

Your Exam Content Outline

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

Arizona Examination for Property and Casualty Insurance Adjuster

Series 13-36

150 questions – 2.5 hour time limit

Effective January 22, 2020

1.0 Insurance Regulation 6%

1.1 Licensing requirements (20-321, 321.01)

Assumed name (20-297)

Qualifications

License application requirements

Licensing exceptions

1.2 Maintenance and duration

Expiration, surrender and renewal (20-289, 321.02)

Inactive status during military service (20-289.01)

Report of actions (20-301, 321.02)

1.3 Disciplinary actions

Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296, 321.02)

Cease and desist orders (20-292, 321.02)

1.4 Claim settlement laws and regulations

(20-461, 462; Rule R20-6-801; RR R20-5-163)

2.0 Insurance Basics 21%

2.1 Contract basics

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Distinct characteristics of an insurance contract

Contract of adhesion

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

2.2 Insurance principles and concepts

Insurable interest

Hazards

Physical

Moral

Morale

Negligence

Elements of a negligent act

Defenses against negligence

Damages

Compensatory — special versus general

Punitive

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
 - Market value
 - Agreed value
 - Stated amount

2.3 Policy structure

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

2.4 Common policy provisions

- Insureds — named, first named, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
 - Contribution by equal shares
- 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
- Assignment
- Insurer provisions
 - Liberalization
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the Bailee

2.5 Required provisions

- Cancellation and nonrenewal
 - Personal (20-1651-1656)
 - Commercial (20-1671-1679)
- Fraud; liability for reporting (20-463)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

3.0 Adjusting Losses 30%

3.1 Role of the adjuster

- Duties and responsibilities
- Staff and independent adjuster versus public adjuster
- 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 5%

- 4.1 Characteristics and purpose**
- 4.2 Coverage forms — Insured perils**
 - 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 — Arizona (DP 01 02)
- 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 ('11) Policy 10%

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 Insured perils

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

- Special provisions — Arizona (HO 01 02)

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

Uninsured 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 — Arizona (PP 01 67)
Towing and labor costs (PP 03 03)
Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
Limited Mexico coverage (PP 03 21)
Joint ownership coverage (PP 03 34)
Uninsured motorists coverage — Arizona (PP 04 77)
Underinsured motorists coverage — Arizona (PP 04 89)
Miscellaneous type vehicle — Arizona (PP 13 69, PP 13 70, PP 13 71, PP 13 72)

6.0 Auto Insurance 12%

6.1 Laws

Arizona Motor Vehicle Financial Responsibility Law (RL Title 28, Chapter 9)
Required limits of liability (20-266, RL 28-4009)
Required proof of insurance (RL 28-4133)
Arizona Automobile Insurance Plan (RL 28-4008)
Uninsured/underinsured motorist (20-259.01)
Definitions
Bodily injury
UM/UIM rejection
Required limits
Personal auto cancellation/nonrenewal
Grounds (20-1631)
Notice (20-1632)
Grace period (20-1632.01)
Notice of eligibility in assigned risk plan (20-1632)
Subrogated claim (20-268)

6.2 Personal ('05) auto policy

Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Medical payments coverage

6.3 Commercial auto ('10)

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)
- Commercial automobile policy liability
 - Bodily injury and property damage
 - Supplemental payments
 - Persons insured
 - Exclusions

- Extended reporting periods — basic versus supplemental
- Claim information
- Premises and operations
- Products and completed operations
- Insured contract

7.3 Commercial property ('07)

- 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 (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

7.0 Commercial Package Policy (CPP) 7%

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
 - Exclusions
 - Supplementary payments
 - Who is an insured
 - Limits of insurance
 - Conditions
 - Definitions
- Occurrence versus claims-made
- Claims-made features
 - Trigger
 - Retroactive date

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 coverage

Extortion — commercial entities (CR 04 03)

7.5 Commercial inland marine

Nationwide marine definition (Rule R20-6-602)

Commercial inland marine conditions form

Inland marine coverage forms

Accounts receivable

Bailee's customer

Commercial articles

Contractors equipment floater

Electronic data processing

Equipment dealers

Installation floater

Jewelers block

Signs

Valuable papers and records

Transportation coverages

Motor truck cargo forms

Transit coverage forms

7.6 Equipment breakdown ('11)

Equipment breakdown protection coverage form (EB 00 20)

Selected endorsement

Actual cash value (EB 99 59)

7.7 Farm coverage

Farm property coverage form ('03)

Coverage A — Dwellings

Coverage B — Other private structures

Coverage C — Household personal property

Coverage D — Loss of use

Coverage E — Scheduled farm personal property

Coverage F — Unscheduled farm personal property

Coverage G — Other farm structures

Farm liability coverage form ('06)

Coverage H — Bodily injury and property damage liability

Coverage I — Personal and advertising injury liability

Coverage J — Medical payments

Livestock coverage form

Cause of loss (basic, broad and special)

Exclusions

Additional coverages

Limits of insurance

Conditions

Definitions

8.0 Businessowners ('10) Policy 7%

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverage

Exclusions

Limits of insurance

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

Arizona changes (BP 01 38)
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 Other Coverages and Options 2%

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

9.4 Aviation insurance

Aircraft hull
Aircraft liability

9.5 National Flood Insurance Program

"Write your own" versus government
Eligibility
Coverage
Limits
Deductibles

9.6 Other policies

Boatowners
Difference in conditions