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Introduction

This Handbook provides information about the examination and licensing process for individuals who wish to become licensed by the Arizona Department of Insurance ("Department"). In addition to the information in this Handbook, you should also review the information on eligibility to hold a license on the Department’s website: www.insurance.az.gov/producers

The Handbook does not provide instructions pertaining to licensing business entities. For information about licensing a business entity, visit the Insurance Licensing Section website at https://insurance.az.gov/producers, e-mail the Insurance Licensing Section at Licensing@azinsurance.gov, or call the Insurance Licensing Section at 602.364.4457.

Overview of Licensing Process

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

1 Read the information on the Department’s website for the type of license you desire to make sure you meet all of the requirements. www.insurance.az.gov/producers

2 Review this handbook to determine which exam(s) you need to pass, if any, for the type(s) of license you require. Prepare for your exam, using this bulletin and materials from other sources. The content outlines at the back of this guide are the basis for the exams.

3 Register and schedule your exam. The easiest way to schedule is online at www.prometric.com/arizona/insurance Phone; fax and mail options are also available.

4 Bring the required identification to the test center and take the exam(s). You will receive your results immediately after the exam.

5 You must pass your exam then apply for your license at http://www.nipr.com/

Certain types of licenses require submission of fingerprints as part of the application package. Please see the chart below in Arizona licensing requirements to determine if this is a requirement and detailed information on the fingerprint requirements and options in the section Apply for your license.

6 If you do NOT pass the exam, repeat steps 2 through 4. PLEASE NOTE: ARS §20-284(H) permits a maximum of 4 attempts to pass an exam in a 12-month period. If you do not pass an exam after 4 attempts, you must wait one year after failing the fourth attempt before you are eligible to take that exam again.
Note  Passing an exam does not guarantee that you will receive a license. If you take an exam unnecessarily or are found unqualified, neither the exam fee nor the license application fee will be refunded.

To get answers not provided in this handbook

Visit our Website:  http://www.prometric.com/arizona/insurance


Direct licensing-related questions to:
Arizona Department of Insurance Licensing Section
Phone: 602.364.4457
E-mail: Licensing@azinsurance.gov
Website: https://insurance.az.gov/producers

Direct questions and requests for information about exams to:
Prometric
7941 Corporate Drive
Nottingham, MD 21236
Phone: 800.853.5448
TDD User: 800.790.3926
Website: http://www.prometric.com/arizona/insurance
Arizona Licensing Requirements

Arizona Revised Statutes ("ARS") and Arizona Administrative Code ("AAC") set forth the requirements for licensees, insurers and insurance products in the State of Arizona. The Arizona legislature may amend the statutes and the Department of Insurance may promulgate changes to administrative code or policies as necessary. Licensees must remain aware of changes in law, code and Department policies that affect their activities.

- For ARS, select "Arizona Revised Statutes" from the "Legislative Council" menu option on the Arizona State Legislature website at www.azleg.gov.
- For AAC, select "Administrative Code" from the "Rules" menu option on the Arizona Secretary of State website at www.azsos.gov.
- To receive Department regulatory bulletins and press releases, register online at http://www.insurance.az.gov/mailinglists.html.

The Department grants licenses specifying one or more lines of license authority. Each license is only valid for the lines of license authority shown on the license.

Exam requirements do not apply to business entity licenses and they do not apply to most nonresidents. Most residents and some nonresident adjusters must complete exams as shown in the following table. Obtain additional license requirements from the Producer page of the Insurance Licensing Section website (https://insurance.az.gov/producers).

<table>
<thead>
<tr>
<th>License Line</th>
<th>Exam Series</th>
<th>Fingerprint</th>
<th>Background Check</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>13-31</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Accident and Health or Sickness</td>
<td>13-32</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Life, Accident and Health or Sickness</td>
<td>13-33</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Variable Life and Variable Annuity Products</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Must hold life producer authority.</td>
</tr>
<tr>
<td>Property and Casualty</td>
<td>13-34</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>13-42</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Casualty</td>
<td>13-43</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Personal Lines</td>
<td>13-44</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Travel Accident Ticket or Baggage Insurance</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>Effective July 24, 2014, this license is no longer available for individuals and has been replaced with a limited lines travel insurance producer business entity license</td>
</tr>
<tr>
<td>Surplus Lines Broker</td>
<td>13-41</td>
<td>Yes</td>
<td>Yes</td>
<td>Must also hold property producer or casualty producer authority.</td>
</tr>
<tr>
<td>Mexican Insurance Surplus Lines Broker</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Must have an office in Arizona and hold property producer or casualty producer authority.</td>
</tr>
</tbody>
</table>
Consult the Producer page of the Insurance Licensing Section Website (https://insurance.az.gov/producers) for detailed application requirements.

**Note:** Long-term care Training & Continuing Education

As of July 1, 2009, an accident and health or sickness insurance producer (resident or nonresident) who wants to sell, solicit or negotiate long-term care insurance must first complete eight hours of Arizona-approved long-term care training (LTCT) and must complete four hours of Arizona-approved LTCT during each two-year period after July 1, 2009. A resident licensee can apply hours of LTCT toward satisfying Arizona’s CE requirement. Nonresidents can satisfy the LTCT requirement if they completed substantially similar courses in another state.

Exception to the long-term care training requirement. A nonresident insurance producer can satisfy Arizona’s LTCT requirement by satisfying a substantially similar LTCT requirement in the producer’s home state. ARS §20-1691.12.

If you hold a resident insurance license in another state and are relocating to Arizona, you must submit a license application to the Department within 90 days after canceling the resident license in your former state to avoid having to pass an Arizona insurance exam. Your application must include a “clearance letter” issued by the insurance department in your former state. The letter must specify:

- the date your license from the former state was cancelled, expired or converted to a nonresident status (which must be within 90 days of the date the Department receives your application);
- the line(s) of authority for which you were licensed in the other state (Arizona must already issue these exact license types to residents of this state); and,
- that you were licensed in good standing at the time the license expired, cancelled, or converted to a nonresident status.

