

# VERMONT

*Department of Banking,  
Insurance, Securities and Health  
Care Administration*

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## *Licensing Information Bulletin*

For examinations on and after March 1, 2008

*Register online at  
[www.prometric.com/vermont](http://www.prometric.com/vermont)*

*Published by*

PROMETRIC 

***Providing License Examinations for the State of Vermont***

800.868.6113 • Fax: 800.347.9242 • TDD: 800.790.3926 • [www.prometric.com/vermont](http://www.prometric.com/vermont)

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# Introduction

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## *A message from the Department*

This bulletin provides you with information about the process of taking an examination and becoming licensed by the Vermont Department of Banking, Insurance, Securities and Health Care Administration (the Department). It also contains information that is useful **after** you become licensed. We suggest you keep this bulletin for future reference.

The Department has contracted with Prometric Inc., to conduct its examination program. We wish you well in preparing for your examination and remind you that by law Producers and Workers' Compensation Adjusters are required to continue your insurance education after becoming licensed.

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## *At a glance*

Follow these steps if you are interested in obtaining an insurance license.



### *To obtain your insurance license*

- 1 Review this bulletin thoroughly to determine any exams needed and other license requirements.
- 2 Contact Prometric to register and pay for your exam and to schedule an appointment to take it.  
The easiest way to register is online at [www.prometric.com/vermont](http://www.prometric.com/vermont). Phone, fax and mail options are also available. (See Page 7.)
- 3 Prepare for your exam, using this bulletin and materials from other sources.  
The content outlines in this bulletin are the basis for the exams. (See Page 16.)
- 4 Take the scheduled exam, bringing required identification to the test center.  
You will receive your results immediately after the exam. If you pass, go on to step 5. If you do not pass, repeat steps 2 through 4 until you do.
- 5 Apply for your license through the Department. (For details, see Page 14.)



### *To get answers not provided in this bulletin*

Direct all questions and requests for information about exams to:

**Prometric**

Phone: 800.868.6113

Fax: 800.347.9242

TDD User: 800.790.3926

Visit our Web site at [www.prometric.com/vermont](http://www.prometric.com/vermont)

Direct applications and questions about licensure to:

**Vermont Department of Banking, Insurance, Securities and  
Health Care Administration**

89 Main Street

Montpelier, VT 05620-3101

Phone: 802.828.3303

Visit the Department's Web site at [www.bishca.state.vt.us](http://www.bishca.state.vt.us)

## Understanding license requirements

Generally, to be licensed, you must:

- Pass the required examination(s) for the type of license you are seeking (see chart on Page 3); and
- Apply for a license by submitting the appropriate fee and forms to the Department (see Page 14).



**Important** Passing an exam does not guarantee that you will be issued a license. You **must** submit your license application, appropriate fees and all supporting documentation to the Department. Issuance of a license depends on review and approval of all license application materials.

### Types of licenses

Pursuant to Vermont Statutes Annotated Title 8, Chapter 131, the Department is authorized to issue the license types listed below to qualified candidates to sell or provide insurance services and products in Vermont. Each license granted by the Department is valid only for the line/lines of authority named on the license.

**Insurance Producer.** Any individual who intends to sell, solicit or negotiate insurance. An insurance producer must be appointed by an insurer if the producer intends to act as an agent of the insurer.

**Surplus Lines Insurance Broker.** Any individual who solicits, negotiates or procures a policy of insurance in an insurance company not licensed to transact business in this state, which cannot be procured from insurers licensed to do business in this state.

**Limited Lines Producer.** Any individual or partnership who is authorized by the Commissioner to solicit or negotiate contracts for a particular line of insurance or for certain restricted activities that the Commissioner may by regulation deem essential for the transaction of business in this state and that does not require the professional competency demanded for an insurance producer's license.

**Consultant.** Any individual who, for a fee, holds himself or herself out to the public as engaged in the business of offering any advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised under any policy of insurance that could be issued in this state.

**Adjuster.** Any individual who investigates claims and negotiates settlement of claims arising under policies of insurance on the behalf of insurers under such policies, or who advertises or solicits business from insurers as an adjuster. (This does not include lawyers settling claims of clients' officials or employees of a domestic fire or casualty insurance company, or duly licensed resident agent of a domestic or duly licensed foreign insurer who is authorized by such insurer to appraise losses under policies issued by such insurer.)

**Public Adjuster.** Any individual who investigates claims and negotiates settlement of claims arising under policies of insurance on behalf of the insured under such policies, or who advertises or solicits business as such adjuster. (This does not include lawyers settling claims of clients.)

**Appraiser.** Any individual who, for compensation, appraises the loss or damage under policies of automobile insurance on behalf of the insurers under such policies. (A license as an appraiser will not be required of an official or employee of a domestic fire or casualty insurance company, or of a duly licensed resident insurance producer of a domestic or duly admitted foreign insurer who is authorized by such insurer to appraise losses under policies issued by such insurer. A license will not be required of an automobile repair shop or repair facility which makes an appraisal at the request of the insured or insurer.)

**Managing General Agent.** Any individual who manages all or part of the insurance business of an insurer and acts as a producer for such insurer, and who, either separately or together with affiliates, produces directly or indirectly and underwrites an amount of gross written premium greater than or equal to five percent of the policyholder surplus of the insurer in any one quarter or year; and adjusts or pays claims in excess of \$10,000; or negotiates reinsurance on behalf of such insurer.

**Reinsurance Intermediary Broker.** Any individual, other than an officer or employee of the ceding insurer, who solicits, negotiates or places reinsurance cessions or retro-cessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of such insurer.

**Reinsurance Intermediary Manager.** Any individual who has authority to bind or manage all or part of the assumed reinsurance business of a reinsurer, including the management of a separate division, department or underwriting office, and acts as a producer for such reinsurer whether known as a reinsurance intermediary-manager, manager or other similar term.

**Viatical Settlement Broker.** Any individual or his or her agent who, for a fee, commission or other valuable consideration, offers or advertises the availability of viatical settlements, introduces viators to viatical settlement providers, or offers or attempts to negotiate viatical settlements between a viator and one or more viatical settlement providers. (Viatical settlement broker does not include an attorney, accountant or financial planner retained to represent the viator whose compensation is not paid by the viatical settlement provider.)

*Exam requirements based on license type*

In accordance with Vermont law, each applicant for licensing as a producer, adjuster, appraiser, public adjuster or consultant must pass an exam before being licensed by the Department. The charts below show the exam you need to pass for each license line. The "Exam content outlines" beginning on Page 16 of this bulletin will give you more details on the topics covered in each exam.

Producer Licenses	Exam Series
Life	14-25*
Accident, Health and HMO	14-27*
Life, Accident, Health and HMO	14-29*
Property and Casualty	14-31*
Property	14-41*
Casualty	14-42*
Bail Bond	14-35
Title	14-38
Variable Life and Annuity	14-25 and NASD Series 6, 7, or 63

## UNDERSTANDING LICENSE REQUIREMENTS

*\*Vermont laws and regulations are included in this exam for the Resident Producer's license. Series 14-26, 14-28, 14-30 and 14-32 are intended for candidates who have achieved a designation as outlined under Exam waivers on Page 4 of this bulletin.*

Adjuster Licenses	Exam Series
Property and Casualty	14-33
Workers' Compensation	14-34

Other Licenses	Exam Series
Motor Vehicle Damage Appraiser	14-37
Personal Lines	14-39
Travel Accident	No exam required
Travel Baggage	No exam required



**Note** The results of the combination Life, Accident, Health and HMO, and Property and Casualty examinations are reflected in one final score. You must pass the complete exam to qualify for a license. Do not schedule your examination until you are familiar with all subject areas contained in the outline.

### Exam waivers

Candidates who have achieved the CPCU designation are waived from taking the Producer's Property or Casualty exam, but are required to take Series 14-32: Producer's Property and Casualty Laws and Regulations. Candidates who have achieved the CLU designation are waived from taking the Producer's Life, and/or Accident, Health and HMO exams, but are required to take the Series 14-26: Producer's Life Laws and Regulations, Series 14-28: Producer's Accident, Health and HMO Laws and Regulations, or Series 14-30: Producer's Life, Accident, Health and HMO Laws and Regulations.

Applicants for a limited lines producer license may be waived from testing under Title 8, Vermont Statutes Annotated, Section 4813(i).

### Education, training and/or experience requirements

**Adjuster and Appraiser** applicants must have at least two years of experience in or special training handling loss claims, or, in the case of appraisers, in insurance loss appraising. The experience or training must be of sufficient duration and scope to reasonably ensure competent fulfillment of employment responsibilities. In lieu of such experience or training, applicants must be employed by or under the personal supervision of a Vermont licensed adjuster, public adjuster or appraiser in Vermont who has been licensed for not less than three years preceding the date of application. Applicants must submit Attachment #2, Required Certifications, with their application. Attachment #2 is on Page 46 of this bulletin or on the Department's Web site at [www.bishca.state.vt.us](http://www.bishca.state.vt.us). There are two separate and distinct licenses for adjusters: Property and Casualty, or Workers' Compensation. All adjusters handling workers' compensation claims must possess a Workers' Compensation adjuster license by passing the Vermont Workers' Compensation adjuster examination.

**Workers' compensation adjusters** must complete educational and training programs designated by the Commissioner. Workers' Compensation adjusters must attend one seminar administered by the Department of Labor in order to renew a license. The Department of Labor may be contacted at 802.828.2286 for study material for the Vermont Workers' Compensation adjuster license.

**Consultants** may not continue to hold a producer license once licensed as a consultant. Prior to licensure, a consultant must provide the Commissioner with a \$5,000 bond with an authorized corporate surety approved by the Commissioner. No licensed consultant may employ, be employed by, or be in partnership with nor receive any remuneration whatsoever from any licensed insurance producer, surplus lines broker, limited lines producer, or insurer arising out of his or her activities as a consultant. Prior to rendering any service, a consultant must submit for the Commissioner's approval, the written agreement intended for use with clients outlining the nature of the work to be performed and the fee.

**Limited Lines Producers** may be licensed as limited travel accident, travel baggage producers or other limited lines producer types, as determined by the Commissioner. Additional information about Limited Lines can be found on the Department's Web site at [www.bishca.state.vt.us](http://www.bishca.state.vt.us).

**Surplus Lines Brokers** must be licensed in Vermont as insurance producers qualified for the line or lines to be written. Each applicant for a Surplus Lines Broker license must have one or more years of experience as an insurance producer or comparable employment with an insurance company, agency or brokerage firm during the three years immediately preceding the date of application or such experience as the Commissioner may deem comparable. (Qualification by comparable experience must include successfully completing an examination for the applicable lines to be licensed.) Attachment #3 - Experience Affidavit (see Page 47), must be completed and submitted to the Department.

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*Licensing requirements based on residency*

This section describes licensing requirements based on where an applicant lives.

**Resident producer licensing requirements**

Vermont residents desiring any type of insurance license must be:

- 18 years of age;
- A resident of, or actually residing in, Vermont or maintains a principal place of business in this state; and;
- Deemed by the Banking, Insurance, Securities and Health Care Administration Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.



**Important** If a producer acts as an agent of an insurer, he or she must be appointed by the insurer as its agent. Individuals licensed as producers must be appointed by each insurer for whom they act as an agent.

**New resident license requirements**

If you are moving to Vermont from another state and were licensed in the previous state, you will need to obtain a letter of clearance to submit with your application within 90 days of establishing legal residency in Vermont.

### Nonresident license requirements

Nonresidents who wish to be licensed as producers, surplus lines brokers, consultants, adjusters or appraisers in Vermont must apply to the Department. Producers, consultants, adjusters and appraisers must hold a similar license for a similar line in another state or province of Canada. They must submit the Uniform Application, and, if applicable, Attachment #2 (Page 46) or Attachment #3 (Page 47) completed and a printout of the candidate's information obtained from the PDB (Producer Data Base at the NAIC). If the candidate's licensing information is not loaded to the PDB, the candidate will need to submit a Home State Certification letter no older than 90 days.



**Note** If you are seeking a nonresident Workers' Compensation adjuster license, you must take and pass the Vermont Workers' Compensation adjuster exam. You must also meet the educational or training program required by the Commissioner.

### Temporary license requirements

The Commissioner may issue a temporary insurance producer license for a period not to exceed 180 days without requiring an examination. A temporary license may be issued to the surviving spouse or court-appointed personal representative or employee, or to the administrator, executor or employee of a deceased or disabled licensed producer, to the designee of a producer who has entered active service in the armed forces of the United States of America, or in any other circumstances where the Commissioner deems that the public interest will be best served by issuing such a license.

## Scheduling your exam

Your exam will be given by computer at a Prometric testing center. The test center in Vermont is in Williston. Test centers in surrounding states can be found online at [www.prometric.com/vermont](http://www.prometric.com/vermont).

Vermont Test Site	Directions
<b>Williston</b> 600 Blair Park Road, Suite 326 Williston, VT 05495-7529 802.872.0251	Take I-89 to Essex Road (2A) and exit going north. Turn left (west) onto Williston Road (Hwy 2). Turn right on Blair Park Road.

Before you can test, you must contact Prometric to:

- 1 Register for the exam you need to take.
- 2 Pay the exam fee.
- 3 Schedule an appointment.

### Registering and scheduling exams

You are encouraged to register, pay and schedule your exam at one time using Prometric's Internet registration and scheduling system. Registration and scheduling are also available by phone. If you prefer, you can register by fax or by mail, but be aware that is a two-step process.

**Social Security Number Confidentiality.** Be assured that Prometric treats your Social Security number as **confidential**. It is used only as an identification number in maintaining your record and reporting your grades to the Department.

If you do not want to disclose your Social Security number as noted above, you must enclose a separate letter with your examination registration form to inform Prometric of your decision. Prometric will issue an identification number for you. Please note, however, that your Social Security Number is required, as a matter of law, on your license application form (see Page 45).

**Accommodations.** If you require ADA accommodation or ESL additional time, see “Special test considerations” on Page 9 before registering.

**Holidays.** Testing generally does not occur on the following holidays:

- New Year’s Day
- Martin Luther King Jr. Day
- Presidents’ Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Additional state holidays may be observed in the state where you schedule your exam appointment.

### On the Internet— register and schedule at one time

Register and schedule your exam online at any time using our Internet Registration Service. Just follow these steps.



#### To register and schedule an exam online

- 1 Access [www.prometric.com/vermont](http://www.prometric.com/vermont).
- 2 Under Insurance, click **Insurance License Exams**.
- 3 Click on **Schedule your test** and follow the prompts.

#### By phone—a one-step process

You may register and schedule your exam by calling 800.868.6113 between 8 a.m. and 9 p.m. (Eastern time), Monday through Friday. Please have your exam registration form and your Visa or MasterCard information available. At the end of the call, you will be given a number confirming your appointment. Record and keep this confirmation number for your records.

#### By fax or mail—a two-step process

You can register by fax or mail in two steps: (1) register and pay your exam fee and (2) schedule your exam appointment by phone.

You may fax your completed exam registration form (Page 49) to Prometric at 800.347.9242. You must include the Visa or MasterCard number and the cardholder’s signature on the fax. Faxed registrations are processed within 24 hours, or one business day, of receipt.

You may mail your completed exam registration form and the appropriate exam fee. When registering by mail, you may pay the exam fee by including a Visa or MasterCard number, company check, cashier’s check or money order. Assume four to eight days for delivery of mailed registrations and then 48 hours for processing.

Once your registration has been processed, you can schedule an appointment by calling 800.868.6113. Please record and retain the number confirming your appointment.

### Registration fee, expiration, and refund policy

The basic registration fee for each exam is listed on the exam registration form. Fees for all exams may be included in one payment. MasterCard, Visa, money order, company check, and cashier's check are accepted forms of payment. **Personal checks and cash are not accepted.**

Exam registration **fees are not refundable or transferable**, and the resulting registrations **expire in 90 days**.



