

Your Exam Content Outline

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

Utah Consultant's Combined Property and Casualty Exam Series 17-10

150 questions (plus 5 unscored items)

2.5-hour time limit

Effective date: January 1, 2020

1.0 Insurance Regulation 11% (17 Items)

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103-105, 107, 302)
- Qualifications (31A-23a-107, 108)
- Types of licensees (31A-1-301, 31A-23a-106, 203, 401, 504)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105; 31A-23a-111)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1-10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201-203)
 - Policy forms (31A-21-201-203)
 - Producer appointment (31A-23a-115; Reg R590-244-1-14)
 - Termination of appointment (Reg R590-244-1-14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190-192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)
 - Shared commissions (31A-23a-504)
- Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))
 - False advertising (31A-23a-402(1))
 - Rebating (31A-23a-402(2), 31A-1-301(145))
 - Unfair discrimination (31A-23a-402(3))
 - Boycott, coercion or intimidation (31A-23a-402(4))
 - Illegal inducement (31A-23a-402.5, Reg R590-154-11)
- Examination of records (31A-2-203-205; 31A-23a-412)
- Privacy of Consumer Information (Reg R590-206)
- Insurance fraud regulation (31A-31-103-106)

Personal liability for unpaid claims (31A-15-105)

1.3 Federal regulation

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

Fraud and false statements (18 USC 1033, 1034)

Privacy (Gramm Leach Bliley)

National Flood Insurance Program

Terrorism Risk Insurance Act

Motor Carrier Act (MCS-90 and others)

2.0 General Insurance 10% (15 Items)

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

Reciprocals

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 producer

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

Conditional contract

Legal interpretations affecting contracts

Ambiguities in a contract of adhesion

Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations

Warranties

Concealment

Fraud

Waiver and estoppel

3.0 Property and Casualty Insurance Basics 12% (18 Items)

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 and additional
- Policy period
- Policy territory
- Cancellation and nonrenewal

- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate—general versus products—completed operations
 - Split
 - Combined single
- 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
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

3.4 Utah laws, regulations and required provisions

- Utah Property and Casualty Insurance Guaranty Association (31A-28-202-210, 212-215, 217-218, 220, 222)
- Cancellation, issuance and renewal (31A-21-303)
- Binders (31A-21-102)
- Other insurance (31A-21-307)
- Suit against insurer (31A-21-313)
- Concealment or fraud (RL 76-6-521)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

4.0 Dwelling Policy 4% (6 Items)

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 — Utah (DP 01 43)
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 Policy 12% (18 Items)

5.1 Coverage forms

HO-2 through HO-6
HO-8

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages

5.4 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 — Utah (HO 01 43)

Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)

Permitted incidental occupancies — residence premises (HO 04 42)

Earthquake (HO 04 54)

Scheduled personal property (HO 04 61)

Personal property replacement cost (HO 04 90)

Home day care (HO 04 97)

Business pursuits (HO 24 71)

Personal injury (HO 24 82)

6.0 Auto Insurance 13% (20 Items)

6.1 Laws

Utah Financial Responsibility of Motor Vehicle Owners and Operators Act (RL 41-12a-101-104)

Required motor vehicle limits of liability (31A-22-301-304)

Personal injury protection (31A-22-306-309)

Medical

Loss of income

Special damages allowance

Funeral

Death

Uninsured/underinsured motorist (31A-22-305-305.3)

Definitions

Bodily injury

Property damage (31A-22-305.5)

UM/UIM rejection

Required limits

Utah Assigned Risk Insurance Plan (31A-22-310)

Aftermarket Crash Parts Act (31A-22-316-319)

6.2 Personal auto policy

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured motorists coverage

Coverage for damage to your auto

Collision
Other than collision
Deductibles
Transportation expenses
Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Amendment of policy provisions — Utah
(PP 01 93)

Towing and labor costs (PP 03 03)

Extended non-owned coverage — vehicles
furnished or available for regular use
(PP 03 06)

Miscellaneous type vehicle (PP 03 23)

Joint ownership coverage (PP 03 34)

6.3 Commercial auto

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) 11% (16 Items)

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

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 insurance

Conditions

Definitions

Exclusions

Occurrence versus claims-made

Claims-made features

Trigger

Retroactive date

Extended reporting periods — basic versus
supplemental

Claim information

Premises and operations

Products and completed operations

Insured contract

Pollution liability coverage form (CG 00 39)

7.3 Commercial property

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

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 the premises
Computer fraud
Funds transfer fraud
Money orders and counterfeit money

Other crime coverages

Extortion — commercial entities (CR 04 03)
Guests' property (CR 04 11)

7.5 Commercial inland marine

Nationwide marine definition
Commercial inland marine conditions form
Inland marine coverage forms
Accounts receivable
Bailee's customer
Commercial articles
Contractors equipment floater
Electronic data processing

Installation floater
Signs
Valuable papers and records

Transportation coverages

Motor truck cargo forms
Transit coverage forms

7.6 Equipment breakdown

Equipment breakdown protection coverage form (EB 00 20)

Selected endorsement

Actual cash value (EB 99 59)

7.7 Farm coverage

Farm property coverage form

Coverage A — Dwellings
Coverage B — Other private structures
Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures

Farm liability coverage form

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

Mobile agricultural machinery and equipment coverage form

Livestock coverage form

Definitions

Causes of loss (basic, broad and special)

Conditions

Exclusions

Limits

Additional coverages

8.0 Businessowners Policy 8% (12 Items)

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverages

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

Hired auto and non-owned auto liability (BP 04 04)
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)

9.0 Workers Compensation Insurance 11% (16 Items)

9.1 Workers compensation laws

Type of law
 Monopolistic versus competitive
 Compulsory versus elective
Utah Workers' Compensation Law
 Exclusive remedy (RL 34A-2-105)
 Employment covered (required, voluntary) (RL 34A-2-103, 104)
 Covered injuries (RL 34A-2-401, 402)
 Occupational disease (RL 34A-3-101-112)
 Benefits provided (RL 34A-2-401, 408-418)
 Employers' Reinsurance Fund (RL 34A-2-702, 703)
 Uninsured Employers' Fund (RL 34A-2-704)

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
Selected endorsements

 Voluntary compensation
 Anniversary rating date
 Other states
 Sole proprietors, partners, officers and others coverage

9.3 Premium computations

Job classification
Rates
Payroll
Adjustment upon audit
Experience modification factor
Premium discounts

9.4 Other sources of coverage

Workers' Compensation Fund (31A-22-1001; 31A-33-101-118)
Self-insured employers (RR R612-3-1-7)

9.5 Rating organization (31A-19a-401-407)

10.0 Other Coverages and Options 8% (12 Items)

10.1 Umbrella/excess liability policies

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

10.2 Specialty liability insurance

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

10.3 Surplus lines (31A-15-103)

Definitions and markets
Licensing requirements

10.4 Surety bonds

Principal, obligee and surety
Contract bonds
License and permit bonds

Judicial bonds

10.5 Aviation insurance

Aircraft hull

Aircraft liability

Airport liability

Hangarkeepers liability

10.6 Ocean marine insurance

Major coverages

Hull insurance

Cargo insurance

Freight insurance

Protection and indemnity

Implied warranties

Perils

General and particular average

10.7 National Flood Insurance Program

"Write your own" versus government

Eligibility

Coverage

Limits

Deductibles

10.8 Other policies

Boatowners (31A-22-1501-1504)

Difference in conditions

10.9 Residual markets including Joint Underwriting Association (31A-2-214)

10.10 Alternative funding mechanisms

Self-insured

Pooling

Risk retention groups

Captives