### Table: License Line Requirements

<table>
<thead>
<tr>
<th>License Line</th>
<th>Exam Series</th>
<th>Fingerprint</th>
<th>Background Check</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjuster (including portable electronics)</td>
<td>13-36</td>
<td>Yes</td>
<td>Yes</td>
<td>Residents, and nonresidents who do not hold a resident license in their resident state, must pass the exam.</td>
</tr>
<tr>
<td>Bail Bond Agent</td>
<td>13-35</td>
<td>Yes</td>
<td>Yes</td>
<td>Must be AZ resident for at least one year to qualify for license. See application instructions for additional requirements.</td>
</tr>
<tr>
<td>Crop</td>
<td>13-46</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Risk Management Consultant</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Requires written authorization from political subdivision (city or county) employer.</td>
</tr>
<tr>
<td>Life Settlement Broker</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Must also hold or be applying for life producer authority. Form L-LSB is required.</td>
</tr>
<tr>
<td>Health Insurance Navigator or Health Insurance Certified Application Counselor</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Must meet federal training and registration requirements</td>
</tr>
</tbody>
</table>

**Moving to Arizona**
**Nonresident Applicants**

If you are seeking a nonresident adjuster license and you are not licensed as a resident in your resident state, you will need to pass the AZ adjuster exam.

All nonresident applicants must either:

- apply online at [http://www.nipr.com/](http://www.nipr.com/); or
- submit Form L-169; or
- submit the appropriate NAIC Uniform Application Form.

**Note:** If you apply through NIPR or use a Uniform Application, carefully review the checklist of application requirements and furnish all specified information.

**Fingerprint Requirement**

If you are an Arizona resident, a nonresident relocating to Arizona, or a nonresident adjuster whose resident state does not license adjusters, you must submit fingerprints and Form L-FPV with your license application. You are not required to submit fingerprints if you have submitted fingerprints to the Arizona Department of Insurance within the past 6 months or you are adding a line of authority to an existing Arizona insurance license. If you already hold an Arizona insurance license for which fingerprints were submitted, you need not submit fingerprints again.

The Arizona Department of Public Safety (AZDPS) and the Federal Bureau of Investigations (FBI) use the fingerprints to conduct criminal history background checks. See the "Obtaining your license” section on page 17 for details on how to satisfy the fingerprint requirement. Fingerprint must be scheduled in the State of Arizona.

Your fingerprints will be used to check the criminal history records of the FBI. If you have a criminal history record, the officials making a determination of your suitability for the job, license, or other benefit must provide you the opportunity to complete or challenge the accuracy of the information in the record. You should be afforded a reasonable amount of time to correct or complete the record (or decline to do so) before officials deny you the job, license, or other benefit based on information in the criminal history record.

The procedures for obtaining a change, correction, or updating of your FBI criminal history record are set forth in Title 28, Code of Federal Regulations (CFR), Sections 16.30 through 16.34. Information on how to review and challenge your FBI criminal history record can be found at [https://www.fbi.gov/services/cjis/identity-history-summary-checks](https://www.fbi.gov/services/cjis/identity-history-summary-checks) (Identity History Summary Checks) or by calling 304.625.5590.

To obtain a copy of your Arizona criminal history in order to review, update or correct the record, you can contact the Arizona Department of Public Safety Criminal History Records Unit at 602.223.2222 to obtain a fingerprint card and a Review and Challenge packet. Information on the review and challenge process can be found on the DPS website at [http://www.azdps.gov/Services/Records/Criminal_History_Records/Packet/](http://www.azdps.gov/Services/Records/Criminal_History_Records/Packet/)

Prometric offers a fingerprinting service at its Arizona test centers. Please refer to the Fingerprinting service under Apply for your license below.
The following fees may apply to your license application:

- **Examination fee** charged by Prometric (either $44 or $56), depending upon the exam you take – see the Exam Registration Form.

- **Fingerprinting fee** charged by Prometric ($20) or the amount charged by another professional fingerprinting service that scans fingerprints using LiveScan technology equipment (fees vary). **We recommend you do not schedule your fingerprint appointment until you have passed your licensing exam. You will not be fingerprinted if you do not pass your exam, as all fees are non-refundable.**

- **FBI fingerprint processing fee** ($22, subject to change – see the Department’s website for the current fee) paid to the Department if you are required to submit fingerprints with your license application.

- **License fee**, paid to the Department with your license application, consisting of one or more of the following:
  - $120 for all (one or more) lines of authority other than surplus lines broker or life settlement broker (regardless of the number of non-surplus lines broker and non-life-settlement-broker lines of authority).
  - $1,000 for surplus lines broker license authority on a new license or added to an existing license that has a remaining term of two years or more;
  - $500 for surplus lines broker authority added to an existing license with a remaining term of less than two years.
  - $500 for life settlement broker license authority on a new license or added to an existing license that has a remaining term of two years or more;
  - $250 for life settlement broker license authority added to an existing license that has a remaining term of less than two years.

Prometric accepts payment by MasterCard, Visa, American Express, money order, company check, and cashier’s check. **Personal checks and cash are not accepted.** Prometric’s fees are not refundable or transferable.

The Department accepts payment by credit card, check or money order. If you apply online using a NIPR website, payment is accepted by credit card or electronic check. Please be aware that pursuant to ARS § 20-167, the Department cannot refund or prorate fees.

**Note:** Arizona license fees are subject to annual updates each July 1. The FBI fingerprint-processing fee may change at any time. Obtain up-to-date fee information from the Insurance Licensing Section website at [https://insurance.az.gov/producers](https://insurance.az.gov/producers), or by contacting the Insurance Licensing Section by email at Licensing@azinsurance.gov, or by phone at 602.364.4457 (or 877.660.0964).
Exam Restrictions. It is unlawful to take an examination for a line of authority for which you already hold an Arizona insurance license. ARS § 20-284(G). Additionally, while ARS § 20-284(C) requires the Department of Insurance to make license examinations available to license applicants, the Department is not required to make examinations available to other persons. To promote security over exam questions, the Department has instructed Prometric to refuse to administer an examination to a person who is not an applicant for a license.