**Note** An exam registration remains valid for 90 calendar days after it has been processed. It will expire without further notice at that time. We recommend that you do not register for your exam until you are prepared to take your exam.

If you allowed your exam registration to expire or did not pass your exam, you must re-register. Another exam registration fee is required.

### *Rescheduling your appointment*

To avoid a rescheduling fee, you must contact Prometric at least **three full business days** before the day of your scheduled appointment. Refer to the following table to determine the **last day** you may reschedule without paying a \$40 rescheduling fee.

**Last day to reschedule with no fee**

If your exam is on:	Call by 9 p.m. (Eastern time) the previous:
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday

Note that this schedule **does not** include holidays. Since holidays are not business days, they do not count against the three days.

If you do not allow at least three full business days to reschedule your appointment, you must pay a \$40 rescheduling fee before choosing another appointment. To pay this fee by Visa or MasterCard and reschedule your appointment, call Prometric at 800.868.6113. You may also pay the rescheduling fee by mailing a cashier's check, company check, money order or Visa or MasterCard information to Prometric.

### If absent or late for your appointment

If you miss your appointment or arrive late and are not allowed to test, you must pay a \$40 rescheduling fee before choosing another appointment. This fee will allow you to use your original exam registration.

If you are unable to attend your scheduled exam due to illness or emergency, call Prometric. Under certain circumstances, the fee to reschedule may be waived. Prometric reserves the right to request documentation to support any illness or emergency claim.

## Emergency closings

Severe weather or an emergency could require canceling scheduled exams. If this occurs, Prometric will attempt to contact you by phone or e-mail; however, you may check for testing site closures by calling Prometric. If the site is closed, your exam will be rescheduled without a rescheduling fee.

If a testing center is open for testing and you choose not to appear for your appointment, you must pay a \$40 rescheduling fee. You must then reschedule your exam.

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### *Special test considerations*

**ADA accommodation.** If you require testing accommodations under the Americans with Disabilities Act (ADA), please call Prometric at 888.226.9406 to obtain an accommodation request form. Reasonable testing accommodations are provided to allow candidates with documented disabilities recognized under the Americans with Disabilities Act an opportunity to demonstrate their skills and knowledge.

Candidates should submit professional documentation of the disability with their request form to help us determine the necessary testing arrangements. Thirty days' advance notice is required for all testing arrangements. There is no additional charge for these accommodations.

**ESL Accommodation.** If English is not your primary language, you may qualify for additional time for your test by requesting an ESL Authorization from Prometric. Please include:

- A personal letter requesting the authorization; and
- A letter from your English instructor or sponsoring company (on company letterhead), certifying that English is not your primary language.

If documentation is approved, Prometric may extend the time limit on your examination to time-and-one-half. You will be notified by mail of this approval and should not schedule your exam until you have received the approval letter.

## *Preparing for your exam*

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Being well prepared will help you pass your exam. This section offers:

- Information about study materials.
- An overview of the exam content outlines in this bulletin.

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### *Study materials*

The exam content outlines in this bulletin are the basis for the exams. Not all questions on the exams will necessarily be covered in your study materials. The content outlines are updated periodically, and outdated study materials may not be consistent with them. Where such discrepancies exist, the outlines take precedence. **Make sure your study materials cover the topics in the outlines.**

You are free to use materials of your own choosing to prepare for the license exam. Manuals have been prepared by different publishers to assist candidates specifically in preparing for license exams. Because of the number and the diversity of approach of these publications, **neither the Department nor Prometric reviews or approves study materials.** However, the following sources may be a starting point in your search for study materials. Be sure that whatever materials you use cover

the topics listed in the content outline (beginning on Page 16) for the exam you are taking.

- 1 Dearborn Publishing: 800.621.9621.
- 2 Examco: 877.772.6362.
- 3 Kaplan Financial: 800.428.1324.
- 4 ABLE Incorporated: 800.586.2253, ext. 5638.

**Vermont statutes and regulations.** All examinations cover Vermont regulations and statutes. You may wish to consult a standard statute reference, which is generally available at any public or law library or at [www.michie.com](http://www.michie.com).

**Workers' compensation materials.** You may contact the Department of Labor at 802.828.2286 for some study material for the Vermont Workers' Compensation adjuster license.

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### *Content outlines overview*

The license exam for each type of license consists of questions that test knowledge of topical areas listed in the content outline for that exam. These exam content outlines appear in this bulletin, beginning on Page 16.

The exam content outlines were developed in cooperation with the Department and an Examination Review Workshop (ERW) consisting of individuals from the Vermont insurance industry, identifying and classifying the level of knowledge that insurance licensees need to properly serve their clients.

Item-development staff at Prometric and insurance professionals research the content and write questions. The questions are reviewed by industry professionals in Vermont for approval. These industry professionals ensure examination questions cover important areas of knowledge and assess them. This process ensures that the exams reflect content that you, as an entry-level licensee, will need to know to properly perform your duties as a licensee.

If you prefer, you can view a complete outline specific to your exam on Prometric's Web site at [www.prometric.com/vermont](http://www.prometric.com/vermont).



**Hint** Do not schedule your exam until you are familiar with all subject areas in the applicable content outline.

## *Taking your exam*

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Knowing what to expect when taking your exam may help you prepare for it. This section contains:

- An overview of the testing process.
- Regulations that will be enforced at the testing center.
- Information about the types of questions.
- A guide to understanding your exam results.
- Information about appeals.

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### *The testing process*

Your exam will be given by computer at a Prometric testing center. You do not need any computer experience or typing skill to take your exam. Before you start the

exam, you will receive a personalized introduction to the testing system. You can also take an introductory lesson on the computer.

**Arrival.** You should arrive at least **30 minutes before** your scheduled exam appointment. This allows time for you to sign in and for staff to verify your identification and documentation.

**Identification required.** You must present a valid form of identification before you can test. That identification document **must**:

- Be government-issued (e.g., driver's license, state-issued identification card or military identification card).
- Contain **both** a current photo and your signature.
- Have a name that exactly matches the name used to register for the exam (including designations such as "Jr." and "III").



**Important** Failure to provide appropriate identification at the time of the exam is considered a missed appointment. As a result, you must pay a \$40 rescheduling fee before choosing another appointment.

If you cannot provide the identification listed above, contact Prometric **before** scheduling your appointment to arrange an alternative way to meet this requirement.

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## *Testing regulations*

To ensure that all candidates are tested under equally favorable conditions, the following regulations and procedures will be observed at each testing center. Failure to follow any of these security procedures may result in the disqualification of your examination. Prometric reserves the right to audiotape and videotape any examination session.

**References** • No reference materials, papers or study materials are allowed at the test center. If you are found with these or any other aids, you will not be allowed to continue the exam and your answers will not be scored.

**Calculators** • A calculator or slide rule is allowed. Only silent, handheld, solar or battery-operated, nonprogrammable calculators (without paper tape-printing capabilities or alphabetic keypads) may be used.

**Personal items** Prometric is not responsible for items left in the reception area of the testing center. While lockers are provided, it is recommended that personal items not be brought into the testing center. Note the following:

- Electronic equipment—cameras, tape recorders, cell phones, PDAs, pagers, etc.—is not permitted in the testing room and must be powered off while stored in a locker.
- Pocket items—keys, wallet, etc.—must remain in your pocket or be stored in a locker during testing.
- Other personal items—digital watches, outerwear that is not being worn while testing (sweater, jacket, etc.), briefcases, purses, etc.—are not permitted in the testing room.

**Breaks** • If you leave the testing room while an exam is in progress, you must sign out/in on the roster and you will lose exam time.

- You are not allowed to use any electronic devices or phones during breaks.

- Visitors** • No guests, visitors or family members are allowed at the testing center.
- Misconduct or disruptive behavior** • Candidates who engage in any kind of misconduct or disruptive or offensive behavior may be dismissed from the examination. Examples are: giving or receiving help, taking part in an act of impersonation, removing test materials or notes from the testing room, using rude or offensive language and behavior that delays or interrupts testing.
- Weapons** • Weapons are not allowed at the testing center.

**Copyrighted questions.** All test questions are the copyrighted property of Prometric Inc. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these test questions by any means, in whole or in part, without our written permission. Doing so may subject you to severe civil and criminal penalties, including up to five years in prison and/or a \$250,000 fine for criminal violations.

**If questions arise.** Test center administrators are not allowed to answer any questions pertaining to the exam content. If you do not understand a question on the examination, you should answer the question to the best of your ability.

### *Question types*

The questions in your licensing exam are multiple choice. Each provides four options from which you choose your answer.

**Question formats.** Three different multiple-choice formats are used. Each format is shown in the following examples. An asterisk (\*) indicates the correct answer in each sample question.

#### **Format 1—Direct question**

Under a Modified Life Insurance Policy, what increases over time?

1. Policy loan rate
- \* 2. Premiums
3. Face amount of policy
4. Grace period

#### **Format 2—Incomplete sentence**

In a life insurance policy, the settlement option that provides a stated amount of income each month until policy proceeds are exhausted is called:

1. Life income with period certain option
2. Life income option
3. Fixed-period option
- \* 4. Fixed-amount option

#### **Format 3—All of the following except**

All of the following coverages may be provided under health insurance policies EXCEPT:

1. Medical expense
2. Disability income
- \* 3. Workers' compensation
4. Accidental death and dismemberment

**Experimental questions.** Your exam may include up to five extra questions that will not be scored. If present, they are distributed throughout the exam. These are used to gather statistical information on the questions before they are added to the actual exam for your state.

These “experimental” questions **will not**:

- Be counted for or against you in your final exam score.
- Take any time away from your allotted testing time.

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## *Your exam results*

At the end of your exam, your score will be shown on the screen and you will receive a printed score report. The report indicates your overall score and grade, including the numerical percentage of questions answered correctly and whether you passed or failed. Exam scores are confidential and will be revealed only to you and the Department.

The report also displays your percentage correct in each major section of the exam, as defined by the exam content outline. These section scores are shown to guide you about areas requiring additional preparation for retesting if you do not pass the exam. Even after you pass, you may want to focus on these areas as you begin to provide insurance products and services to the public.

Note that the section percentages will not average out to your total percentage score. That is because individual exam outline sections are allocated different numbers of questions on the exam. Your total percentage score is computed by dividing the number of questions you answered correctly by the total number of questions in the exam. The total score is **not** computed by adding the section percentages and dividing by the total number of sections.

## Sample score report

Score Report for Sample, Sarah A.			
<b>Vermont Producer's Life Examination</b>			
	Number of Questions	Number Correct	Percent Correct
Life Total Test Score	100	80	80%
Insurance Regulation	14	10	71%
General Insurance	11	9	82%
Life Insurance Basics	17	14	82%
Life Insurance Policies	16	13	81%
Life Insurance Provisions, Options and Riders	13	11	85%
Annuities	11	10	91%
Tax Considerations	10	7	70%
Qualified Plans	8	6	75%
Score: 80%			
Grade: Pass			
(A total score of 70 percent is required to pass)			

**Duplicate score report.** You may call or write to Prometric to request a duplicate of your score report for a period of two years after an exam. Please direct any questions or comments about your exam to Prometric.

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## *Appeals process*

Our goal is to provide a quality exam and a pleasant testing experience for every candidate. If you are dissatisfied with either and believe we can correct the problem, we would like to hear from you. We provide an opportunity for general comments at the end of your exam. Your comments will be reviewed by our personnel, but you will not receive a direct response.

If you are requesting a response about exam content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal in writing.

Your appeal letter must provide your name and Social Security number, the exam title, the date you tested and the details of your concern, including all relevant facts. Be sure to include your signature and return address. Mail your appeal letter to:

**Prometric**  
**ATTN: Appeals Committee**  
1260 Energy Lane  
St. Paul, MN 55108

The Appeals Committee will review your concern and send you a written response within 10 business days of receipt. **Faxed appeals will not be accepted** because an original signature is required.

## *Obtaining your license*

This section offers information about:

- Applying for your license.
- Licensing fees.
- Continuing education
- Other licensing information.

### *Applying for a license*

After passing your license exam, you **must submit**:

- A completed NAIC Uniform Application.
- The original score report showing passage of the appropriate exam.
- The \$30 application fee.
- The appropriate license fee (see chart on next page).
- Adjuster, public adjuster and appraiser applicants must also submit Attachment #2 - Required Certifications (available online at [www.bishca.state.vt.us](http://www.bishca.state.vt.us) or on Page 46 of this bulletin).
- Surplus Lines Broker applicants must also submit Attachment #3 - Surplus Lines Broker Experience Affidavit (available online at [www.bishca.state.vt.us](http://www.bishca.state.vt.us) or on Page 47 of this bulletin).

You may obtain a license application from the Department's Web site at [www.bishca.state.vt.us](http://www.bishca.state.vt.us) or on Page 41 of this bulletin. Please allow a minimum of 10 days for processing time prior to checking on your license status.



**Note** If you have any questions concerning licensing procedures or fees, you should contact the Department at 802.828.3303.

**Nonresident applicants.** In order to obtain a Vermont insurance license, a nonresident must hold a similar license in another state or province of Canada and must be deemed by the Commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation. Nonresidents can process license applications electronically using a third-party vendor service - either

SIRCON or License Registry. These two electronic service providers will significantly reduce the time it takes to process your application.

*Licensing fees*

The initial license application must be accompanied by a **\$30 application fee** and the appropriate licensing fee listed below.

Resident License	Fee
Producer	\$30
Surplus Lines Broker	\$400
Consultant	\$200
Adjuster/Appraiser	\$60
Public Adjuster	\$200
Limited Lines Producer	\$30
Managing General Agent	\$300
Reinsurance Intermediary	\$200
Viatical Settlement Broker	\$50

**Retaliatory fees.** Producer’s, surplus lines broker’s consultant’s, adjuster’s, appraiser’s, public adjuster’s, limited lines producer’s, managing general agent’s, reinsurance intermediary, and viatical settlement broker’s licenses and fees are retaliatory to the applicant’s state of residence. This means that a nonresident must pay the Vermont license fee, or the fee of the resident state if higher. Visit the Department’s Web site at [www.bishca.state.vt.us](http://www.bishca.state.vt.us) for the fee listings for all license types.

An application for a license by a nonresident shall constitute designation by the applicant of the Commissioner as his or her designated true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding instituted against the nonresident in this state by completing the Uniform Application.



**Note** Application fees are not refundable should the license request be denied or withdrawn. Licensing fees are refundable if a license request is denied by the Department.

*Other licensing information*

**Change of address.** Any change of business or home address must be reported to the Department within 30 days.

**Licensing of individuals, partnerships and corporations.** Vermont statute requires individuals to be licensed and allows business entities to be licensed as insurance producers. Producers may assign their commissions to an insurance agency or to persons who do not sell, solicit or negotiate insurance.

**Continuing education.** Vermont law requires insurance producers to complete 24 credit hours of continuing education (CE) every two years. For further information, contact Prometric, the Department’s CE vendor, at 800.532.2199 or online at [www.prometric.com/CE/vtceprod.htm](http://www.prometric.com/CE/vtceprod.htm).

**Duration of license.** All licenses in Vermont expire on a common expiration date regardless of when they were issued. Vermont has no statutory authority for

prorating of fees. Producer licenses are biennial, effective from April 1 (or date of issuance) to March 31 of each odd-numbered year. All licenses must be renewed by the individual, and it is the licensee’s responsibility to see that the renewal license is in effect, even if a notice is not received. Licenses other than producer licenses are biennial, and are effective from April 1 (or date of issuance) to March 31 of even-numbered years.

## Exam content outlines

The following outlines describe the content of each of the Vermont insurance exams. These outlines are the basis of the exams. Each exam will contain questions about the subjects in its outline.

