13)
Fees (63 P.S. § 1603)
Surety bond (63 P.S. § 1604)

1.2 Maintenance and duration

Renewal (31 Pa. Code Ch. 115.21)
Contract requirements (63 P.S. § 1605;
31 Pa. Code Ch. 115.1-.3)
Change of address (40 P.S. § 310.11(19))

1.3 Disciplinary actions

Cease and desist orders (40 P.S. §§ 1171.8-.10)
Suspension and revocation (63 P.S. § 1606)
Penalties (63 P.S. § 1606)

1.4 Claim settlement laws and regulations

**(40 P.S. §§ 1171.1-.11, .13;
31 Pa. Code Ch. 146.1-.10)**

1.5 Role of the adjuster

Duties and responsibilities
Independent adjuster versus public adjuster
Public adjuster versus public adjuster solicitor
Relationship to the legal profession

1.6 Federal regulation

Fraud and false statements (18 USC 1033, 1034)

2.0 Insurance Basics 17%

2.1 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

2.2 Insurance principles and concepts

Insurable interest
Hazards
Physical
Moral
Morale
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

2.3 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements

2.4 Common policy provisions

Insureds — named, first named, additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata

- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Liberalization
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

2.5 Pennsylvania laws, regulations and required provisions

- Pennsylvania Property and Casualty Insurance Guaranty Association (40 P.S. §§ 991.1801-.1820)
- Standard fire policy (40 P.S. § 636)
- Cancellation and nonrenewal
 - Private residential (40 P.S. § 1171.5(a)(9); 31 Pa. Code Ch. 59)
 - Commercial (40 P.S. §§ 3401-3407; 31 Pa. Code Ch. 113.81-.88)
 - Basic property insurance — death of named insured (40 P.S. § 636.1)
- Binders (40 P.S. § 636)
- Insurance consultation services exemption (40 P.S. §§ 1841-1844)
- Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (15 USC 6701; Public Law 109-144)

3.0 Adjusting Losses 18%

3.1 Property losses

- 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
 - Burden of proof of value and loss
 - Estimates
 - Depreciation
 - Salvage
- Claim settlement options
- Payment and discharge

3.2 Coverage problems

- Waiver and estoppel
- Dealing with coverage disputes
 - Reservation of rights letter
 - Nonwaiver agreement
 - Declaratory judgment action

3.3 Claims adjustment procedures

- Settlement procedures
 - Advance payments
 - Draft authority
 - Execution of releases
- Subrogation procedures
- Alternative dispute resolution

- Appraisal
- Arbitration
- Competitive estimates
- Mediation
- Negotiation

4.0 Dwelling ('02) Policy 3%

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 — Pennsylvania (DP 01 37)
- Automatic increase in insurance (DP 04 11)
- Broad theft coverage (DP 04 72)
- Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('01 PA Version) Policy — Section I 11%

5.1 Coverage forms

- HO-2 through HO-6
- HO-8

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 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements

- Special provisions — Pennsylvania (HO 01 37)
- Limited fungi, wet or dry rot, or bacteria (HO 04 26, HO 04 27)
- Permitted incidental occupancies (HO 04 42)
- Scheduled personal property (HO 04 61)
- Home day care (HO 04 97)
- Personal property replacement cost — Pennsylvania (HO 23 63)

6.0 Commercial Package Policy (CPP) 16%

6.1 Components of a commercial policy

- Common policy declarations
- Common policy conditions
- Interline endorsements

One or more coverage parts

6.2 Commercial property ('02)

Commercial property conditions form

Coverage forms

- Building and personal property
- Condominium association
- Condominium commercial unit-owners
- Builders risk
- Business income
- Legal liability
- Extra expense

Causes of loss

- Basic
- Broad
- Special

Selected endorsements

- Ordinance or law (CP 04 05)
- Spoilage (CP 04 40)
- Peak season limit of insurance (CP 12 30)
- Value reporting form (CP 13 10)

6.3 Commercial inland marine

Nationwide marine definition

Commercial inland marine conditions form

Inland marine coverage forms

- Accounts receivable
- Bailee's customer
- 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

6.4 Boiler and machinery ('01)

Equipment breakdown protection coverage form
(BM 00 20)

Selected endorsements

- Business income — Report of values
(BM 15 31)
- Actual cash value (BM 99 59)

6.5 Farm coverage

Farm property coverage form ('03)

- 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
- Coverage G — Other farm structures

Livestock coverage form

Mobile agricultural machinery and equipment coverage form

Definitions

Causes of loss (basic, broad and special)

Conditions

Exclusions

Limits

Additional coverages

7.0 Businessowners ('06) Policy — Property 12%

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property

Coverage

Exclusions

Limits of insurance

Deductibles

Loss conditions

General conditions

Optional coverages

Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

Protective safeguards (BP 04 30)

Utility services — direct damage (BP 04 56)

Utility services — time element (BP 04 57)

8.0 Other Coverages and Options 10%

8.1 National Flood Insurance Program

"Write your own" versus government

Eligibility

Coverage

Limits

Deductibles

8.2 Ocean marine insurance

Major coverages

Hull insurance

Cargo insurance

Freight insurance

Implied warranties

Perils

General and particular average

8.3 Other policies

Aircraft hull

Boatowners

Difference in conditions

Federal Crop Insurance (RMA)