Note: You will be eligible to take the exam up to four attempts to pass an exam for a line of authority within a one-year period. After the fourth unsuccessful attempt, you will be placed into a waiting period and not be able to retake the exam until the one-year waiting period is over. ARS § 20-284(H)

Prometric provides computerized testing through its multistate testing network. You may take the exam at any Prometric test center in the United States. Follow the instructions here to register and schedule an appointment.

Testing Accommodations. If you require an Americans with Disabilities Act (ADA) accommodation(s) or English as Second Language (ESL) additional time, see the “Testing Accommodations” Section below before scheduling your exam.

Register and Schedule Online—it saves time and it’s easy!

You can easily schedule your exam online at any time using our Internet Registration Service by going to:

1 www.prometric.com/arizona/insurance
2 Click on Schedule Your Test and follow the prompts.

By Fax or Mail

You may fax the completed Exam Registration Form found at the end of this handbook to Prometric to (877) 341-9469. You must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder’s signature must be on the Form.

OR

You may mail the completed Exam Registration Form and the appropriate exam fee to the address on the form. When registering by mail, you may pay the exam fee by Visa, MasterCard or American Express, company check, cashier’s check or money order. Personal checks and cash are not accepted. If paying by credit card, you must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder’s signature must be on the Form.

By Phone

If you are unable to schedule online, you may schedule the examination by calling (800) 853-5448 between 8 a.m. and 9 p.m. (Eastern Time), Monday through
Friday, and between 10 a.m. and 3 p.m. (Eastern Time), Saturday and Sunday. Please have your exam information and credit card information for payment available.

**Reschedule and Cancellation**
To reschedule your existing exam appointment, you must contact Prometric 48 hours prior to the exam appointment date in order to avoid a $40 reschedule fee. If you need to reschedule or confirm your appointment, please go to [http://www.prometric.com/arizona/insurance](http://www.prometric.com/arizona/insurance).

If you cancel your appointment or fail to appear for your appointment, you will forfeit your examination fee(s). **Exam registration fees are not refundable or transferable.**

**If Absent or Late for Your Appointment**
If you miss your appointment, or arrive late and are not allowed to test, you will forfeit your exam fee(s).

**Holidays**
Testing generally does not occur on federal holidays. Additional state holidays may be observed in the state where your schedule the exam appointment.

**Emergency Closings**
Severe weather or an emergency could require canceling scheduled exams. If this occurs, Prometric will attempt to contact you by phone; however, you may check for testing site closures by checking our website at [https://www.prometric.com/en-us/pages/siteclosure.aspx](https://www.prometric.com/en-us/pages/siteclosure.aspx) or calling Prometric at (866) 370-3411. If the site is closed, the exam will be rescheduled without a rescheduling fee.

If a test center is open for testing and you choose not to appear for the appointment, you will forfeit the exam fees and must reschedule and pay another exam fee.

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**Testing Accommodations**

**ADA Accommodation.** Reasonable testing accommodations are provided to allow candidates with documented disabilities recognized under the ADA an opportunity to demonstrate their skills and knowledge. Prometric makes every effort to provide reasonable testing accommodations that enable all test takers to take examinations.

If you require testing accommodations under the Americans with Disabilities Act (ADA), please complete and submit a Testing Accommodation Request Form online at [https://www.prometric.com/en-us/for-test-takers/prepare-for-test-day/pages/arrange-testing-accommodations.aspx](https://www.prometric.com/en-us/for-test-takers/prepare-for-test-day/pages/arrange-testing-accommodations.aspx), or contact Prometric at (888) 226-9406 to obtain an Accommodation Request Form.

Professional documentation of the disability must be submitted with the Accommodation Request Form to aid Prometric in determining the appropriate testing accommodations. Thirty days’ advance notice is required for all testing arrangements. There is no additional charge for these accommodations.
ESL Accommodation. All examinations are given in English. If English is not your primary language, you may qualify for additional time for the test by requesting an ESL Authorization from Prometric. To request an ESL authorization, please submit:

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

Please fax documents to 800.347.9242 and allow three (3) days for processing. If your request is approved, Prometric may extend the time limit on your examination to time-and-one-half or 150% of the normal time limit. Prometric will inform you by mail whether your request for accommodation is approved. You should not schedule your exam until you have received the confirmation email. Exams scheduled before the ESL request has been approved will not include extra time.

Test Centers

You may take the exam at any Prometric test center in the United States.

Test center locations are subject to change. Be sure to verify the address of and directions to the test center before you leave for the exam. Go to http://www.prometric.com/arizona/insurance and click on “Check appointment availability” to confirm the address and get directions.

Test Centers most convenient in Arizona include:

<table>
<thead>
<tr>
<th>AZ Test Centers</th>
<th>Additional Test Centers Near Arizona</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flagstaff, AZ</strong></td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>2615 North 4th St., # 8</td>
<td>Valley View Business Ctr.</td>
</tr>
<tr>
<td>Flagstaff, AZ 86004</td>
<td>6625 South Valley View Blvd., # 414</td>
</tr>
<tr>
<td>Tempe, AZ</td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>Papago Arroyo Business Ctr.</td>
<td>Dixie State College</td>
</tr>
<tr>
<td>1275 West Washington St., # 110</td>
<td>SW Corner of Tabernacle Street &amp;</td>
</tr>
<tr>
<td>Tempe, AZ 85281</td>
<td>1000 East</td>
</tr>
<tr>
<td>Tempe, AZ</td>
<td>St. George, UT</td>
</tr>
<tr>
<td>Goodyear, AZ</td>
<td>Farmington, NM</td>
</tr>
<tr>
<td>13770 West Van Buren St., # 100</td>
<td>University of Arizona Testing Office</td>
</tr>
<tr>
<td>Goodyear, AZ 85338</td>
<td>#0403</td>
</tr>
<tr>
<td>Tuscon, AZ</td>
<td>220 W 6th Street Building B, Room B114</td>
</tr>
<tr>
<td>University of Arizona Testing Office #0403</td>
<td>Tuscon, AZ 85721</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>Tucson, AZ</td>
</tr>
<tr>
<td>1790 S 3rd Ave</td>
<td>Phoenix, AZ</td>
</tr>
<tr>
<td>Suite 2</td>
<td>Arizona</td>
</tr>
<tr>
<td>Yuma, AZ</td>
<td>Phoenix, AZ</td>
</tr>
<tr>
<td>1951 West Camelback Rd., # 120</td>
<td>Valley View Business Ctr.</td>
</tr>
<tr>
<td>Phoenix, AZ 85015</td>
<td>6625 South Valley View Blvd., # 414</td>
</tr>
<tr>
<td>Yuma, AZ</td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>1790 S 3rd Ave</td>
<td>Dixie State College</td>
</tr>
<tr>
<td>Suite 2</td>
<td>SW Corner of Tabernacle Street &amp;</td>
</tr>
<tr>
<td>Yuma, AZ 85364</td>
<td>1000 East</td>
</tr>
<tr>
<td></td>
<td>St. George, UT</td>
</tr>
<tr>
<td></td>
<td>Farmington, NM</td>
</tr>
<tr>
<td></td>
<td>San Juan College</td>
</tr>
<tr>
<td></td>
<td>4601 College Blvd</td>
</tr>
<tr>
<td></td>
<td>Info Tech Bldg., Rm.</td>
</tr>
<tr>
<td></td>
<td>7120</td>
</tr>
<tr>
<td></td>
<td>Farmington, NM</td>
</tr>
<tr>
<td></td>
<td>87402</td>
</tr>
</tbody>
</table>

Go to http://www.prometric.com/arizona/insurance and click on “Check appointment availability” to confirm the address and get directions.
Preparing for Your Exam

Being well prepared can help you pass the exam and save time and possibly money spent retaking it. This section offers:

- An overview of the exam content outlines.
- Information about study materials.
- An explanation of how to take a practice exam.

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. An overview of each exam content outline appears at the end of this handbook.

Note: Do not schedule the exam until you are familiar with all subject areas in the applicable content outline.

Study Materials

The Department of Insurance does not provide study materials, cannot recommend any supplier for study materials and does not evaluate the quality of any training course or study material. You are free to use the materials of your choice to prepare for the exam. Different publishers provide materials to assist you in preparing for insurance licensing exams. These materials take different approaches and you should choose one that meets your needs. A list of businesses that have advised the Department that they may provide training or study materials can be found at:


Neither the Office of the Commissioner of Insurance nor Prometric reviews or approves these study materials.

General recommendations. You may obtain recommendations for study materials and pre-licensing study courses from insurance companies, the company or agency you plan to work for, or local insurance and agents’ associations.

Arizona statutes. The exam outlines contain a section relating to Arizona Revised Statutes (“ARS”) and Arizona Administrative Code (“AAC”). In addition to general study material, you may wish to consult ARS Title 20 and AAC Title 20, Chapter 6.

You can also access Arizona statutes and insurance regulations at http://www.azleg.gov/arsDetail/?title=20 and the Arizona Secretary of State at https://www.azsos.gov/rules/arizona-administrative-code.
**Practice Exams**

To take a practice exam, select or copy link below to your browser:


While practice exams contain general, non-state specific insurance questions, they are created in the same format and use the same question types as the actual licensure exams. Practice exams are designed to help you become familiar with the computer-based testing process.

During the practice exam, you will get immediate feedback to correct and incorrect responses as well as overall feedback at the end of the session just as you would during the actual exam. Practice exams are available for:

- (LIPA) Life Insurance Producer/Agent Practice Exam in English only
- (HIPA) Health Insurance Producer/Agent Practice Exam in English only
- (PIPA) Property & Casualty Insurance Producer Practice Exam in English only

There is **no cost** to take Prometric Practice Exams!
Knowing what to expect when taking the 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 on the exam.
- A guide to understanding the exam results.
- Information about appeals.

The exam will be administered by computer; you are not required to have any computer experience or typing skills to take the exam.

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

**Identification Required.** You must present a valid form of identification before taking the test. The identification document must:

- Be government-issued (e.g., driver’s license, state-issued identification card, passport, or military identification card).
- Contain both a current photo and signature (if not you must present two identification cards: one with your photo and one with your signature).
- Exactly match 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 will be required to pay another full examination fee before making another appointment. If you cannot provide the identification listed above, contact Prometric before scheduling the appointment to arrange an alternative way to meet this requirement.

**Test Center Regulations**

**Copyrighted Questions.** All test questions are the property of Prometric Inc. and are protected by copyright. Federal law provides severe civil and criminal penalties for the unauthorized reproduction, distribution, or exhibition of copyrighted materials.

To ensure that all candidates are tested under similar conditions, the following regulations and procedures will be enforced at each test center. Failure to follow any of these security procedures may result in disqualification from taking an examination.

1. While in the test center, you will be continuously monitored by video. During your examination, you will also be monitored by physical walk-throughs and through an observation window. All testing sessions are video and audio recorded.

2. You must present valid (unexpired) and acceptable ID(s) in order to take your test. (See “Identification required” in the previous section).
3 You will be scanned with a metal detector wand prior to every entry into the test room. If you refuse, you cannot test.

4 You will be required to raise your pants legs above your ankles, empty and turn all pockets inside-out and raise shirt sleeves above your wrists prior to every entry into the test room.

5 If you are wearing eyeglasses, you will be required to remove them for visual inspection to ensure they don’t contain a recording device. Large jewelry items must be stored in your locker due to concerns over concealed recording devices.

6 You must sign the test center roster each time you leave the test room. You must also sign back in and show your ID to the Test Center Administrator (TCA) in order to re-enter the test room.

7 You are prohibited from communicating, publishing, reproducing, or transmitting any part of your test, in any form or by any means, verbal or written, for any purpose.