The percentages indicate the relative weight assigned to each part of the exam. For example, if a section has 10 percent assigned, 6 questions will be drawn from it on a 60-question exam, 10 on a 100-question exam, and 15 on a 150-question exam.

Sections 1.0 and 2.0 (Insurance Regulation and General Insurance) are common to many of the exams. Details of these sections appear only once, immediately below.

Note, however, that the section weights differ by exam. Similarly, combination exams contain all of the content of the single-line exams they combine and you are referred to the single-line outlines for details. Refer to the outline of the exam you plan to take for the individual section weights. Complete outlines for individual exams are available through Prometric’s Web site at [www.prometric.com/vermont](http://www.prometric.com/vermont).

### Section 1.0: Insurance Regulation and Section 2.0: General Insurance

One or both of the following sections are common to outlines for Series 14-25 through 14-32 and 14-39.

Individual section percentages are located with the particular Series outline. Be sure to study material that covers Sections 1.0 and 2.0 in addition to the particular line(s) you are studying.

#### 1.0 Insurance Regulation

##### 1.1 Licensing

- Process (4800; 4813f)
- Types of licensees (4791)
  - Resident (4800(3)(A))
  - Nonresident (4800(3)(B); 4813h)
  - Temporary (4800(3)(D)(ii); 4813k)
- Maintenance and duration
  - Renewal and expiration (4798)
  - Address change (4800(3)(F))
  - Assumed business name (4813j)
  - Reporting of actions (4813o)
  - Continuing education requirements (4800a; Reg 2000-2 Sec 4)
- Disciplinary actions
  - Denial of license (4800(3)(E))

- Cease and desist order (3661)
- Suspension, revocation or nonrenewal (4804; 4806)
- Penalties (3661(2); 4804(d))

##### 1.2 State regulation

- Commissioner’s general duties and powers (4726; 4804)
- Company regulation
  - Certificate of authority (3368)
  - Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1–7)
  - Policy forms (3541)
  - Examination of records (3565)
  - Producer appointment (4798(c); 4813l)
  - Termination of appointment (4798(d); 4813m)
- Producer regulation
  - Acting without a license (4793; 4813c)
  - Shared commissions (4796)
  - Trust accounts — anti-commingling (Reg 95-1; 4724(12))
  - Controlled business (4795)
  - Duties (4813c)
- Unfair trade practices (4724)
  - Misrepresentation (4724(1, 11, 13))
  - False advertising (4724(2))
  - Defamation (4724(3))
  - Boycott, coercion and intimidation (4724(4))

- False financial statements and entries (4724(5))
- Illegal inducement (4724(6))
- Unfair discrimination (4724(7))
- Rebating (4724(8))
- Failure to maintain complaint record (4724(10))
- Failure to act as fiduciary (4724(12); Reg 95-1)
- Unsuitability (4724(16))
- Nondisclosure of fees or charges (4724(14))
- Consumer privacy regulation (IH-2001-01)

##### 1.3 Federal regulation

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

#### 2.0 General Insurance

##### 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
  - Private versus government insurers
  - Admitted versus nonadmitted 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
  - Legal interpretations affecting contracts
    - Ambiguities in a contract of adhesion
    - Reasonable expectations
    - Indemnity
    - Utmost good faith
    - Representations/misrepresentations
    - Warranties
    - Concealment
    - Fraud
    - Waiver and estoppel

**Series 14-25  
Producer's Exam for Life  
Insurance**

**100 questions – Two-hour time  
limit**

**1.0 Insurance Regulation 14%**

(See Page 16)

**2.0 General Insurance 11%**

(See Page 16)

**3.0 Life Insurance Basics 17%**

- 3.1 Insurable interest (3710)**
- Power to contract
- 3.2 Personal uses of life insurance**
- Survivor protection
  - Estate creation
  - Cash accumulation
  - Liquidity
  - Estate conservation
- 3.3 Determining amount of personal life insurance**
- Human life value approach
  - Needs approach
    - Types of information gathered
    - Determining lump-sum needs
    - Planning for income needs
- 3.4 Business uses of life insurance**
- Buy-sell funding
  - Key person
  - Executive bonuses
  - Deferred compensation funding
- 3.5 Classes of life insurance policies**
- Group versus individual
  - Ordinary versus industrial (home service)
  - Permanent versus term
  - Participating versus nonparticipating
  - Fixed versus variable life insurance and annuities
    - Regulation of variable products (SEC, NASD and Vermont) (3855; Reg 88-3 Art VI, XI, 2001-03; Bul 121, 129)
- 3.6 Premiums**
- Factors in premium determination
    - Mortality
    - Interest
    - Expense
  - Premium concepts
    - Net single premium
    - Gross annual premium
  - Premium payment mode
- 3.7 Producer responsibilities**
- Solicitation and sales presentations (Reg 77-2)
    - Advertising
      - Life and Health Insurance Guaranty Association (4151-4185)
      - Illustrations (Reg 98-1)
    - Policy summary (Reg 77-2 Sec 5(A, B), Appendix B)
    - General Rules (Reg 77-2 Sec 6 (B, C, K, L, N, O, P))
    - Buyer's guide (Reg 77-2 Sec 5(A, B), Appendix A)
    - Life insurance policy cost comparison methods
    - Replacement (Reg 2001-3 Sec 1-10)

- Use and disclosure of insurance information
  - Field underwriting
    - Notice of information practices
    - Application procedures
  - Delivery
    - Policy review
    - Effective date of coverage
    - Premium collection
    - Statement of good health
- 3.8 Individual underwriting by the insurer**
- Information sources and regulation
    - Application
    - Producer report
    - Attending physician statement
    - Investigative consumer (inspection) report
    - Medical Information Bureau (MIB)
    - Medical examinations and lab tests including HIV (4724(20); Bul 138)
  - Selection criteria and unfair discrimination (3701)
  - Classification of risks
    - Preferred
    - Standard
    - Substandard
    - Declined

**4.0 Life Insurance Policies 16%**

- 4.1 Term life insurance**
- Level term
    - Annual renewable term
    - Level premium term
  - Decreasing term
- 4.2 Whole life insurance**
- Continuous premium (straight life)
  - Limited payment
  - Single premium
  - Modified life
- 4.3 Flexible premium policies**
- Universal life
  - Indexed universal life
- 4.4 SEC regulated policies**
- Variable life insurance
  - Variable universal life
- 4.5 Specialized policies**
- Joint life (first-to-die)
  - Survivorship life (second-to-die)
  - Juvenile life
- 4.6 Group life insurance**
- Characteristics of group plans
  - Types of plan sponsors (3803-3810a)
  - Group underwriting requirements (3816)
  - Assignability (3713(a, b))
  - Conversion to individual policy (3820-3823)
- 4.7 Credit life insurance (individual versus group)**

## 5.0 Life Insurance Policy Provisions, Options and Riders 13%

- 5.1 Required provisions (3731)**  
 Entire contract (3731(3))  
 Payment of premiums (3731(1))  
 Grace period (3731(2))  
 Reinstatement (3731(9))  
 Incontestability (3731(4))  
 Misstatement of age (3731(5))  
 Payment of claims (3731(10))
- 5.2 Other provisions**  
 Ownership (3710)  
 Assignment (3713(a, b))  
 Modifications  
 Right to examine (free look)  
 Exclusions  
 Representations in applications (3736)
- 5.3 Beneficiaries**  
 Designation options  
 Individuals  
 Classes  
 Estates  
 Minors  
 Trusts  
 Succession  
 Revocable versus irrevocable  
 Common disaster clause  
 Spendthrift clause
- 5.4 Settlement options**  
 Cash payment  
 Interest only  
 Fixed-period installments  
 Fixed-amount installments  
 Life income  
 Single life  
 Joint and survivor  
 Retained asset accounts
- 5.5 Nonforfeiture options**  
 Cash surrender value  
 Extended term  
 Reduced paid-up insurance
- 5.6 Policy loan and withdrawal options**  
 Cash loans  
 Automatic premium loans  
 Withdrawals or partial surrenders
- 5.7 Dividend options**  
 Cash payment  
 Reduction of premium payments  
 Accumulation at interest  
 One-year term option  
 Paid-up additions  
 Paid-up insurance
- 5.8 Disability riders**  
 Waiver of premium  
 Waiver of cost of insurance  
 Disability income benefit  
 Payor benefit life/disability (juvenile insurance)
- 5.9 Accelerated (living) benefit provision/rider**  
 Conditions for payment  
 Effect on death benefit

## 5.10 Viatical settlements (3826–3834; Reg 95-4 Sec 1–15)

- Viatical settlement providers  
 Viatical settlement brokers  
 Life insurance providers  
 Viatical settlement contract provisions  
 Disclosure provisions  
 Rules of conduct
- 5.11 Riders covering additional insureds**  
 Spouse/other-insured term rider  
 Children's term rider  
 Family term rider
- 5.12 Riders affecting the death benefit amount**  
 Accidental death  
 Guaranteed insurability  
 Cost of living  
 Return of premium

## 6.0 Annuities 14%

- 6.1 Annuity principles and concepts**  
 Accumulation period versus annuity period  
 Owner, annuitant and beneficiary  
 Insurance aspects of annuities
- 6.2 Immediate versus deferred annuities**  
 Single premium immediate annuities (SPIAs)  
 Deferred annuities  
 Premium payment options  
 Nonforfeiture  
 Surrender charges  
 Death benefits
- 6.3 Annuity (benefit) payment options**  
 Life contingency options  
 Pure life versus life with guaranteed minimum  
 Single life versus multiple life  
 Annuities certain (types)
- 6.4 Annuity products**  
 Fixed annuities  
 General account assets  
 Interest rate guarantees (minimum versus current)  
 Level benefit payment amount  
 Equity indexed annuities  
 Market value adjusted annuities  
 Variable annuity contracts
- 6.5 Uses of annuities**  
 Lump-sum settlements  
 Qualified retirement plans  
 Group versus individual annuities  
 Personal uses  
 Individual retirement annuities (IRAs)  
 Tax-deferred growth  
 Retirement income  
 Education funds

## 7.0 Federal Tax Considerations for Life Insurance and Annuities 10%

- 7.1 Taxation of personal life insurance**  
 Amounts available to policyowner  
 Cash value increases  
 Dividends  
 Policy loans  
 Surrenders  
 Amounts received by beneficiary  
 General rule and exceptions  
 Settlement options  
 Values included in insured's estate
- 7.2 Modified endowment contracts (MECs)**  
 Modified endowment versus life insurance  
 Seven-pay test  
 Distributions
- 7.3 Taxation of non-qualified annuities**  
 Individually-owned  
 Accumulation phase (tax issues related to withdrawals)  
 Annuity phase and the exclusion ratio  
 Distributions at death  
 Corporate-owned
- 7.4 Taxation of individual retirement annuities (IRAs)**  
 Traditional IRAs  
 Contributions and deductible amounts  
 Premature distributions (including taxation issues)  
 Annuity phase benefit payments  
 Values included in the annuitant's estate  
 Amounts received by beneficiary  
 Roth IRAs  
 Contributions and limits  
 Distributions
- 7.5 Rollovers and transfers (IRAs and qualified plans)**
- 7.6 Section 1035 exchanges**
- 8.0 Qualified Plans 5%**
- 8.1 General requirements**
- 8.2 Federal tax considerations**  
 Tax advantages for employers and employees  
 Taxation of distributions (age-related)
- 8.3 Plan types, characteristics and purchasers**  
 Simplified employee pensions (SEPs)  
 Self-employed plans (HR 10 or Keogh plans)  
 Profit-sharing and 401(k) plans  
 SIMPLE plans

403(b) tax-sheltered annuities (TSAs)

**Series 14-26  
Producer's Exam for Life  
Insurance Laws and Regulations  
(CLU Waiver)**

**50 questions – One-hour time  
limit**

**1.0 Insurance Regulation 29%**

(See Page 16)

**2.0 Vermont Laws and  
Regulations Pertaining to  
Life Insurance 71%**

**2.1 Producer and company  
responsibilities**

Solicitation and sales

presentations (Reg 77-2)

Advertising

Life and Health Insurance

Guaranty Association

(4151-4185)

Illustrations (Reg 98-1)

Policy summary (Reg 77-2

Sec 5(A, B), Appendix B)

General Rules (Reg 77-2

Sec 6 (B, C, K, L, N, O,

P))

Buyer's guide (Reg 77-2

Sec 5(A, B), Appendix A)

Replacement

(Reg 2001-3 Sec 1-10)

Underwriting

Insurable interest (power to  
contract) (3710)

Unfair discrimination

(3701)

Medical examinations and

lab tests including HIV

(4724(20); Bul 138)

**2.2 Life insurance**

Required provisions (3731)

Entire contract (3731(3))

Payment of premiums

(3731(1))

Grace period (3731(2))

Reinstatement (3731(9))

Incontestability (3731(4))

Misstatement of age

(3731(5))

Payment of claims

(3731(10))

Other provisions

Ownership (3710)

Assignment (3713(a))

Representations in

applications (3736)

**2.3 Annuities (3855; Reg 88-3,  
I-2001-03; Bul 129)**

**2.4 Group life insurance**

Types of plan sponsors

(3803-3810a)

Group underwriting

requirements (3816)

Assignability (3713(a, b))

Conversion to individual policy  
(3820-3823)

**2.5 Viatical settlements (3826-  
3834; Reg 95-4 Sec 1-15)**

Viatical settlement providers

Viatical settlement brokers

Life insurance providers

Viatical settlement contract

provisions

Disclosure provisions

Rules of conduct

**Series 14-27  
Producer's Exam for Accident,  
Health and HMO**

**100 questions – Two-hour time  
limit**

**1.0 Insurance Regulation 5%**

(See Page 16)

**2.0 General Insurance 5%**

(See Page 16)

**3.0 Health Insurance Basics  
12%**

**3.1 Definitions of perils**

Accidental injury

Sickness

**3.2 Principal types of losses and  
benefits**

Loss of income from disability

Medical expense

Dental expense

Long-term care expense

**3.3 Classes of health insurance  
policies**

Individual versus group

Private versus government

Limited versus comprehensive

**3.4 Limited policies**

Limited perils and amounts

Required notice to insured

Types of limited policies

Accident-only

Specified (dread) disease

Hospital indemnity (income)

Credit disability

Blanket insurance (teams,

passengers, other)

Prescription drugs

Vision care

**3.5 Common exclusions from  
coverage**

**3.6 Producer responsibilities in  
individual health insurance**

Marketing requirements

Advertising (Reg 71-1)

Life and Health Insurance

Guaranty Association

(4164(e))

Sales presentations

Outline of coverage

(Reg 80-1 Sec 8(B))

Field underwriting

Nature and purpose

Disclosure of information

about individuals

Application procedures

Requirements at delivery of

policy

Common situations for

errors/omissions

**3.7 Individual underwriting by  
the insurer**

Underwriting criteria

Sources of underwriting

information

Application

Producer report

Attending physician

statement

Investigative consumer

(inspection) report

Medical Information Bureau

(MIB)

Medical examinations and

lab tests including HIV

(4724(20))

Unfair discrimination

Genetic testing (RL 18 Sec

9331-9335)

Classification of risks

Standard

Preferred

Substandard

Declined

**3.8 Considerations in replacing  
health insurance**

Pre-existing conditions

Pre-existing condition exclusion

regulation

(Reg 80-1 Sec 5(F))

Benefits, limitations and

exclusions

Underwriting requirements

**4.0 Health Insurance Policy  
General Provisions (Non-  
group and Group) 11%**

**4.1 Uniform required provisions**

Entire contract; changes

(4065(1), 4080(1))

Certificate of insurance

(4080(2))

Time limit on certain defenses

(4065(2))

