

Your Exam Content Outline

The following outline describes the content of one of the Louisiana insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

Louisiana Examination for Industrial Fire Series 14-09

50 questions - 60-minute time limit

1.0 Insurance Regulation 15%

1.1 Licensing

- Types of licensees (22:1547, 1962(F))
 - Individual producer (22:1542(6), 1546(A))
 - Business entity (22:1542(2), 1546(B))
 - Resident versus nonresident (22:1546, 1548, 1560)
 - Temporary (22:1553)
- Maintenance and duration
 - Expiration (22:1547(B))
 - Renewal (22:1547(C))
 - Change of address (22:1547(G))
 - Assumed names (22:1552)
 - Reporting of actions (22:1563)
- Disciplinary actions
 - Hearings (22:1968, 2191, 2193-2195, 2197, 2198, 2204-2208)
 - Cease and desist order (22:1969)
 - License probation, suspension, revocation, or refusal to issue or renew (22:1554)
 - Penalties with or without suspension of license (22:1969, 1970)

1.2 State regulation

- Commissioner's general duties and powers (22:2, 1967)
- Company regulation
 - Certificate of authority (22:65, 66)
 - Rates (22:1451, 1457)
 - Unfair claims settlement practices (22:1964(14))
 - Appointment (22:1558)
 - Termination of appointment (22:1559)
- Producer regulation
 - Controlled business (22:1544(C))
 - Shared commissions (22:1557)
 - Payment to unlicensed entities (22:1562)
- Unfair trade practices (22:1964)
 - Misrepresentation (22:1964(1, 18))
 - False advertising (22:1964(2))
 - Defamation (22:1964(3))
 - Boycott, coercion and intimidation (22:1964(4))
 - Unfair discrimination (22:1964(7))

- Rebating (22:1964(8))
- Examination of books and records (22:1967, 1981, 1990)
- Insurance fraud (22:1921-1929, 1964(13))
- Privacy of Consumer Financial Information (37:XIII.9903-.9953)

1.3 Federal regulation

- Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 20%

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
- Authorized versus unauthorized insurers
- Domestic, foreign and alien insurers
- 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

2.4 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- 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 25%

3.1 Principles and concepts

Insurable interest
Hazards
Causes of loss (perils)
Specified (named) perils
Direct loss
Consequential or indirect loss
Loss valuation
 Actual cash value
 Replacement cost
 Valued policy forms

3.2 Policy structure

Declarations
Definitions
Insuring agreement or clause
Conditions
Exclusions
Endorsements

3.3 Common policy provisions

Insured — named, first named
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
 Pro rata
Vacancy or unoccupancy
Named insured provisions
 Duties after loss
 Assignment
 Abandonment
 Suit against the insurer
Insurer provisions
 Liberalization
 Subrogation
 Salvage
 Claim settlement options
Standard mortgage clause
Appraisal

4.0 Standard Fire Policy 10%

4.1 Organization of the Standard Fire Policy

Declarations
Insuring agreement
Conditions
Exclusions
Endorsements

4.2 Extended coverage

5.0 Industrial Fire Policies 30%

5.1 Dwelling policy (owner occupied)

Insuring agreement
Definitions
Coverage
Perils insured against
General exclusions
Conditions

5.2 Contents only policy

Insuring agreement
Definitions
Coverage
Additional personal property coverage
Personal property not covered
Optional coverages
Perils insured against
General exclusions
Conditions