8 You must not talk to other candidates or refer to their screens, testing materials, or written notes in the test room.

9 You must not use written notes, published materials, or other testing aids.

10 You are allowed to bring soft ear plugs or center-supplied tissues into the test room.

11 Any clothing or jewelry items allowed to be worn in the test room must remain on your person at all times. Removed clothing or jewelry items must be stored in your locker.

12 You must not bring any personal/unauthorized items into the testing room. Such items include but are not limited to outerwear, hats, food, drinks, purses, briefcases, notebooks, pagers, watches, cellular telephones, recording devices, and photographic equipment. Weapons are not allowed at any Prometric test center. You will be asked to empty and turn your pockets inside out prior to every entry into the test room to confirm that you have no prohibited items.

13 You must return all materials issued to you by the test center administrator ("TCA") at the end of your test.

14 You are not allowed to use any electronic device or phone during breaks.

15 If you have a medical condition that may require you to access food or medicine during your exam session, you must store those items separately from other items you place in the test center locker. You must inform the TCA before you retrieve the food or medicine, and the TCA will observe you obtaining the item from the locker. You are not allowed to access any item other than food or medicine needed for a medical reason.

16 You must conduct yourself in a civil manner at all times when on the premises of the test center. Exhibiting abusive behavior towards the TCA or any other staff member of the test center may result in examination disqualification and criminal prosecution.

Note Failure to follow any of these security procedures may result in the disqualification of the examination. Prometric reserves the right to audio and videotape any examination session.
For more information on Prometric test center regulations, please visit: www.prometric.com/en-us/for-test-takers/prepare-for-test-day/documents/TestCenterRegulations.pdf

Please note: 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 examination contains four-option multiple-choice questions. These questions are designed to be as clear and concise as possible while testing knowledge and comprehension of insurance concepts as well as the application of the insurance concepts. The design of the exam ensures that those who possess the required knowledge of the specific insurance line of authority being tested should perform well on the examination for which they prepared.

**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**

Which one of the following is a type of health insurance policy designed to replace the wages of an insured that is unable to work due to an accident or sickness?

* 1. Disability Income Insurance Policy
2. Employer-Sponsored Group Major Medical Policy
3. Hospital Expense Insurance Policy
4. Special Risk Policy

**Format 2—Incomplete Sentence**

Benefits under workers’ compensation insurance are payable:

1. For bodily injury that is accidental or intentional
* 2. Regardless of the liability of the employer
3. Unless safety rules are violated
4. Up to a maximum of 30 percent of weekly wages

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

A life insurance policy may include provisions that do all of the following EXCEPT:

1. Restrict coverage if death is caused by suicide
2. Require evidence of insurability to reinstate coverage
* 3. Extend the contestable period beyond two years
4. Adjust proceeds if the insured’s age is misstated on the application

**Experimental Questions**

The examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions will not be counted for or against you in the final examination score.

You will be helping us help future test takers by completing 5 experimental test questions in your exam. We plan to use the experimental questions on future exams based on your performance.

The questions will:

- be randomly distributed within your test
- will not be counted in your final score
- time spent on the question will not be deducted from your test time
At the end of your exam, your score will be shown on the screen and you will receive a printed score report. The report shows your overall score and grade, including the numerical percentage of questions answered correctly and whether you passed or failed.

The report also displays the correct percentage in each major section of the exam, as defined by the exam content outline. These section scores are shown to guide you, or your employer and/or trainer, 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.

### Sample Score Report

<table>
<thead>
<tr>
<th>Score Report for Sample, Sarah A.</th>
<th>Arizona Producer’s Life Examination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Questions</td>
</tr>
<tr>
<td>Life Total Test Score</td>
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<tr>
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<td>5</td>
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<td>General Insurance</td>
<td>7</td>
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<tr>
<td>Life Insurance Basics</td>
<td>20</td>
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<tr>
<td>Life Insurance Policies</td>
<td>18</td>
</tr>
<tr>
<td>Life Insurance Provisions, Options and Riders</td>
<td>18</td>
</tr>
<tr>
<td>Annuities</td>
<td>14</td>
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<tr>
<td>Tax Considerations</td>
<td>12</td>
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<tr>
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</tr>
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</tbody>
</table>

*(A total score of 70 percent is required to pass)*

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

Prometric electronically notifies the Department of Insurance of exam results within 48 hours of passing the exam. Note that exam scores are confidential and will be revealed only to you and the Department.

**Duplicate score report.** You may call or write to Prometric to request a duplicate of your score report for a period of one year after an exam with no fee. Direct any questions or comments about your exam to Prometric.
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 would like to submit an appeal concerning examination content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal by visiting [http://www.prometric.com/contactus](http://www.prometric.com/contactus).

The Appeals Committee will review your concern and send you a written response within 20 business days of receipt.
Apply for Your License

Once you have passed your license exam (if an exam is required), you must submit your license application along with any other required paperwork and your fee payment to the Insurance Licensing Section. The Section must receive all required application materials, including the correct nonrefundable license fees, within one year after you pass the exam. ARS § 20-284 (A).

NOTE: The Insurance Licensing Section no longer accepts documents by fax.

Submit Your Application

- You must submit license applications either (1) through the NIPR electronic licensing system (www.nipr.com) or (2) by delivery to the Insurance Licensing Section. **NOTE:** NIPR applications are prioritized for processing, and are processed faster than mailed paper applications.

- **Fingerprints** (if required) must be delivered with Form L-FPV to the Insurance Licensing Section. The form can be found at: https://insurance.az.gov/sites/default/files/documents/files/l-fpv.pdf. Please follow the directions completely or your fingerprints may be rejected causing a delay in the application processing. Prometric offers the convenience of a fingerprinting service at our Arizona test centers only, if scheduled when you schedule your exam. Further information on this service can be found below.