Grace period (4065(3))

New employees (4080(3))

Part-time employees (4080(4),

4080a(a)(1))

Reinstatement (4065(4))

Claim procedures (4065(5-9);

Reg 93-4)

Physical examinations and

autopsy (4065(10))

Legal actions (4065(11))

Change of beneficiary

(4065(12))

**4.2 Optional provisions (4066)**

Change of occupation (4066(1))

Misstatement of age (4066(2))

Other insurance in this insurer

(4066(3))

Insurance with other insurers

- Expense-incurred basis (4066(4))
- Other benefits (4066(5))
- Unpaid premium (4066(7))
- Cancellation (4066(8); Reg 91-4B Sec 3(10))
- Conformity with state statutes (4066(9))
- Illegal occupation (4066(10))

**4.3 Other general provisions**

- Right to examine (free look) (4063(8))
- Insuring clause
- Consideration clause
- Renewability clause
  - Noncancelable
  - Guaranteed renewable
  - Conditionally renewable
  - Renewable at option of insurer
  - Nonrenewable (cancelable, term)
- Reduction in coverage

**5.0 Disability Income and Related Insurance 11%**

**5.1 Qualifying for disability benefits**

- Inability to perform duties
  - Own occupation
  - Any occupation
- Pure loss of income (income replacement contracts)
- Presumptive disability
- Requirement to be under physician care

**5.2 Individual disability income insurance**

- Basic total disability plan
  - Income benefits (monthly indemnity)
  - Elimination and benefit periods
  - Waiver of premium feature
- Coordination with social insurance and workers compensation benefits
  - Additional monthly benefit (AMB)
  - Social insurance supplement (SIS)
  - Occupational versus nonoccupational coverage
- At-work benefits
  - Partial disability benefit
  - Residual disability benefit
- Other provisions affecting income benefits
  - Cost of living adjustment (COLA) rider
  - Future increase option (FIO) rider
  - Relation of earnings to insurance (4066(6))
- Other cash benefits
  - Accidental death and dismemberment
  - Rehabilitation benefit

- Medical reimbursement benefit (nondisabling injury)
- Exclusions

**5.3 Unique aspects of individual disability underwriting**

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

**5.4 Group disability income insurance**

- Group versus individual plans
- Disability

**5.5 Social Security disability**

- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

**5.6 Workers compensation**

- Eligibility
- Benefits

**6.0 Medical Plans 12%**

**6.1 Medical plan concepts**

- Fee-for-service basis versus prepaid basis
- Specified coverages versus comprehensive care
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers

**6.2 Types of providers and plans**

- Major medical insurance (indemnity plans)
  - Characteristics
  - Common limitations
  - Exclusions from coverage
  - Provisions affecting cost to insured
- Health maintenance organizations (HMOs)
- Preferred provider organizations (PPOs)
  - General characteristics
  - Open or closed network
  - Types of parties to the provider contract
- Exclusive provider organizations (EPOs)
  - General characteristics
  - Open or closed network
- Point-of-service (POS) plans
  - Nature and purpose
  - Non-network provider access (open-ended HMO)
  - PCP referral (gatekeeper PPO)
  - Indemnity plan features

**6.3 Common health care plans (non-group) (4080b(e); Reg 93-5 Sec 7)**

- Standards
- Policy provisions

**6.4 Cost containment in health care delivery**

- Cost-saving services
  - Preventive care
  - Hospital outpatient benefits
  - Alternatives to hospital services
- Utilization management
  - Prospective review
  - Concurrent review

**6.5 Vermont eligibility requirements (non-group and/or group)**

- Dependent child age limit (4063(3))
- Adopted child coverage (4100c)
- Child coverage; noncustodial parents (4100b)
- Disabled child coverage (4089d)
- Newborn child coverage (4092)
- Civil unions (RL 15 Sec 1201)

**6.6 HIPAA (Health Insurance Portability and Accountability Act) requirements**

- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

**6.7 Medical Savings Accounts (MSAs), Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs)**

- Definition
- Eligibility
- Contribution limits

**7.0 Health Maintenance Organizations (HMOs) 10%**

**7.1 General characteristics**

- Combined health care delivery and financing
- In network versus out of network
  - Limited service area
  - Limited choice of providers
- Gatekeeper concept
- Copayments
- Prepaid basis

**7.2 HMO Services**

- Preventive care services
  - Well-child care
  - Immunizations
  - Routine physical examinations
  - Wellness programs
- Physician services
  - Primary care physician (PCP)
  - Referral (specialty) physician
- Emergency care
  - Urgent care center
  - Hospital emergency room
- Hospital services
- Skilled nursing facility services

Home health care (4096)  
 Family planning services  
 Mental health/substance abuse benefits  
 Prescription drugs  
 Additional plans and services  
 Dental services  
 Vision care

## 8.0 Group Health Insurance 10%

### 8.1 Characteristics of group insurance

Group contract  
 Certificate of coverage  
 Experience rating versus community rating

### 8.2 Types of eligible groups

Employment-related groups  
 Individual employer groups  
 Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)  
 Exempt associations (alumni, professional, other)  
 Customer groups (depositors, creditor-debtor, other)  
 Trusts (unions, employers)

### 8.3 Marketing considerations

Advertising  
 Regulatory jurisdiction/place of delivery

### 8.4 Employer group health insurance

Vermont underwriting requirements (4079)  
 Insurer underwriting criteria  
 Characteristics of group  
 Plan design factors  
 Persistency factors  
 Administrative capability  
 Eligibility for coverage  
 Open enrollment  
 Employee eligibility (4080(4))  
 Dependent eligibility  
 Coordination of benefits provision  
 Change of insurance companies or loss of coverage  
 Coinsurance and deductible carryover  
 No-loss no-gain  
 Events that terminate coverage  
 Extension of benefits (4091e)  
 Continuation of coverage under COBRA and Vermont specific rules  
 Conversion privilege (4090d–g)

### 8.5 Small employer group medical plans

Definition of small employer (4080a(a)(1))  
 Common health care plans (4080a(e); Reg 91-4B Sec 5)

Availability of coverage (4080a(d))  
 Renewability of coverage (Reg 91-4B Sec 5(2(a))  
 Prohibited marketing practices (Reg 91-4B Sec 4)  
 Pre-existing conditions (4080a(g); Reg 91-4B Sec 5(2(b))  
 Participation requirements (4080a(a)(l))

## 9.0 Dental Insurance 3%

### 9.1 Types of dental treatment

Diagnostic and preventive  
 Restorative  
 Oral surgery  
 Endodontics  
 Periodontics  
 Prosthodontics  
 Orthodontics

### 9.2 Indemnity plans

Choice of providers  
 Scheduled versus nonscheduled plans  
 Benefit categories  
 Diagnostic/preventive services  
 Basic services  
 Major services  
 Deductibles and coinsurance  
 Combination plans  
 Exclusions  
 Limitations  
 Predetermination of benefits

### 9.3 Employer group dental expense

Minimizing adverse selection

## 10.0 Insurance for Senior Citizens and Special Needs Individuals 12%

### 10.1 Medicare

Nature, financing and administration  
 Part A — Hospital Insurance  
 Individual eligibility requirements  
 Enrollment  
 Coverages and cost-sharing amounts  
 Part B — Medical Insurance  
 Individual eligibility requirements  
 Enrollment  
 Coverages and cost-sharing amounts  
 Exclusions  
 Claims terminology and other key terms  
 Part C — Medicare Advantage  
 Part D — Prescription Drug Insurance

### 10.2 Medicare supplements (Reg H-05-2 Sec 1–25)

Purpose (Reg H-05-2 Sec 1)  
 Open enrollment (Reg H-05-2 Sec 11)

Standardized Medicare supplement plans (Reg H-05-2 Sec 8, 9)  
 Core benefits (Reg H-05-2 Sec 8(B))  
 Additional benefits (Reg H-05-2 Sec 8(C))  
 Vermont regulations and required provisions  
 Standards for marketing (Reg H-05-2 Sec 20)  
 Advertising (Reg H-05-2 Sec 19)  
 Appropriateness of recommended purchase (Reg H-05-2 Sec 21)  
 Buyer's guide (Reg H-05-2 Sec 17(A)(6))  
 Outline of coverage (Reg H-05-2 Sec 17(D))  
 Right to return (Reg H-05-2 Sec 17(A)(5))  
 Pre-existing conditions (Reg H-05-2 Sec 8(A)(1))  
 Duplication of Medicare benefits (Reg H-05-2 Sec 21(B))  
 Replacement (Reg H-05-2 Sec 18, 23)  
 Required disclosure provisions (Reg H-05-2 Sec 17)  
 Permitted compensation arrangements (Reg H-05-2 Sec 16)  
 Renewability and cancellation (Reg H-05-2 Sec 8(A)(5))  
 Continuation and conversion requirements (Reg H-05-2 Sec 8)  
 Notice of change (Reg H-05-2 Sec 17(B))  
 Medicare Select (Reg H-05-2 Sec 10)

### 10.3 Other options for individuals with Medicare

Employer group health plans  
 Disabled employees  
 Employees with kidney failure  
 Individuals age 65 and older  
 Medicaid  
 Eligibility  
 Benefits

### 10.4 Long-term care (LTC) insurance

LTC, Medicare and Medicaid compared  
 Eligibility for benefits  
 Levels of care  
 Skilled care  
 Intermediate care  
 Custodial care  
 Home health care  
 Adult day care  
 Respite care  
 Benefit periods  
 Benefit amounts

- Optional benefits
  - Guarantee of insurability
  - Return of premium
- Qualified LTC plans
- Exclusions (Reg 91-1 Sec 6(B))
- Underwriting considerations
- Vermont regulations and required provisions
  - Standards for marketing (Reg 91-1 Sec 16)
  - Shopper's/Buyer's guide (8098; Reg 91-1 Sec 20)
  - Outline of coverage (8090; Reg 91-1 Sec 19)
  - Appropriateness of recommended purchases (Reg 91-1 Sec 17)
  - Right to return (free look) (8089)
  - Replacement (Reg 91-1 Sec 6(E), 11)
  - Benefit standards (8085)
  - Prohibited policy provisions (8086, 8087; Reg 91-1 Sec 18)
  - Renewal considerations (Reg 91-1 Sec 6(A))
  - Continuation or conversion (Reg 91-1 Sec 6(D))
  - Inflation protection (Reg 91-1 Sec 10)
  - Pre-existing conditions (8086)

**11.0 Federal Tax Considerations for Health Insurance 9%**

- 11.1 Personally-owned health insurance**
  - Disability income insurance
  - Medical expense insurance
  - Long-term care insurance
- 11.2 Employer group health insurance**
  - Disability income (STD, LTD)
  - Medical and dental expense
  - Long-term care insurance
  - Accidental death and dismemberment
- 11.3 Medical expense coverage for sole proprietors and partners**
- 11.4 Medical savings accounts (MSAs)**

**Series 14-28  
Producer's Exam for Accident,  
Health and HMO Laws and  
Regulations (CLU Waiver)**

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**50 questions – One-hour time  
limit**

**1.0 Insurance Regulation 20%**

(See Page 16)

**2.0 Vermont Laws and Regulations Pertaining to Accident, Health and HMO 80%**

- 2.1 Marketing practices**
  - Advertising (Reg 71-1)
  - Life and Health Insurance Guaranty Association (4164(e))
  - Outline of coverage (Reg 80-1 Sec 8(B))
  - Medical examinations and lab tests including HIV (4724(20))
  - Genetic testing (RL 18 Sec 9331-9335)
- 2.2 Health insurance policy general provisions (non-group and group)**
  - Required provisions
    - Entire contract; changes (4065(1), 4080(1))
    - Certificate of insurance (4080(2))
    - Time limit on certain defenses (4065(2))
    - Grace period (4065(3))
    - New employees (4080(3))
    - Part-time employees (4080(4), 4080a(a)(1))
    - Reinstatement (4065(4))
    - Claim procedures (4065(5-9); Reg 93-4)
    - Physical examination and autopsy (4065(10))
    - Legal actions (4065(11))
    - Change of beneficiary (4065(12))
    - Right to examine (free look) (4063(8))
  - Optional provisions
    - Relation of earnings to insurance (4066(6))
    - Unpaid premium (4066(7))
    - Cancellation (4066(8); Reg 91-4B Sec 3(10))
    - Conformity with state statutes (4066(9))
    - Illegal occupation (4066(10))
  - Vermont eligibility requirements (non-group and/or group)
    - Dependent child age limit (4063(3))
    - Adopted child coverage (4100c)
    - Child coverage; noncustodial parents (4100b)
    - Disabled child coverage (4089d)
    - Newborn child coverage (4092)
  - Civil unions (RL 15 Sec 1201)
  - Continuation and conversion of coverage
    - Vermont continuation rules

- Conversion privilege (4090 d-g)
- Catamount health
- 2.3 Common health care plans (non-group) (4080b(e); Reg 93-5 Sec 7)**
  - Standards
  - Policy provisions
- 2.4 Small employer group medical plans**
  - Definition of small employer (4080a(a)(1))
  - Common health care plans (4080a(e); Reg 91-4B Sec 5)
  - Availability of coverage (4080a(d))
  - Renewability of coverage (Reg 91-4B Sec 5(2(a))
  - Prohibited marketing practices (Reg 91-4B Sec 4)
  - Pre-existing conditions (4080a(g); Reg 91-4B Sec 5(2(b))
  - Participation requirements (4080a(a)(1))
- 2.5 Medicare policies**
  - Part C – Medicare Advantage
  - Part D – Prescription Drug Insurance
  - Standardized Medicare supplement plans (Reg H-05-2 Sec 8, 9)
    - Core benefits (Reg H-05-2 Sec 8(B))
    - Additional benefits (Reg H-05-2 Sec 8(C))
  - Vermont Medicare supplement regulations and required provisions
    - Standards for marketing (Reg H-05-2 Sec 20)
    - Advertising (Reg H-05-2 Sec 19)
    - Appropriateness of recommended purchase (Reg H-05-2 Sec 21)
    - Buyer's guide (Reg H-05-2 Sec 17(A)(6))
    - Outline of coverage (Reg H-05-2 Sec 17(D))
    - Right to return (Reg H-05-2 Sec 17(A)(5))
    - Pre-existing conditions (Reg H-05-2 Sec 8(A)(1))
    - Duplication of Medicare benefits (Reg H-05-2 Sec 21(B))
    - Replacement (Reg H-05-2 Sec 18, 23)
    - Required disclosure provisions (Reg H-05-2 Sec 17)
    - Permitted compensation arrangements (Reg H-05-2 Sec 16)
    - Renewability and cancellation (Reg H-05-2 Sec 8(A)(5))

Continuation and conversion requirements (Reg H-05-2 Sec 8)  
 Notice of change (Reg H-05-2 Sec 17(B))

**2.6 Long-term care (LTC) policies**

Standards for marketing (Reg 91-1 Sec 16)  
 Shopper's/Buyer's guide (8098, Reg 91-1 Sec 20)  
 Outline of coverage (8090, Reg 91-1 Sec 19)  
 Appropriateness of recommended purchases (Reg 91-1 Sec 17)  
 Right to return (free look) (8089)  
 Replacement (Reg 91-1 Sec 6(E), 11)  
 Benefit standards (8085)  
 Prohibited policy provisions (8086, 8087; Reg 91-1 Sec 18)  
 Renewal considerations (Reg 91-1 Sec 6(A))  
 Continuation or conversion (Reg 91-1 Sec 6(D))  
 Inflation protection (Reg 91-1 Sec 10)  
 Pre-existing conditions (8086)

**Series 14-29  
 Producer's Exam for Life, Accident, Health and HMO**

**150 questions – 2.5-hour time limit**

For the detailed outline of the following subject matter, refer to the like-named sections in the Series 14-25 Producer's Life outline and in the Series 14-27 Producer's Accident, Health and HMO outline.

- 1.0 Insurance Regulation 5%** (See Page 16)
- 2.0 General Insurance 4%** (See Page 16)
- 3.0 Life Insurance Basics 9%**
- 4.0 Life Insurance Policies 9%**
- 5.0 Life Insurance Policy Provisions, Options and Riders 7%**
- 6.0 Annuities 8%**
- 7.0 Federal Tax Considerations for Life Insurance and Annuities 6%**
- 8.0 Qualified Plans 2%**
- 9.0 Health Insurance Basics 6%**
- 10.0 Health Insurance Policy General Provisions (Non-group and Group) 6%**
- 11.0 Disability Income and Related Insurance 7%**
- 12.0 Medical Plans 7%**
- 13.0 Health Maintenance Organizations (HMOs) 7%**

- 14.0 Group Health Insurance 5%**
- 15.0 Dental Insurance 2%**
- 16.0 Insurance for Senior Citizens and Special Needs Individuals 6%**
- 17.0 Federal Tax Considerations for Health Insurance 4%**

**Series 14-30  
 Producer's Exam for Life, Accident, Health and HMO Laws and Regulations (CLU Waiver)**

**60 questions – One-hour time limit**

For the detailed outline of the following subject matter, refer to the like-named sections in the Series 14-26 Producer's Life Laws and Regulations outline and in the Series 14-28 Producer's Accident, Health and HMO Laws and Regulations outline.

- 1.0 Insurance Regulation 14%** (See Page 16)
- 2.0 Vermont Laws and Regulations Pertaining to Life Insurance 40%**
- 3.0 Vermont Laws and Regulations Pertaining to Accident, Health and HMO 46%**

**Series 14-31  
 Producer's Exam for Property and Casualty Insurance**

**150 questions – 2.5-hour time limit**

**1.0 Insurance Regulation 10%** (See Page 16)

**2.0 General Insurance 9%** (See Page 16)

**3.0 Property and Casualty Insurance Basics 10%**

- 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
- Valued policy

**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
- Claim settlement options
- Duty to defend

 Third-party provisions
 

- Standard mortgage clause
- Loss payable clause
- No benefit to bailee

- 3.4 Vermont laws, regulations and required provisions**  
 Vermont Property and Casualty Insurance Guaranty Association (3611–3626)  
 Renewal notice (3882; 4715)  
 Cancellation and nonrenewal (3879–3881; 3883; 4711–4714)  
 Consent to rate (4688(f); Reg 85-1 Sec 1–9)  
 Loss payment (3868; Reg 79-2 Sec 6, 8)  
 Discrimination (3861)  
 Coinsurance (3961–3968)  
 Pollution coverage (Bul 111)  
 Required provisions (4203)  
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (Bul 142, 150; 15 USC 6701; Public Law 109–144)

**4.0 Dwelling ('02) Policy 2%**

- 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 — Vermont (DP 01 44)  
 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 ('00) Policy 17%**

- 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 — Vermont (HO 01 44)  
 Limited fungi, wet or dry rot, or bacteria coverage — Vermont (HO 04 02)  
 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 — Vermont (HO 23 45)  
 Business pursuits (HO 24 71)  
 Watercraft (HO 24 75)  
 Personal injury (HO 24 82)

**6.0 Auto Insurance 21%**

- 6.1 Laws**  
 Vermont Motor Vehicle Financial Responsibility and Insurance Laws (RL 23 Sec 800–943)  
 Required limits of liability (RL 23 Sec 801)  
 Required proof of insurance (Bul 77)  
 Vermont Automobile Insurance Plan (4241–4246)  
 Eligibility  
 Liability limitations  
 Physical damage coverage limitations  
 Uninsured/underinsured motorist (RL 23 Sec 941)  
 Definitions  
 Required limits of liability  
 Bodily injury  
 Property damage  
 Cancellation/nonrenewal  
 Grounds (4223)  
 Notice (4224–4226)  
 Notice of eligibility in assigned risk plan (4227)  
 Binders (RL 23 Sec 942)  
 Surcharges (4671–4675)  
**6.2 Personal ('05) auto policy**  
 Definitions  
 Liability coverage  
 Bodily injury and property damage  
 Supplementary payments  
 Exclusions  
 Medical payments  
 Uninsured motorist/underinsured motorist coverage  
 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 — Vermont (PP 01 72)  
 Towing and labor costs (PP 03 03)  
 Extended non-owned coverage (PP 03 06)  
 Miscellaneous type vehicle (PP 03 23)  
 Joint ownership coverage — Vermont (PP 03 80)

**6.3 Commercial auto ('06)**

- 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  
 Selected endorsements  
 Lessor — additional insured and loss payee (CA 20 01)  
 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)

**7.0 Commercial Package Policy (CPP) 9%**

- 7.1 Components of a commercial policy**  
 Common policy declarations  
 Common policy conditions  
 Interline endorsements  
 One or more coverage parts  
**7.2 Commercial general liability ('07)**  
 Commercial general liability coverage forms  
 Bodily injury and property damage liability  
 Personal and advertising injury liability  
 Medical payments  
 Supplementary payments

- Who is an insured
- Limits of liability
- Conditions
- Definitions
- Exclusions
- Premises and operations
- Products and completed operations
- Insured contract
- 7.3 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 forms
  - 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)
- 7.4 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 premises
    - Computer fraud
    - Funds transfer fraud
    - Money orders and counterfeit money
  - Other crime coverage
    - Extortion — commercial entities
- 7.5 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

- 7.6 Equipment breakdown ('07)**
- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsement
  - Actual cash value (EB 99 59)

- 7.7 Farm coverage**
- Farm property coverage forms ('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
- Farm liability coverage form ('06)
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal advertising injury liability
  - Coverage J — Medical payments
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Cause of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

## 8.0 Businessowners ('06) Policy 8%

- 8.1 Characteristics and purpose**
- 8.2 Businessowners Section I — Property**
- Coverage
- Exclusions
- Limits
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

- 8.3 Businessowners Section II — Liability**
- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions
- 8.4 Businessowners Section III — Common Policy Conditions**
- 8.5 Selected endorsements**
- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

## 9.0 Workers Compensation Insurance 7%

- 9.1 Workers compensation laws**
- Type of law
  - Compulsory versus elective
- Vermont Workers' Compensation Law (RL 21 Sec 601–711)
  - Exclusive remedy (RL 21 Sec 622)
  - Employment covered (required, voluntary) (RL 21 Sec 616, 706)
  - Covered injuries (RL 21 Sec 618–620, 649)
  - Occupational disease (RL 21 Sec 601(7, 23))
  - Benefits provided (RL 21 Sec 632–635, 640–648)
- Federal workers compensation laws
  - Federal Employer Liability Act (FELA) (45 USC 51–60)
  - U.S. Longshore & Harbor Workers' Compensation Act (33 USC 904)
  - The Jones Act (46 USC 688)
- 9.2 Workers compensation and employers liability insurance policy**
- General section
  - Part One — Workers compensation insurance
  - Part Two — Employers liability insurance
  - Part Three — Other states insurance
  - Part Four — Your duties if injury occurs
  - Part Five — Premium
  - Part Six — Conditions
  - Voluntary compensation endorsement
- 9.3 Premium computation**
- Job classification — payroll and rates
- Experience modification factor
- Premium discounts
- 9.4 Other sources of coverages**

Vermont workers' compensation administration fund (RL 21 Sec 711)  
 Self-insured employers and employer groups (RL 21 Sec 687, 687a)

**10.0 Other Coverages and Options 7%**

- 10.1 Umbrella/excess liability policies**
  - Personal (DL 98 01)
  - Commercial (CU 00 01)
- 10.2 Specialty liability insurance**
  - Professional liability
  - Errors and omissions
  - Directors and officers liability
  - Fiduciary liability
  - Liquor liability
  - Employment practices liability
- 10.3 Surplus lines**
  - Definitions and markets
  - Licensing requirements
- 10.4 Surety bonds**
  - Principal, obligee, surety
  - Contract bonds
  - License and permit bonds
  - Judicial bonds
- 10.5 Ocean marine insurance**
  - Hull insurance
  - Cargo insurance
  - Freight insurance
  - Protection and indemnity
- 10.6 National Flood Insurance Program**
  - "Write your own" versus government
  - Eligibility
  - Coverage
  - Limits
  - Deductibles

**Series 14-32  
 Producer's Exam for Property and Casualty Insurance Laws and Regulations (CPCU Waiver)**

**50 questions – One-hour limit**

**1.0 Insurance Regulation 26%**  
 (See Page 16)

**2.0 Vermont Laws and Regulations Pertaining to Property and Casualty Insurance 74%**

- 2.1 Vermont laws, regulations and required provisions**
  - Vermont Property and Casualty Insurance Guaranty Association (3611–3626)
  - Renewal notice (3882; 4715)
  - Cancellation and nonrenewal (3879–3881; 3883; 4711–4714)
  - Consent to rate (4688(f); Reg 85-1 Sec 1–9)

Loss payment (3868; Reg 79-2 Sec 6, 8)  
 Discrimination (3861)  
 Coinsurance (3961-3968)  
 Pollution coverage (Bul 111)  
 Required provisions (4203)

**2.2 Auto insurance**

Vermont Motor Vehicle Financial Responsibility and Insurance Laws (RL 23 Sec 800–943)  
 Required limits of liability (RL 23 Sec 801)  
 Required proof of insurance (Bul 77)  
 Vermont Automobile Insurance Plan (4241-4246)  
 Eligibility  
 Liability limitations  
 Physical damage coverage limitations  
 Uninsured/underinsured motorist (RL 23 Sec 941)  
 Definitions  
 Required limits of liability  
 Bodily injury  
 Property damage  
 Cancellation/nonrenewal Grounds (4223)  
 Notice (4224–4226)  
 Notice of eligibility in assigned risk plan (4227)  
 Binders (RL 23 Sec 942)  
 Surcharges (4671–4675)

**2.3 Vermont Workers' Compensation Law (RL 21 Sec 601–711)**

Type of law  
 Compulsory versus elective  
 Exclusive remedy (RL 21 Sec 622)  
 Employment covered (required, voluntary) (RL 21 Sec 616, 706)  
 Covered injuries (RL 21 Sec 618–620, 649)  
 Occupational disease (RL 21 Sec 601(7, 23))  
 Benefits provided (RL 21 Sec 632–635, 640–648)  
 Other sources of coverage  
 Vermont workers' compensation administration fund (RL 21 Sec 711)  
 Self-insured employers and employer groups (RL 21 Sec 687, 687a)

**Series 14-33  
 Adjuster's Exam for Property and Casualty Insurance**

**150 questions – 2.5-hour time limit**

**1.0 Insurance Regulation 5%**

- 1.1 Licensing requirements**
  - Qualifications (4803(a))

Process (4800)  
 Licensing exceptions (4803(d)(2))  
 Nonresident adjuster (4803(d))

**1.2 Maintenance and duration**

Renewal (4798)  
 Expiration (4798)  
 Records (4803(c))

**1.3 Disciplinary actions**

Denial of license (4800(3)(E))  
 Cease and desist order (3661)  
 Suspension, revocation or nonrenewal (4804; 4806)  
 Fines (4804(d))

**1.4 Claims settlement laws and regulations (4724(9); Reg 79-2 Sec 1-7)**

**1.5 Federal regulation**

Fraud and false statements (18 USC 1033, 1034)

**2.0 Insurance Basics 15%**

**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  
 Legal interpretations affecting contracts  
 Ambiguities in a contract of adhesion  
 Reasonable expectations  
 Indemnity  
 Utmost good faith  
 Representations/misrepresentations  
 Warranties  
 Concealment  
 Fraud  
 Waiver and estoppel

**2.2 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  
   Valued policy

### 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  
   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  
 Assignment  
 Insurer provisions  
   Liberalization  
   Duty to defend  
 Third-party provisions  
   Standard mortgage clause  
   Loss payable clause  
   No benefit to bailee

### 2.5 Vermont laws, regulations and required provisions

Vermont Property and Casualty Insurance Guaranty Association (3611–3626)  
 Renewal notice (3882; 4715)  
 Cancellation and nonrenewal (3879–3881; 3883; 4711–4714)  
 Coinsurance (3961–3968)  
 Pollution coverage (Bul 111)  
 Required provisions (4203)  
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (Bul 142, 150; 15 USC 6701; Public Law 109–144)

## 3.0 Adjusting Losses 20%

### 3.1 Role of the adjuster

Duties and responsibilities  
 Staff and independent adjuster versus public adjuster (4791)  
 Relationship to the legal profession

### 3.2 Claim reporting

Claim investigation  
 Claim file documentation of events  
 Types of reports

  Initial or first field  
   Interim or status  
   Full formal

### 3.3 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

### 3.4 Liability losses

Investigation procedures  
 Verify coverage  
 Determine liability  
 Gathering evidence  
 Physical evidence  
 Witness statements  
 Determining value of intangible damages

### 3.5 Coverage problems

Dealing with coverage disputes  
 Reservation of rights letter  
 Nonwaiver agreement  
 Declaratory judgment action

### 3.6 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 6%

### 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 — Vermont (DP 01 44)  
 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 ('00) Policy 15%

### 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 — Vermont (HO 01 44)  
 Limited fungi, wet or dry rot, or bacteria coverage — Vermont (HO 04 02)  
 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 — Vermont (HO 23 45)  
 Business pursuits (HO 24 71)  
 Watercraft (HO 24 75)  
 Personal injury (HO 24 82)

## 6.0 Auto Insurance 12%

### 6.1 Laws

Vermont Motor Vehicle Financial Responsibility and Insurance Laws (RL 23 Sec 800–943)  
 Required limits of liability (RL 23 Sec 801)

Required proof of insurance (Bul 77)  
 Vermont Automobile Insurance Plan (4241-4246)  
 Eligibility  
 Liability limitations  
 Physical damage coverage limitations  
 Uninsured/underinsured motorist (RL 23 Sec 941)  
 Definitions  
 Required limits of liability  
 Bodily injury  
 Property damage  
 Cancellation/nonrenewal  
 Grounds (4223)  
 Notice (4224-4226)

**6.2 Personal ('05) auto policy**

Definitions  
 Liability coverage  
 Bodily injury and property damage  
 Supplementary payments  
 Exclusions  
 Medical payments  
 Uninsured motorist/underinsured motorist coverage  
 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 — Vermont (PP 01 72)  
 Towing and labor costs (PP 03 03)  
 Extended non-owned coverage (PP 03 06)  
 Miscellaneous type vehicle (PP 03 23)  
 Joint ownership coverage — Vermont (PP 03 80)

**6.3 Commercial auto ('06)**

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  
 Selected endorsements

Lessor — additional insured and loss payee (CA 20 01)  
 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)

**7.0 Commercial Package Policy (CPP) 12%**

**7.1 Components of a commercial policy**

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

**7.2 Commercial general liability ('07)**

Commercial general liability coverage forms  
 Bodily injury and property damage liability  
 Personal and advertising injury liability  
 Medical payments  
 Supplementary payments  
 Who is an insured  
 Limits of liability  
 Conditions  
 Definitions  
 Exclusions  
 Premises and operations  
 Products and completed operations  
 Insured contract

**7.3 Commercial property ('02)**

Commercial property conditions form  
 Coverage forms  
 Building and personal property  
 Condominium association  
 Condominium commercial unit-owners  
 Builders risk  
 Business income  
 Extra expense  
 Legal liability  
 Causes of loss forms  
 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)

**7.4 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 premises  
 Computer fraud  
 Funds transfer fraud  
 Money orders and counterfeit money  
 Other crime coverage  
 Extortion — commercial entities