- If you answer "Yes" to a background question on the application, **submit your written statement accompanied by corresponding official court documents** (printouts from a court's web site are not acceptable):
  - as part of your NIPR electronic license application (using the Attachments Warehouse), or
  - by e-mail to Licensing@azinsurance.gov, or
  - by delivery to the Insurance Licensing Section.

- **Submit all other documents** either by e-mail to Licensing@azinsurance.gov or by delivery to the Insurance Licensing Section.

Business Name

When conducting insurance business, Arizona law requires that you use your legal name unless you obtain permission from the Department to use another name. Access the L-193 “Certificate of Assumed Name” form on the Insurance Licensing Section website https://insurance.az.gov/producers/licensing-related-forms to learn how to request permission to use an “assumed name” and how to protect the name by registering a “trade name.”

 Licensing Eligibility Requirement (Form L-152)

Arizona state agencies cannot issue a license to an individual unless the agency first receives a completed Form L-152 accompanied by a readable photocopy of a required form of identification. You may download Form L-152 from the Insurance Licensing Section Web site at https://insurance.az.gov/sites/default/files/documents/files/form_l-152_e.pdf
Arizona residents applying for an initial license and non-resident adjusters who reside in states that do not issue adjuster licenses must complete this form, attach a copy of a required identification and submit it with the license application. If you are applying online at a Prometric test center, you should bring the completed Form L-152 with you to the test center.

**Fingerprint Service**

If you want Prometric to scan your fingerprints immediately after you pass your exam, **you must register for the fingerprinting processing service. We recommend you do not schedule your fingerprint appointment until you have passed your licensing exam. You will not be fingerprinted if you do not pass your exam, as all fees are non-refundable.**

**Note** In some cases, based on the content of your application or the type of license for which you are applying, the NIPR application system may inform you that you need to provide additional information before the Department can process your application.

**Department of Insurance Application Review Process**

It is your responsibility to ensure that you have completed the license application and other supporting documents fully, properly and accurately. If your application is incomplete, the Department will return it to you, delaying the licensing decision.

After receiving your application, the Department has up to 120 days to determine whether it contains all required information and is therefore “administratively complete,” and up to an additional 60 days to review the substance of your application. These timeframes are the outer limits by which the Department must grant or deny a license application. The Department processes most license applications within 10 days. The Department is usually able to process applications submitted electronically faster than applications submitted on paper.

After reviewing your application, the Department will either issue or deny the license. If the Department denies your application, the Department will send you a notice that describes the denial reason and your appeal rights.

The Department may deny a license for any cause listed in ARS § 20-295. If your application contains inaccurate or untruthful responses, or material omissions, the Department may deny the license and prevent you from being licensed in the future. If the Department issues a license and later discovers that the application was incomplete or contained erroneous, untruthful or materially incomplete information, the Department may fine you or revoke your license.

**License Expiration**

When the Department issues an Arizona insurance license to someone who does not already hold a license, the license term is between three and four years and expires on the last day of the licensee’s birth month. Future renewals will be a full four-year term expiring on the last day of your birth month.
Insurance professionals are responsible for complying with Arizona insurance laws and rules, including but not limited to timely reporting changes of address and timely renewing insurance licenses.

**NIPR: National Insurance Producer Registry**

You can use the NIPR’s website, at [www.nipr.com](http://www.nipr.com) to report changes of email, address and telephone information at no charge. In many cases, for a small additional fee, you can also use the NIPR website to renew an existing license.

**License Renewal**

An insurance professional may renew a license up to 90 days before the date the license expires. The licensee is solely responsible for renewing the license before its expiration. The Department may or may not remind the licensee of the need to renew a license.

If the license expires, the licensee must cease acting under the license. For up to one year after the expiration of the license, a person may apply for a “late renewal” by fulfilling the renewal requirements and adding a $100 late renewal fee to the license renewal fee.

You can either use NIPR ([http://www.nipr.com/](http://www.nipr.com/)) to renew your license online, or download Form L-191 from the Insurance Licensing Section website at [https://insurance.az.gov/producers/licensing-related-forms](https://insurance.az.gov/producers/licensing-related-forms) and mail or deliver the completed renewal form to the Insurance Licensing Section.

More detailed information on license renewals can be found on the Department’s website at: [https://insurance.az.gov/producers/producer-agentbroker/licensing-related-forms](https://insurance.az.gov/producers/producer-agentbroker/licensing-related-forms) and [https://insurance.az.gov/producers/producer-agentbroker-producer-agentbroker-license-renewal-individual](https://insurance.az.gov/producers/producer-agentbroker-producer-agentbroker-license-renewal-individual)

**Insurance Continuing Education**

The insurance continuing education requirements that you must satisfy depend upon the type of license you hold, when the license was issued and when the license expires. Specific requirements for each type of license can be found at: [https://insurance.az.gov/producers/producer-agentbroker-producer-agentbroker-continuing-education](https://insurance.az.gov/producers/producer-agentbroker-producer-agentbroker-continuing-education)

**Insurance continuing education only applies to insurance producers.**

Continuing education is not required for a person to renew a license for insurance adjuster, bail bond agent, self-service storage agent, insurance exchange navigator or insurance exchange certified application counselor license.

**Nonresidents do not have an insurance continuing education requirement.**

A nonresident would only be required to complete insurance continuing education if the resident state did not have a continuing education requirement (and all states do) or if the resident state required an Arizona resident to complete insurance continuing education (and no state does).

**Individuals who only hold a limited-line credit insurance producer license do not have an insurance continuing education requirement.**

A resident that holds a major line of authority may need to complete insurance continuing education.
Long-term care training  As of July 1, 2009, an accident and health or sickness insurance producer (resident or nonresident) who wants to sell, solicit or negotiate long-term care insurance must complete four hours of Arizona-approved long-term care training (LTCT) during each two-year period after July 1, 2009. A resident licensee can apply hours of LTCT toward satisfying Arizona’s CE requirement. Nonresidents can satisfy the LTCT requirement if they completed substantially similar courses in another state.