**7.5 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

**7.6 Equipment breakdown ('07)**

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

**7.7 Farm coverage**

Farm property coverage forms ('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
- Farm liability coverage form ('06)
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal advertising injury liability
  - Coverage J — Medical payments
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Cause of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

**8.0 Businessowners ('06) Policy 15%**

- 8.1 Characteristics and purpose**
- 8.2 Businessowners Section I — Property**
  - Coverage
  - Exclusions
  - Limits
  - Deductibles
  - Loss conditions
  - General conditions
  - Optional coverages
  - Definitions
- 8.3 Businessowners Section II — Liability**
  - Coverages
  - Exclusions
  - Who is an insured
  - Limits of insurance
  - General conditions
  - Definitions
- 8.4 Businessowners Section III — Common Policy Conditions**
- 8.5 Selected endorsements**
  - Protective safeguards (BP 04 30)
  - Utility services — direct damage (BP 04 56)
  - Utility services — time element (BP 04 57)

**Series 14-34  
Adjuster's Exam for Workers  
Compensation Insurance**

**50 questions — One-hour time limit**

**1.0 Insurance Regulation 9%**

- 1.1 Licensing requirements**
  - Qualifications (4803(a))
  - Process (4800)
- 1.2 Maintenance and duration**
  - Renewal (4798)
  - Expiration (4798)
  - Records (4803(c))

- 1.3 Disciplinary actions**
  - Denial of license (4800(3)(E))
  - Cease and desist order (3661)
  - Suspension, revocation or nonrenewal (4804; 4806)
  - Fines (4804(d))
  - Administrative penalties (RR 95-20 Rule 45 Sec 5000)

**2.0 Workers Compensation Insurance 55%**

- 2.1 Workers compensation laws and rules (RL 21 Sec 601–711)**
  - Vermont Workers' Compensation Law and Department of Labor Rules (RL 21 Sec 602; RR 94-1 Rule 1.0000)
    - Definitions (RR 94-1 Rule 2.0000)
    - Exclusive remedy (RL 21 Sec 622)
    - Employment covered (required, voluntary) (RL 21 Sec 616, 706)
      - Independent contractor versus employee
      - Statutory employer
    - Covered injuries (RL 21 Sec 618–620, 649)
    - Benefits provided (RL 21 Sec 632–635, 640–648)
    - Out-of-state injuries (RL 21 Sec 619, 620, 623)
      - Jurisdiction
    - Subrogation (RL 21 Sec 624)
    - Bars to recovery (RL 21 Sec 649)
      - Willful intention
      - Intoxication
      - Failure to use safety appliance
      - Statute of limitations
    - Average weekly wage (RL 21 Sec 650; RR 94-1 Rule 15.0000)
    - Choice of physician (RR 94-1 Rule 12.0000)
    - Medical examination (RL 21 Sec 655; RR 94-1 Rule 13.0000)
    - Notice of injury and claim (RL 21 Sec 656–660; RR 94-1 Rule 3.0000)
    - Compensation agreements and disputed claims (RL 21 Sec 662; RR 94-1 Rule 17.0000)
    - Termination of compensation (RR 94-1 Rule 18.0000)
    - Lump-sum payments (RR 94-1 Rule 19.0000)
- 2.2 Workers compensation and employer liability insurance policy**
  - General section

- Part One — Workers compensation insurance
- Part Two — Employers liability insurance
- Part Three — Other states insurance
- Part Four — Your duties if injury occurs

**3.0 Workers Compensation Claim Principles 36%**

- 3.1 Role of the adjuster**
  - Duties and responsibilities
- 3.2 Controlling medical costs**
  - Designated provider
  - Medical fee schedule (RR 95-22 Rule 40.01–.11)
    - Hospital bill auditing
    - Reimbursement requirements (RR 95-22 Rule 40.02)
    - Fees for depositions, mileage and supplemental reports (RR 95-22 Rule 40.11)
- 3.3 Investigation and evaluation**
  - Compensability
    - Employment relationship
    - Compensable injury
    - Casual relationship
    - Timely notice
  - Workers compensation fraud
  - Documentation
    - First report of injury
    - Types of evidence
    - Time limits
    - Surveillance
    - Adjuster's log notes
  - Medical determination
    - Medical authorization
    - Casual relationship
    - Aggravation/recurrence
    - Disability status
    - Independent Medical Examinations (IME)
- 3.4 Claim reserves**
  - Components
    - Indemnity
    - Medical
    - Expense
  - Factors affecting reserves
- 3.5 Claims management**
  - Analysis
    - Identifying treating physician
    - Identifying treatment plan
    - Identifying return-to-work capacity
  - Contested claims adjustment procedures
    - Form 27 (RR 94-1 Rule 18.0000)
    - Notice and application for hearing; filing of papers (RR 94-1 Rule 4.0000)
    - Representation (RR 94-1 Rule 5.0000)

Informal resolution  
(RR 94-1 Rule 6.0000)  
Formal hearing  
(RR 94-1 Rule 7.0000)  
Appeals  
(RR 94-1 Rule 9.0000)  
Attorney's fees (RR 94-1  
Rule 10.0000)

Dispositions  
Resolving medical disputes  
(RR 94-1 Rule 14.0000)  
Resolving permanency disputes  
Settlement negotiation  
Form 14/Form 15

**3.6 Vocational rehabilitation programs**

Referral (RR 94-1 Rule 30.0000)  
Individual written rehabilitation  
plan (RR 94-1 Rule 33.0000)

**Series 14-35  
Producer's Exam for Bail Bond**

**60 questions – One-hour time  
limit**

**1.0 Insurance Regulation 20%**

**1.1 Licensing**

Persons to be licensed (4793;  
RL 13 Sec 7554a)  
Process (4800; 4813f)  
Producer appointment (4798(c);  
4813l)  
Termination of appointment  
(4798(d); 4813m)  
Examination of records (3565)  
Maintenance and duration  
Renewal and expiration  
(4798)  
Address change  
(4800(3)(F))  
Continuing education  
requirements (4800a;  
Reg 2000-2 Sec 4)  
Disciplinary actions  
Denial of license  
(4800(3)(E))  
Cease and desist order  
(3661)  
Suspension, revocation or  
nonrenewal (4804;  
4806)

**1.2 Unfair trade practices (4724)**

Misrepresentation (4724(1, 11,  
13))  
False advertising (4724(2))  
Defamation (4724(3))  
Boycott, coercion and  
intimidation (4724(4))  
False financial statements and  
entries (4724(5))  
Illegal inducement (4724(6))  
Unfair discrimination (4724(7))  
Rebating (4724(8))  
Failure to maintain complaint  
record (4724(10))

Failure to act as fiduciary  
(4724(12))  
Nondisclosure of fees or charges  
(4724(14))  
Failure to comply with filed  
rates, rules, regulations or  
forms (4724(19))

**1.3 Trust accounts (Reg 95-1)**

Fiduciary duties and  
responsibilities  
Accounting requirements

**1.4 Federal regulation**

Fraud and false statements  
(18 USC 1033, 1034)

**2.0 The Legal Framework 10%**

**2.1 Powers and authority of producers**

Express  
Implied  
Apparent

**2.2 Contracts**

Elements of a legal contract  
Offer and acceptance  
Consideration  
Competent parties  
Legal purpose  
Concealment  
Fraud

**2.3 Court jurisdiction**

Original jurisdiction  
Territorial  
Personal  
Appellate jurisdiction

**2.4 Terminology**

Arrest  
Capital offense  
Chancer (RL 13 Sec 7570)  
Concurrent bail  
Consecutive bail  
Conviction  
Custody  
Defendant  
Discharge  
Disposition  
Extradition  
Felony  
Final judgment  
Hearing  
Incarceration  
Indictment  
Misdemeanor  
Mittimus  
Posting of bail  
Recognition  
Warrant

**3.0 Bail Bond Principles and Practices 70%**

**3.1 Parties to a surety bond**

Principal  
Indemnitor for principal  
Indemnity agreement  
Obligee  
Surety  
Surety's agent (producer)

**3.2 Duties of a bail bond producer**

Approval  
Premium receipt  
Obligation to court  
Power of attorney  
Collateral and trust obligations

**3.3 Types of bonds**

Bail  
Peace bond (RL 13 Sec 7573)  
Property bond  
Secured appearance bond  
Unsecured appearance bond

**3.4 Procedure**

Application for bond  
(surety/defendant contract)  
Collateral security  
Surety contract  
Posting the bond

**3.5 Court procedures (RL 13 Sec 7551–7576)**

Court appearances  
Arraignment  
Trial  
Appeal  
Conditions of release  
Prior to trial  
(RL 13 Sec 7553, 7554)  
Pending appeal  
(RL 13 Sec 7574)  
Failure to appear  
Revocation of bail  
(RL 13 Sec 7575)

**3.6 Release of surety**

**3.7 Surrender of principal (defendant) (RL 13 Sec 7562–7564)**

Discharge of bond  
Return of premium  
Return of collateral

**3.8 Bond forfeiture (RL 13 Sec 7570)**

Notice to defendant and sureties  
Judgment  
Dispersal of funds  
Arrest after forfeiture

**Series 14-37  
Exam for Motor Vehicle Damage  
Appraiser**

**60 questions – One-hour time  
limit**

**1.0 Vermont Insurance Practices 10%**

**1.1 Authority of the Insurance Commissioner (4726)**

**1.2 Licensing requirements (4791, 4800)**

Qualifications (4803)  
Records (4803)  
Disciplinary actions (4804)  
Renewal (4798)

**1.3 Claim settlement laws and regulations (4724(9); Reg 79-2 Sec 1-9)**

**1.4 Federal regulation**

Fraud and false statements  
(18 USC 1033, 1034)

**2.0 Insurance Basics 10%**

**2.1 Property insurance principles**

- Insurable interest
- Causes of loss (perils)
- Direct versus indirect loss
- Valuation
  - Actual cash value
  - Replacement cost

**3.0 Appraising Auto Physical Damage Claims 80%**

**3.1 The role of the appraiser**

- Duties and responsibilities
- Relationship to adjusters

**3.2 Duties of insured after a loss**

- Notice to insurer
- Minimizing the loss
- Proof of loss
- Inspection and appraisal of vehicle
- Special requirements

**3.3 Determining value and loss**

- Adjustment procedures
- Salvage
- Appraisal
- Depreciation
- Repair or replacement
  - Repair options and procedures
  - "Like kind and quality"
  - Aftermarket parts
- Partial loss versus total loss
- Constructive total loss

**3.4 Vehicle inspection**

- Proper vehicle identification and options ID
- Evaluate with regard to circumstances of accident
- Estimate of repairs form

**3.5 Vehicle parts and construction**

- Body
  - Front end
  - Rear body
  - Quarter panels
  - Doors
  - Roof
  - Bumpers/urethane repairs
  - Lamps
  - Cowl
  - Floor pan
  - Rocker panels
  - Pillars
- Substructure
  - Frame
  - Unibody
- Mechanical
  - Engine
  - Cooling system
  - Electrical system/computers
  - Exhaust system
  - Fuel system
  - Heating and air conditioning systems
  - Brakes/ABS
  - Steering
  - Suspension
  - Transmission

- Air bags/SRS (seat belts)
- Glass
- Interior
- Paint

**3.6 Handling auto theft losses**

**3.7 Auto arson and fraud**

**Series 14-38  
Agent's Exam for Title Insurance**

**60 questions – One-hour time limit**

**1.0 Insurance Regulation 6%**

**1.1 Licensing**

- Process (4800; 4813e; 4813f)
- Persons to be licensed (4813b)
- Maintenance and duration
  - Renewal and expiration (4798)
  - Address change (4800(3)(F))
  - Assumed business name (4813j)
  - Reporting of actions (4813o)
  - Continuing education requirements (4800a; Reg 2000-2 Sec 4)
- Disciplinary actions
  - Denial of license (4800(3)(E))
  - Cease and desist order (3661)
  - Suspension, revocation or nonrenewal (4804; 4806)

**1.2 State regulation**

- Commissioner's general duties and powers (4726)
- Company regulation
  - Forms filing exceptions (Reg 85-1 Sec 6(C)(6)(j))
  - Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1-7)
  - Examination of records (3565)
- Agent regulation
  - Acting without a license (4793)
  - Shared commissions (4796)
- Unfair trade practices (4724)
  - Misrepresentation (4724(1, 11, 13))
  - False advertising (4724(2))
  - Defamation (4724(3))
  - Boycott, coercion and intimidation (4724(4))
  - False financial statements and entries (4724(5))
  - Illegal inducement (4724(6))
  - Unfair discrimination (4724(7))
  - Rebating (4724(8))

- Failure to maintain complaint record (4724(10))
- Failure to act as fiduciary (4724(12))
- Nondisclosure of fees or charges (4724(14))

**1.3 Federal regulation**

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

**2.0 General Insurance 7%**

**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
- Reinsurance

**2.2 Agents and general rules of agency**

- Insurer as principal
- Agent/insurer relationship
- Authority and powers of agents
  - 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
- 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 34%**

**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**

- Conveyances
- Encumbrances
- Adverse possession
- Condemnation
- Accession
- Escheats
- Involuntary alienation
- Abandonment
- Judicial sales
- Decedents' estates
  - Intestate
  - Testate
- Trusts
- Types of joint ownership
  - Tenants in common
  - Joint tenancy
  - Tenants by the entirety
- 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 real descriptions
- Structure and format
- Interpretation
- Survey requirements

**3.4 Recording**

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

**4.0 Title Insurance 24%**

**4.1 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 estate
  - Estate in common
  - Leasehold estate
  - Life estate

- Easements
- Title insurance forms
- Commitments
- Insured closing protection letters
- Owner's policy
- Loan policy/short form residential loan policy
- Leasehold policy
- Title insurance policy structure and provisions
- Insuring provisions
- Schedule A
- Schedule B — Exceptions from coverage
- Exclusions from coverage
- Conditions and stipulations
- Endorsements

**5.0 Title Exceptions and Procedures for Clearing Title 29%**

**5.1 Principles and concepts**

- General exceptions
- Voluntary and involuntary liens
- Federal liens
- Mortgage deeds
- Judgments
- Taxes and assessments
- Surveys
- Condominiums and common interest communities
- Water rights
- Mineral rights
- Equitable interests
- Attachments
- Executions
- Covenants
- Conditions
- Restrictions
- Glebe land
- Building and zoning laws

**5.2 Special problem areas and concerns**

- Acknowledgments
- Mechanic's lien
- Bankruptcy
- Probate
- Good faith
- Foreclosure
- Claims against the title
- Ancient roads

**5.3 Principles of clearing title**

- Releases
- Assignments
- Subordinations
- Affidavits
- Reconveyances

**Series 14-39  
Producer's Exam for Personal Lines Insurance**

**100 questions – Two-hour time limit**

**1.0 Insurance Regulation 8%**

(See Page 16)

**2.0 General Insurance 7%**

(See Page 16)

**3.0 Property and Casualty Insurance Basics 15%**

**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
  - Valued policy

**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 bailee

### 3.4 Vermont laws, regulations and required provisions

- Vermont Property and Casualty Insurance Guaranty Association (3611–3626)
- Renewal notice (3882)
- Cancellation and nonrenewal (3879–3881; 3883)
- Consent to rate (4688(f); Reg 85-1 Sec 1–9)
- Loss payment (3868; Reg 79-2 Sec 6, 8)
- Discrimination (3861)
- Coinsurance (3961–3968)
- Required provisions (4203)

### 4.0 Dwelling ('02) Policy 5%

#### 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 — Vermont (DP 01 44)
- 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 ('00) Policy 25%

#### 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 — Vermont (HO 01 44)
- Limited fungi, wet or dry rot, or bacteria coverage — Vermont (HO 04 02)
- 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 — Vermont (HO 23 45)
- Business pursuits (HO 24 71)
- Watercraft (HO 24 75)
- Personal injury (HO 24 82)

### 6.0 Auto Insurance 28%

#### 6.1 Laws

- Vermont Motor Vehicle Financial Responsibility and Insurance Laws (RL 23 Sec 800–943)
  - Required limits of liability (RL 23 Sec 801)
  - Required proof of insurance (Bul 77)
- Vermont Automobile Insurance Plan (4241–4246)
  - Eligibility
  - Liability limitations
  - Physical damage coverage limitations
- Uninsured/underinsured motorist (RL 23 Sec 941)
  - Definitions
  - Required limits of liability
  - Bodily injury
  - Property damage
- Cancellation/nonrenewal Grounds (4223)
- Notice (4224–4226)
- Notice of eligibility in assigned risk plan (4227)
- Binders (RL 23 Sec 942)
- Surcharges (4671–4675)

#### 6.2 Personal ('05) auto policy

- Definitions
- Liability coverage
- Bodily injury and property damage

- Supplementary payments
- Exclusions
- Medical payments
- Uninsured motorist/underinsured motorist coverage
- 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 — Vermont (PP 01 72)
  - Towing and labor costs (PP 03 03)
  - Extended non-owned coverage (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage — Vermont (PP 03 80)

### 7.0 Farm Coverage 2%

#### 7.1 Farm property coverage forms ('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
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form

#### 7.2 Farm liability coverage forms ('06)

- Coverage H — Bodily injury and property damage liability
- Coverage I — Personal and advertising injury liability
- Coverage J — Medical payments

#### 7.3 Cause of loss (basic, broad and special)

#### 7.4 Exclusions

#### 7.5 Other provisions

- Additional coverages
- Conditions
- Definitions
- Limits

### 8.0 Other Coverages and Options 10%

#### 8.1 Personal umbrella policy (DL 98 01)

#### 8.2 National Flood Insurance Program

"Write your own" versus government  
 Eligibility  
 Coverage  
 Limits  
 Deductibles

**8.3 Other policies**  
 Boatowners

**Series 14-41**  
**Producer's Exam for Property Insurance**

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**100 questions - Two-hour time limit**

**1.0 Insurance Regulation 10%**

**1.1 Licensing**

Process (4800; 4813f)  
 Types of licensees (4791)  
     Resident (4800(3)(A); 4813h)  
     Nonresident (4800(3)(B); 4813h)  
     Temporary (4800(3)(D)(ii); 4813k)  
 Maintenance and duration  
 Renewal and expiration (4798)  
 Address change (4800(3)(F))  
 Assumed business name (4813j)  
 Reporting of actions (4813o)  
 Continuing education requirements (4800a; Reg 2000-2 Sec 4)  
 Disciplinary actions  
     Denial of license (4800(3)(E))  
     Cease and desist order (3661)  
     Suspension, revocation or nonrenewal (4804; 4806)  
     Penalties (3661(2); 4804(d))

**1.2 State regulation**

Commissioner's general duties and powers (4726; 4804)  
 Company regulation  
     Certificate of authority (3368)  
     Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1-7)  
     Policy forms (3541)  
     Examination of records (3565)  
     Producer appointment (4798(c); 4813l)  
     Termination of appointment (4798(d); 4813m)  
 Producer regulation  
     Acting without a license (4793; 4813c)  
     Shared commissions (4796)

Trust accounts — anti-commingling (Reg 95-1; 4724(12))  
 Controlled business (4795)  
 Duties (4813c)  
 Unfair trade practices (4724)  
     Misrepresentation (4724(1, 11, 13))  
     False advertising (4724(2))  
     Defamation (4724(3))  
     Boycott, coercion and intimidation (4724(4))  
     False financial statements and entries (4724(5))  
     Illegal inducement (4724(6))  
     Unfair discrimination (4724(7))  
     Rebating (4724(8))  
     Failure to maintain complaint record (4724(10))  
     Failure to act as fiduciary (4724(12); Reg 95-1)  
     Unsuitability (4724(16))  
     Nondisclosure of fees or charges (4724(14))  
 Consumer privacy regulation (IH-2001-01)

**1.3 Federal regulation**

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

**2.0 General Insurance 9%**

**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  
 Private versus government insurers  
 Admitted versus nonadmitted 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  
 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 Insurance Basics 13%**

**3.1 Principles and concepts**

Insurable interest  
 Underwriting  
     Function  
     Loss ratio  
 Rates  
     Types  
     Loss costs  
     Components  
 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  
     Valued policy

**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  
 Policy limits  
 Restoration/nonreduction of limits  
 Coinsurance  
 Vacancy or unoccupancy  
 Named insured provisions  
   Duties after loss  
   Assignment  
   Abandonment  
 Insurer provisions  
   Liberalization  
   Subrogation  
   Salvage  
   Claim settlement options  
 Third-party provisions  
   Standard mortgage clause  
   Loss payable clause  
   No benefit to bailee

### 3.4 Vermont laws, regulations and required provisions

Vermont Property and Casualty Insurance Guaranty Association (3611–3626)  
 Renewal notice (3882; 4715)  
 Cancellation and nonrenewal (3879–3881; 3883; 4711–4714)  
 Consent to rate (4688(f); Reg 85-1 Sec 1–9)  
 Loss payment (3868; Reg 79-2 Sec 6, 8)  
 Discrimination (3861)  
 Coinsurance (3961–3968)  
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (Bul 142, 150; 15 USC 6701; Public Law 109–144)

### 4.0 Dwelling ('02) Policy 7%

#### 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 — Vermont (DP 01 44)  
 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 ('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 Perils insured against

#### 5.5 Exclusions

#### 5.6 Conditions

#### 5.7 Selected endorsements

Special provisions — Vermont (HO 01 44)  
 Limited fungi, wet or dry rot, or bacteria coverage — Vermont (HO 04 02)  
 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 — Vermont (HO 23 45)

### 6.0 Auto Insurance 7%

#### 6.1 Laws

Cancellation/nonrenewal Grounds (4223)  
 Notice (4224–4226)

#### 6.2 Personal ('05) auto policy

Definitions  
 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 — Vermont (PP 01 72)

Towing and labor costs (PP 03 03)  
 Miscellaneous type vehicle (PP 03 23)  
 Joint ownership coverage — Vermont (PP 03 80)

### 6.3 Commercial auto ('06)

Commercial auto coverage forms  
 Business auto  
 Garage  
 Business auto physical damage  
 Truckers  
 Motor carrier  
 Coverage form sections  
 Covered autos  
 Physical damage coverage  
 Exclusions  
 Conditions  
 Definitions  
 Selected endorsements  
   Lessor — additional insured and loss payee (CA 20 01)  
   Mobile equipment (CA 20 15)  
   Individual named insured (CA 99 17)

### 7.0 Commercial Package Policy (CPP) 14%

#### 7.1 Components of a commercial policy

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

#### 7.2 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 forms  
 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)

#### 7.3 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

- 7.4 Equipment breakdown ('07)**  
 Equipment breakdown protection coverage form (EB 00 20)  
 Selected endorsement  
 Actual cash value (EB 99 59)

- 7.5 Farm coverage**  
 Farm property coverage forms ('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  
 Mobile agricultural machinery and equipment coverage form  
 Livestock coverage form  
 Definitions  
 Cause of loss (basic, broad and special)  
 Conditions  
 Exclusions  
 Limits  
 Additional coverages

**8.0 Businessowners ('06) Policy 13%**

- 8.1 Characteristics and purpose**  
**8.2 Businessowners Section I — Property**  
 Coverage  
 Exclusions  
 Limits  
 Deductibles  
 Loss conditions  
 General conditions  
 Optional coverages  
 Definitions  
**8.3 Businessowners Section III — Common Policy Conditions**  
**8.4 Selected endorsements**  
 Protective safeguards (BP 04 30)  
 Utility services — direct damage (BP 04 56)  
 Utility services — time element (BP 04 57)

**9.0 Other Coverages and Options 5%**

- 9.1 Ocean marine insurance**  
 Hull insurance  
 Cargo insurance  
 Freight insurance
- 9.2 National Flood Insurance Program**  
 "Write your own" versus government  
 Eligibility  
 Coverage  
 Limits  
 Deductibles

**Series 14-42  
 Producer's Exam for Casualty Insurance**

**100 questions - Two-hour time limit**

**1.0 Insurance Regulation 10%**

- 1.1 Licensing**  
 Process (4800; 4813f)  
 Types of licensees (4791)  
 Resident (4800(3)(A))  
 Nonresident (4800(3)(B); 4813h)  
 Temporary (4800(3)(D)(ii); 4813k)  
 Maintenance and duration  
 Renewal and expiration (4798)  
 Address change (4800(3)(F))  
 Assumed business name (4813j)  
 Reporting of actions (4813o)  
 Continuing education requirements (4800a; Reg 2000-2 Sec 4)  
 Disciplinary actions  
 Denial of license (4800(3)(E))  
 Cease and desist order (3661)  
 Suspension, revocation or nonrenewal (4804; 4806)  
 Penalties (3661(2); 4804(d))
- 1.2 State regulation**  
 Commissioner's general duties and powers (4726; 4804)  
 Company regulation  
 Certificate of authority (3368)  
 Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1-7)  
 Policy forms (3541)  
 Examination of records (3565)  
 Producer appointment (4798(c); 4813l)

- Termination of appointment (4798(d); 4813m)
  - Producer regulation
    - Acting without a license (4793; 4813c)
    - Shared commissions (4796)
    - Trust accounts — anti-commingling (Reg 95-1; 4724(12))
    - Controlled business (4795)
    - Duties (4813c)
  - Unfair trade practices (4724)
    - Misrepresentation (4724(1, 11, 13))
    - False advertising (4724(2))
    - Defamation (4724(3))
    - Boycott, coercion and intimidation (4724(4))
    - False financial statements and entries (4724(5))
    - Illegal inducement (4724(6))
    - Unfair discrimination (4724(7))
    - Rebating (4724(8))
    - Failure to maintain complaint record (4724(10))
    - Failure to act as fiduciary (4724(12); Reg 95-1)
    - Unsuitability (4724(16))
    - Nondisclosure of fees or charges (4724(14))
    - Consumer privacy regulation (IH-2001-01)
- 1.3 Federal regulation**  
 Fair Credit Reporting Act (15 USC 1681-1681d)  
 Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 9%**

- 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  
 Private versus government insurers

Admitted versus nonadmitted 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  
 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 Casualty Insurance Basics 12%

#### 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

#### 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  
 Named insured provisions  
 Duties after loss  
 Assignment  
 Insurer provisions  
 Liberalization  
 Subrogation  
 Duty to defend

#### 3.4 Vermont laws, regulations and required provisions

Vermont Property and Casualty Insurance Guaranty Association (3611–3626)  
 Renewal notice (3882; 4715)  
 Cancellation and nonrenewal (3879–3881; 3883; 4711–4714)  
 Consent to rate (4688(f); Reg 85-1 Sec 1–9)  
 Loss payment (Reg 79-2 Sec 6, 8)  
 Discrimination (3861)  
 Pollution coverage (Bul 111)  
 Required provisions (4203)  
 Terrorism Risk Insurance Act of 2002 and Extension Act of 2005 (Bul 142, 150; 15 USC 6701; Public Law 109–144)

### 4.0 Homeowners ('00) Policy 17%

#### 4.1 Coverage forms

HO-2 through HO-6

#### 4.2 Definitions

#### 4.3 Section II — Liability coverages

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

Additional coverages

#### 4.4 Exclusions

#### 4.5 Conditions

#### 4.6 Selected endorsements

Special provisions — Vermont (HO 01 44)  
 Limited fungi, wet or dry rot, or bacteria coverage — Vermont (HO 04 02)  
 Permitted incidental occupancies (HO 04 42)  
 Home day care — Vermont (HO 23 45)  
 Business pursuits (HO 24 71)  
 Watercraft (HO 24 75)  
 Personal injury (HO 24 82)

### 5.0 Auto Insurance 21%

#### 5.1 Laws

Vermont Motor Vehicle Financial Responsibility and Insurance Laws (RL 23 Sec 800–943)  
 Required limits of liability (RL 23 Sec 801)  
 Required proof of insurance (Bul 77)  
 Vermont Automobile Insurance Plan (4241–4246)  
 Eligibility  
 Liability limitations  
 Physical damage coverage limitations  
 Uninsured/underinsured motorist (RL 23 Sec 941)  
 Definitions  
 Required limits of liability  
 Bodily injury  
 Property damage  
 Cancellation/nonrenewal  
 Grounds (4223)  
 Notice (4224–4226)  
 Notice of eligibility in assigned risk plan (4227)  
 Binders (RL 23 Sec 942)  
 Surcharges (4671–4675)

#### 5.2 Personal ('05) auto policy

Definitions  
 Liability coverage  
 Bodily injury and property damage  
 Supplementary payments  
 Exclusions  
 Medical payments  
 Uninsured motorist/underinsured motorist coverage  
 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 — Vermont (PP 01 72)

- Towing and labor costs (PP 03 03)
- Extended non-owned coverage (PP 03 06)
- Miscellaneous type vehicle (PP 03 23)
- Joint ownership coverage — Vermont (PP 03 80)

**5.3 Commercial auto ('06)**

- 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
- Selected endorsements
  - Lessor — additional insured and loss payee (CA 20 01)
  - 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)

**6.0 Commercial Package Policy (CPP) 9%**

**6.1 Components of a commercial policy**

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

**6.2 Commercial general liability ('07)**

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

- Premises and operations
- Products and completed operations
- Insured contract

**6.3 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 premises
  - Computer fraud
  - Funds transfer fraud
  - Money orders and counterfeit money
- Other crime coverage
  - Extortion — commercial entities

**6.4 Farm coverage**

- Farm liability coverage form ('06)
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal advertising injury liability
  - Coverage J — Medical payments
- Definitions
- Conditions
- Exclusions
- Limits
- Additional coverages

**7.0 Businessowners ('06) Policy 8%**

**7.1 Characteristics and purpose**

**7.2 Businessowners Section II — Liability**

- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions

**7.3 Businessowners Section III — Common Policy Conditions**

**8.0 Workers Compensation Insurance 7%**

**8.1 Workers compensation laws**

- Type of law
  - Compulsory versus elective

- Vermont Workers' Compensation Law (RL 21 Sec 601–711)
  - Exclusive remedy (RL 21 Sec 622)
  - Employment covered (required, voluntary) (RL 21 Sec 616, 706)
  - Covered injuries (RL 21 Sec 618–620, 649)
  - Occupational disease (RL 21 Sec 601(7, 23))
  - Benefits provided (RL 21 Sec 632–635, 640–648)
- Federal workers compensation laws
  - Federal Employer Liability Act (FELA) (45 USC 51–60)
  - U.S. Longshore & Harbor Workers' Compensation Act (33 USC 904)
  - The Jones Act (46 USC 688)

**8.2 Workers compensation and employers liability insurance policy**

- General section
  - Part One — Workers compensation insurance
  - Part Two — Employers liability insurance
  - Part Three — Other states insurance
  - Part Four — Your duties if injury occurs
  - Part Five — Premium
  - Part Six — Conditions
- Voluntary compensation endorsement

**8.3 Premium computation**

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts

**8.4 Other sources of coverages**

- Vermont workers' compensation administration fund (RL 21 Sec 711)
- Self-insured employers and employer groups (RL 21 Sec 687, 687a)

**9.0 Other Coverages and Options 7%**

**9.1 Umbrella/excess liability policies**

- Personal (DL 98 01)
- Commercial (CU 00 01)

**9.2 Specialty liability insurance**

- Professional liability
- Errors and omissions
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

**9.3 Surplus lines**

- Definitions and markets
- Licensing requirements

**9.4 Surety bonds**

Principal, obligee, surety  
Contract bonds  
License and permit bonds  
Judicial bonds

**9.5 Ocean marine insurance**

Protection and indemnity

## *License application and forms*

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This section provides printable copies of various forms and information that may be needed or helpful for completing them. It contains the following:

- NAIC Application form for individual insurance producer license.
- Exam registration form.