Exception to the long-term care training requirement. A nonresident insurance producer can satisfy Arizona’s LTCT requirement by satisfying a substantially similar LTCT requirement in the producer’s home state. ARS §20-1691.12.
The following outlines give an overview of the content of each of the Arizona insurance examinations. Each examination will include 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 10 questions will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

An outline that includes more descriptive subsections for your exam is available online at www.prometric.com/arizona/insurance.

### Arizona Examination for Life Insurance Producer (Series 13-31)

**100 questions – 2 hour time limit**

**Effective July 1, 2017**

#### 1.0 Insurance Regulation  5%

##### 1.1 Licensing

- License application requirements (20-285)
- Number of exam attempts 20-284(H)
- Licensing eligibility/lawful presence (41-1080)
- Types of licensees
  - Producers (20-281(S), 286)
  - Nonresidents (20-281(11))
  - Adjusters (20-321)
- Life Settlement Broker (ARS 20-3202)
- Business entities (20-281(1), 285(D, E), 290(B))
- Surplus lines brokers (20-407, 411)
- Temporary (20-294)
- Vending machines (20-293)
- Lines of producer license authority (20-286, (A), 321, 331, 332, 411, 411.01, 1580, 1693.01, 2662)
- Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
- Assumed business name (20-297)
- Maintenance and duration
  - Expiration, surrender and renewal (20-289)
  - Inactive license status during military service (20-289.01)
  - Change of personal contact information (20-286(C))
  - Change of business information (20-286(C))
- Report of actions (20-301)
  - Continuing education (20-2902, 2903)
- Disciplinary actions
  - Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
  - Cease and desist order (20-292)

##### 1.2 State regulation

- Acts constituting insurance transaction (20-106, 282, 401.01)
- Negotiate (20-281(10))
- Sell (20-281(14))
- Solicit (20-281(15))
- Payment of premiums (20-191)
- Certificate of authority (20-217(A))
- Identification of Producer (20-229)
- Producer regulation
  - Sharing commissions (20-298)
  - Place of business and records (20-157, 290; AZ Const Art 14 s 16)
- Unfair practices and frauds
  - Unfair trade practices (20-442)
  - Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
  - False or deceptive advertising (20-444)
  - Defamation of insurer (20-445)
  - Boycott, coercion or intimidation (20-446)
  - False financial statements (20-447)
- Unfair discrimination (20-448)
- Gender discrimination (Rule R20-6-207)
- Rebating (20-449–451)
- Prohibited inducements (20-452)
- Fees (20-465)
- Unfair claims settlement practices (20-461; Rule R20-6-801)
- Claims payment (20-462)
- Insurance fraud (20-463, 466–466.04)
- Insurance information and privacy protection (20-2101–2122)

##### 1.3 Federal regulation
Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
Fair Credit Reporting Act (15 USC 1681-1681d)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101-6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

2.0 General Insurance 10%

2.1 Concepts

Insurance, definition of (20-103)
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
Mutual, stock, fraternal (20-702, -703)
Captive insurance companies (20-1098)
Stock companies
Mutual companies

Fraternal benefit societies
Reciprocals (20-761,-762)
Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
Lloyd’s associations (20-1021)
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers (20-201, 203, 204)
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
Distinct characteristics of an insurance contract
Contract of adhesion
Personal contract
Aleatory Contract
Unilateral contract
Conditional contract
Legal interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith

3.0 Life Insurance Basics 24%

3.1 Insurable interest (20-443.02, 20-1104, 1106, 1107)

3.2 Personal uses of life insurance

Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation
Viatical and life settlements

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

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, FINRA and Arizona) (20-2604, 2606, 2633)
Qualifications of producers for the
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, advertising requirements, and disclosures
General provisions (20-1241.03; Rule R20-6-202)
Policy summary (Rule R20-6-209(B)(8), (D))
Buyer’s guide (20-1242.02, Rule R20-6-209(C), R20-6-211 Appendix)
Life and Disability Insurance Guaranty Fund (20-443(6), 683)
Life insurance policy cost comparison methods (Rule R20-6-209(B)(6))
Replacement (20-1241-1241.09; Rule R20-6-212)
Field underwriting
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 (20-2107)
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (20-448.01; Rule R20-6-1203, 1204; Bul 2003-5, 9)

Selection criteria
General selection criteria
Discrimination on basis of blindness prohibited (Rule R20-6-211)
Gender testing (20-448(D), (E), 448.02)

Classification of risks
Preferred
Standard
Substandard
Certificate of Authority (20-206(A))

4.0 Life Insurance Policies

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

4.3 Flexible premium policies
Adjustable life
Universal life
Variable universal
Index whole life

4.4 Specialized policies
Joint life (first-to-die)
Juvenile life
Survivorship life

4.5 Group life insurance
Individual certificates (20-1265)
Characteristics of group plans
Group eligibility (20-1251)
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy (20-1266–1269)

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders

5.1 Standard provisions
Ownership
Assignment (20-1122, 1277)
Limitation of liability (20-1226)
Entire contract (20-1205)
Modifications
Right to examine (free look) (Rule R20-6-209(C)(1))
Payment of premiums (20-1214)
Grace period (20-1203, 1259)
Reinstatement (20-1213)
Incontestability (20-1204, 1217, 1260)
Misstatement of age (20-1206, 1263)
Policy title (20-1216)
Policy settlements and proceeds (20-1228–1230)
Exclusions (20-1226)
Payment of claims (20-1215)

5.2 Designation options
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Classes
Estates
Minors
5.3 Settlement options
Cash payment
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Fixed-period installments
Fixed-amount installments
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Joint and survivor

5.4 Nonforfeiture options (20-1231)
Cash surrender value
Extended term
Reduced paid-up insurance

5.5 Policy loan and withdrawal options (20-1209, 1209.01)
Cash loans
Automatic premium loans
Withdrawals or partial surrenders

5.6 Dividend options
Cash payment
Reduction of premium payments
Accumulation at interest
One-year term option
Paid-up additions
Paid-up insurance