Please note the application may be revised on a bi-annual basis. To ensure you are filing the current version of the application, please reference the National Insurance Producer Registry web site at www.nipr.com.



## Uniform Application for Individual Insurance Producer License

(Please Print or Type)

**Check appropriate box for license requested.**

- Resident License
- Non-Resident License
  - Identify Home State: \_\_\_\_\_
  - Identify Home State License #: \_\_\_\_\_

① Soc. Security Number		② If assigned, National Producer Number (NPN)			
③ If applicable, NASD Individual Central Registration Depository (CRD) Number			④ Are you affiliated with a financial institution/bank? Yes <input type="checkbox"/> No <input type="checkbox"/>		
⑤ Last Name JR./SR. etc		⑥ First Name	⑦ Middle Name	⑧ Date of Birth (month) ___ (day) ___ (year)___	
⑨ Residence/Home Address (Physical Street)		⑩ P.O. Box	⑪ City	⑫ State	⑬ Zip Code
⑭ Foreign Country	⑮ Home Phone Number ( ) -	⑯ Gender (Circle One) Male Female	⑰ Are you a Citizen of the United States? (Check One) Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, of which country are you a citizen?) (If No, you must supply proof of eligibility to work in the U.S.)		
⑱ Business Entity Name					
⑲ Business Address (Physical Street)		⑳ P.O. Box	㉑ City	㉒ State	㉓ Zip Code
㉔ Foreign Country	㉕ Business Phone Number ( ) -	㉖ Business Fax Number ( ) -	㉗ Business E-Mail Address	㉘ Business Web Site Address	
㉙ Applicant's Mailing Address		㉚ P.O. Box	㉛ City	㉜ State	㉝ Zip Code
㉞ Foreign Country	㉟ a. List any other assumed, fictitious, alias, maiden or trade names which you have used in the past. b. List any trade names under which you are currently doing business or intend to do business.				

### Agency or Business Entity Affiliations

③⑥ List your Insurance Agency Affiliations: (Complete only if the applicant is to be licensed as an active member of the business entity)

FEIN _____	NPN _____	Name of Agency _____
FEIN _____	NPN _____	Name of Agency _____
FEIN _____	NPN _____	Name of Agency _____

### Employment History

③⑦ Account for all time for the past five years. Give all employment experience starting with your current employer working back five years. Include full and part-time work, self-employment, military service, unemployment and full-time education.

Name	From		To		Position Held
	Month	Year	Month	Year	
City State Foreign Country					
Name					
City State Foreign Country					
Name					
City State Foreign Country					
Name					
City State Foreign Country					

(State Use)

### Jurisdiction and Type of License Requested

38 Next to each jurisdiction, check the license type(s) and line(s) of authority for which you are applying.

**License Types:**      A – Agent                      B – Broker                      P – Producer                      SLP – Surplus Lines Producer

**Lines of Authority:**    V – Variable Life/  
Variable Annuity                      L – Life                      H – Accident &  
Sickness                      P – Property                      C – Casualty                      PL – Personal  
Lines

**Limited Lines:**              Credit – Credit                      CR – Car Rental                      CROP – Crop                      T – Travel                      S – Surety                      O – Other: Specify  
Type

Jurisdiction	LICENSE TYPE				Major Lines of Authority						Limited Lines of Authority					
	A	B	P	SLP	V	L	H	P	C	PL	Credit	CR	CROP	T	S	O _____
AK																
AL																
AR																
AZ																
CA																
CO																
CT																
DC																
DE																
FL																
GA																
GU																
HI																
IA																
ID																
IL																
IN																
KS																
KY																
LA																
MA																
MD																
ME																
MI																
MN																
MO																
MS																
MT																
NC																
ND																
NE																
NH																
NJ																
NM																
NV																
NY																
OH																
OK																
OR																
PA																
PR																
RI																
SC																
SD																
TN																
TX																
UT																
VI																
VA																
VT																
WA																
WI																
WV																
WY																

## Background Information

59 The Applicant must read the following very carefully and answer every question. All copies of documents must be certified. All written statements submitted by the Applicant must include an original signature.

1. Have you ever been convicted of, had a judgment withheld or deferred, or are you currently charged with, committing a crime? Yes \_\_\_ No \_\_\_  
 "Crime" includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. "Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.  
  
 If you answer yes, you must attach to this application:  
 a) a written statement explaining the circumstances of each incident,  
 b) a certified copy of the charging document,  
 c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment, and  
  
 If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033?     N/A \_\_\_ Yes \_\_\_ No \_\_\_  
  
 If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.)     N/A \_\_\_ Yes \_\_\_ No \_\_\_
  
2. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any professional or occupational license, or registration? Yes \_\_\_ No \_\_\_  
 "Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.  
  
 If you answer yes, you must attach to this application:  
 a) a written statement identifying the type of license and explaining the circumstances of each incident,  
 b) a certified copy of the Notice of Hearing or other document that states the charges and allegations, and  
 c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.
  
3. Has any demand been made or judgment rendered against you or nay business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Only include individual bankruptcies that involve funds held on behalf of others. Yes \_\_\_ No \_\_\_  
 If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy.
  
4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes \_\_\_ No \_\_\_  
 If you answer yes, identify the jurisdiction(s): \_\_\_\_\_
  
5. Are you currently a party to, or have you ever been found liable in, any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes \_\_\_ No \_\_\_  
 If you answer yes, you must attach to this application:  
 a) a written statement summarizing the details of each incident,  
 b) a certified copy of the Petition, Complaint or other document that commenced the lawsuit or arbitration, and  
 c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.
  
6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes \_\_\_ No \_\_\_  
 If you answer yes, you must attach to this application:  
 a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and  
 b) certified copies of all relevant documents.
  
7. Do you have a child support obligation in arrearage that is currently subject to a repayment agreement or are you subject to a child support related subpoena/warrant? Yes \_\_\_ No \_\_\_  
 If you answer yes,  
 a) by how many months are you in arrearage? \_\_\_\_\_ Months  
 b) are you currently subject to a repayment agreement? Yes \_\_\_ No \_\_\_  
 c) are you the subject of a child support related subpoena/warrant? Yes \_\_\_ No \_\_\_

### Applicants Certification and Attestation

40 The Applicant must read the following very carefully:

1. I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.
2. Where required by law, I hereby designate the Commissioner, Director or Superintendent of Insurance, or other appropriate party in each jurisdiction for which this application is made to be my agent for service of process regarding all insurance matters in the respective jurisdiction and agree that service upon the Commissioner, Director or Superintendent of Insurance, or other appropriate party of that jurisdiction is of the same legal force and validity as personal service upon myself.
3. I further certify that I grant permission to the Commissioner, Director or Superintendent of Insurance, or other appropriate party in each jurisdiction for which this application is made to verify information with any federal, state or local government agency, current or former employer, or insurance company.
4. I further certify that, under penalty of perjury, a) I have no child-support obligation, b) I have a child-support obligation and I am currently in compliance with that obligation, or c) I have identified my child support obligation in arrearage on this application.
5. I authorize the jurisdictions to give any information concerning me, as permitted by law, to any federal, state or municipal agency, or any other organization and I release the jurisdictions and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
6. I acknowledge that I understand and will comply with the insurance laws and regulations of the jurisdictions to which I am applying for licensure.
7. For Non-Resident License Applications, I certify that I am licensed and in good standing in my home state/resident state for the lines of authority requested from the non-resident state.
8. As part of the resident licensing process pursuant to applicable state law, resident applicant acknowledges that the submission of his or her fingerprint record will be submitted to a secured centralized repository maintained by the National Association of Insurance Commissioners ("NAIC") as authorized by the state insurance department pursuant to a memorandum of understanding between participating state insurance departments and the NAIC. The resident applicant acknowledges the fingerprint record will be stored at the NAIC and transmitted to law enforcement agencies for the purpose of determining Applicant's qualifications for licensure. *(Applicable only to residents of Alaska)*

\_\_\_\_\_  
Month/Day/Year

\_\_\_\_\_  
Original Producer Signature

\_\_\_\_\_  
Full Legal Name (Printed or Typed)

### Attachments

41 The following attachments must accompany the application otherwise the application may be returned unprocessed or considered deficient.

1. For Non-Resident License Applications and unless otherwise noted in the State Matrix of Business Rules, a state will rely on an electronic verification of an applicant's resident license through the NAIC's Producer Database in lieu of requiring an original Letter of Certification from the resident state.
2. Any jurisdiction specific attachments listed in the State Matrix of Business Rules ([www.nipr.com](http://www.nipr.com)).

ATTACHMENT 1

**SOCIAL SECURITY DISCLOSURE**

1. The Department requires you to provide your Social Security number in connection with your application for an occupational and professional license pursuant to federal law as set out in 42 U.S.C. §§ 405(c)(2)(C)(i), 654 and 666. Your Social Security number may then be used for the purposes set forth in those statutes, including the enforcement of spousal and child support orders and paternity determinations, and the administration of any tax and may be shared with the agencies that have responsibility for those matters. Your Social Security number will not appear on the face of your license, but will be kept on file by the Department with your license information.

2. In addition, you may on a voluntary basis permit the Department to use your Social Security number for internal identification purposes and to share your Social Security number with the National Association of Insurance for inclusion in the National Producer Database (PDB). The PDB is intended to assist in a uniform nationwide system of licensing through the National Insurance Producer Registry and to assist the states, territories and the District of Columbia in their producer licensing programs, including issuing, renewing, monitoring, suspending and revoking licenses. If you do not wish your Social Security number included in the National Producer Database you will not be able to take advantage of electronic processing of your license and nationwide licensing using the PDB.

**IF YOU DO NOT AGREE TO THE USE OF YOUR SOCIAL SECURITY NUMBER AS DESCRIBED IN PARAGRAPH 2, YOU MUST SO NOTIFY THE DEPARTMENT IN WRITING AND ATTACH SUCH NOTICE TO YOUR APPLICATION**

Vermont Department of Banking, Insurance, Securities & Health Care Administration  
INSURANCE DIVISION - PRODUCER AND INDIVIDUAL LICENSING SECTION

**ATTACHEMNT #2  
REQUIRED CERTIFICATIONS**

**1) Certification of Examination**

An applicant must have passed a written examination for the license type for which they are applying.

I certify that I have taken a written examination in the state of 

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**2) Certification of Experience or Supervision**

In order to obtain a license an applicant must certify that he/she has either two years of appropriate experience or that the applicant is subject to supervision by a qualified person. Check the appropriate certification below, but not both. Applications that are submitted without a certification will be returned.

IF YOU CANNOT CERTIFY BASED UPON EXPERINECE, YOU MUST COMPELTE THE SUPERVISION CERTIFICAITON BELOW AND PROVIDE THE NAME OF YOUR SUPERVISOR.

**Certification of Experience**

I certify that I possess two years' experience handling loss claims if I am applying for an adjuster license or two years' experience loss appraising if I am applying for an appraiser license.

**OR**

**Certification of Supervision**

I certify that I am subject to the immediate personal supervision of a licensed adjuster or appraiser (for appraiser applicants) who is licensed in Vermont and who has been licensed for not less than three years immediately preceding the date of my application. I understand that I must be supervised until I have two years experience and that I cannot act under the license unless I am so supervised. I will notify the Department within thirty days of any change of my supervisor.

Name of Supervisor \_\_\_\_\_

Supervisor's Vermont License Number 

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Applicant Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

**Vermont Department of Banking, Insurance, Securities & Health Care Administration  
INSURANCE DIVISION - PRODUCER AND INDIVIDUAL LICENSING SECTION**

**ATTACHEMNT #3  
REQUIRED CERTIFICATION**

**1) Surplus Lines Broker Certification**

An applicant must have passed a Producer examination for Property and Casualty.

I certify by signature below that I have taken a written examination in the state of

--	--

**2) Experience Requirement**

In order to obtain a license an applicant must certify that he/she has had not less than one year of experience as an insurance producer or in comparable employment for an insurer; agency or brokerage firm during the three years immediately preceding the date of application or such other experience as the commissioner may deem comparable.

**Certification of Experience**

I certify by signature below that I possess one year experience as an insurance producer or in comparable employment for an insurer; agency or brokerage firm during the preceding three years.

Vermont Producer License Number \_\_\_\_\_

Applicant Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_





## Exam Registration Form for Vermont Insurance Examinations

Last Name	First Name	Middle Name	Social Security Number*
Residence Address (Your address of legal residence is required)			Date of Birth
City	State	ZIP Code	Daytime Phone Number (including area code) (      )
Employer (insurance company, if known)			Evening Phone Number (including area code) (      )
E-mail address			Fax Number (including area code) (      )

\*For further information regarding Social Security number disclosure, please see Page 45 of this bulletin.

This form is Page 49 of the Vermont Licensing Information Bulletin. We recommend you read the entire bulletin.

Series	Exam Title	Exam Fee	Total
14-25	Producer's Life	\$73	\$
14-26	Life Laws and Regulations (CLU Waiver)	\$73	\$
14-27	Producer's Accident, Health and HMO	\$73	\$
14-28	Accident, Health and HMO Laws and Regulations (CLU Waiver)	\$73	\$
14-29	Producer's Life, Accident, Health and HMO	\$87	\$
14-30	Life, Accident, Health and HMO Laws and Regulations (CLU Waiver)	\$73	\$
14-31	Producer's Property and Casualty	\$87	\$
14-32	Property and Casualty Laws and Regulations (CPCU Waiver)	\$73	\$
14-33	Adjuster's Property and Casualty	\$87	\$
14-34	Adjuster's Workers' Compensation	\$73	\$
14-35	Bail Bond	\$73	\$
14-37	Motor Vehicle Damage Appraiser	\$73	\$
14-38	Agent's Title	\$73	\$
14-39	Personal Lines	\$73	\$
14-41	Producer's Property	\$73	\$
14-42	Producer's Casualty	\$73	\$
<b>Total Fees</b>			<b>\$</b>

By filing this registration, you assume full responsibility for exam selection. Fees for these exams are not refundable and not transferable. If you are unsure which exam is needed for the license you are seeking, resolve this question **before** you register. Exam fees are valid for 90 days from receipt at Prometric.

Series 14-26, 14-28, 14-30 and 14-32 are intended for candidates with an exam waiver (see page 4 of the bulletin).


Fee may be paid by cashier's check, company check, money order, MasterCard or Visa. Make checks payable to Prometric. Please put your phone number on the check. **Personal checks and cash are not accepted. Registration fees are not refundable.** To pay by credit card, please complete the information below. Register by visiting our Web site at [www.prometric.com/vermont](http://www.prometric.com/vermont), calling 800.868.6113 or faxing this completed form to 800.347.9242. To register by mail, send this completed form along with the appropriate fee to:

**Prometric, ATTN: VT Insurance Exam Registration  
1260 Energy Lane, St. Paul, MN 55108**

Card Type (Check One) <input type="checkbox"/> MasterCard <input type="checkbox"/> Visa	Card Number	Expiration Date
Name of Cardholder (Print)		Signature of Cardholder

PROMETRIC  
1260 Energy Lane  
St. Paul, MN 55108  
800.868.6113

***Register online at  
[www.prometric.com/vermont](http://www.prometric.com/vermont)***

-  **Register any time, day or night!**  
You can register, schedule, and pay for your exam online in a secure environment, at your convenience.
-  **Confirm your appointment immediately!**  
Your appointment is confirmed before you leave our Web site.

***Register online—it saves time and it's easy!***

See Page 7 or details.

**FIRST  
CLASS  
MAIL**