5.7 Disability riders
Waiver of premium
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provision/rider (20-1136)
Conditions for payment
Effect on death benefit
Long-term care
Conditions for payment

5.9 Riders covering additional insureds (20-1257)
Spouse/other-insured term rider
Children’s term rider
Family term rider

5.10 Riders affecting the death benefit amount
Accidental death
Guaranteed insurability
Cost of living
Return of premium

6.0 Annuities 10%

6.1 Standard provisions
Grace period (20-1219, 1271)
Incontestability (20-1220)
Entire contract (20-1221, 1272)
Misstatement of age (20-1222, 1227, 1273)
Reinstatement (20-1224, 1227)
Free look (20-1233)
Disclosure (20-1242, 1242.01–1242.05)

6.2 Annuity principles and concepts
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities

6.3 Immediate versus deferred annuities
Single premium immediate annuities (SPIAs)
Deferred annuities
Premium payment options
Nonforfeiture (20-1232, 1274)
Surrender charges
Death benefits

6.4 Annuity (benefit) payment options
Life contingency options

6.5 Annuity Products
Fixed annuities
General account assets
Interest rate guarantees (minimum versus current)
Level benefit payment amount

6.6 Uses of annuities
Market value adjusted annuities
Lump-sum settlements
Qualified retirement plans
Group versus individual annuities
Personal uses
Individual retirement plans
Tax-deferred growth
Retirement income
Education funds
Compatibility and suitability (20-1243, 1243.01–1243.06)

7.0 Federal Tax Considerations for Life Insurance and Annuities 5%

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 Section 1035 exchanges

<table>
<thead>
<tr>
<th>Arizona Examination for Life Insurance Producer</th>
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<tbody>
<tr>
<td><strong>Series 13-32</strong></td>
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<td><strong>100 questions – 2-hour time limit</strong></td>
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<td><strong>Effective July 1, 2017</strong></td>
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</tbody>
</table>

### 1.0 Insurance Regulation  5%

#### 1.1 Licensing
- License application requirements (20-285)
- Number of exam attempts (20-284(H))
- Licensing eligibility/lawful presence (41-1080)
- Types of licensees
  - Producers (20-281(5), 286)
  - Nonresidents (20-281(11))
  - Adjusters (20-321)
  - Life Settlement Broker (ARS 20-3202)
  - Business entities (20-281(1), 285(D, E), 290(B))
  - Surplus lines brokers (20-407, 411)
  - Temporary (20-294)
  - Vending machines (20-293)
- Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01,2662)
- Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
- Assumed business name (20-297)
- Maintenance and duration
  - Expiration, surrender and renewal (20-289)
  - Inactive license status during military service (20-289.01)
- Change of contact information (20-286(C))
- Change of business information (20-286(C))
- Report of actions (20-301)
- Continuing education (20-2902, 2903)
- Disciplinary actions
  - Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
  - Cease and desist order (20-292)

#### 1.2 State regulation
- Acts constituting insurance transaction (20-106, 282, 401.01)
  - Negotiate (20-281(10))
  - Sell (20-281(14))
  - Solicit (20-281(15))
- Payment of premiums (20-191)
- Certificate of authority (20-217(A))
- Identification of Producer (20-229)
- Producer regulation
  - Sharing commissions (20-298)
  - Place of business and records (20-157, 290; AZ Const Art 14 s 16)
- Unfair practices and frauds

### 1.3 Federal regulation
- Affordable Care Act (45 CFR 144, 146, 147, 148, 150, 154, 155, 156, 157, 164 and 170; and 42 USC 300gg-300gg-91)
- Mental Health Parity and Addiction Equity Act (45 CFR Parts 146 and 147)
- Genetic Information Nondiscrimination Act (45 CFR Parts 144, 146, and 148; 45 CFR Parts 160 and 164; and 29 CFR Part 2590)
- Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
- Unfair trade practices (20-442)
- Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
- False or deceptive advertising (20-444)
- Defamation of insurer (20-445)
- Boycott, coercion or intimidation (20-446)
- False financial statements (20-447)
- Unfair discrimination (20-448)
- Gender discrimination (Rule R20-6-207)
- Rebating (20-449–451)
- Prohibited inducements (20-452)
- Fees (20-465)
- Unfair claims settlement practices (20-461; Rule R20-6-801)
- Claims payment (20-462)
- Insurance fraud (20-463, 466–466.04)
- Insurance information and privacy protection (20-2101–2122)
A R I Z O N A  D E P A R T M E N T  O F  I N S U R A N C E

Fair Credit Reporting Act (15 USC 1681–1681d)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101–6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)

2.0 General Insurance  7%

2.1 Concepts
Insurance, definition of (20-103)
Risk management key terms
  Risk
  Exposure
  Hazard
  Peril
  Loss
Methods of handling risk
  Avoidance
  Retention
  Sharing
  Reduction
  Transfer
  Managed care
  Utilization review
Elements of insurable risks
  Adverse selection
  Law of large numbers
  Reinsurance

2.2 Insurers
Types of insurers
  Mutual, stock, fraternal (20-702, -703)
  Captive insurance companies (20-1098)
  Stock companies
  Mutual companies
  Fraternal benefit societies
  Reciprocals (20-761,-762)

Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
Lloyd's associations (20-1021)
Hospital, medical, dental, optometric service corporations
  (ARS 20-821 et seq)
Health care service organizations (ARS 20-1051 et seq; AAC R20-6-1901 et seq; AAC R20-6-405)

Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers (20-201, 203, 204)
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
Distinct characteristics of an insurance contract
  Contract of adhesion
  Personal contract
  Aleatory contract
  Unilateral contract
  Conditional contract
Legal interpretations affecting contracts
  Ambiguities in a contract of adhesion
  Reasonable expectations

Indemnity
Utmost good faith
Representations/misrepresentation
Warranties
Concealment
Fraud
Waiver and estoppel

3.0 Disability (Accident and Health) Insurance Basics 18%

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
  Prescriptions

3.3 Classes of health insurance policies
  Individual versus group
  Small group versus large group
  Qualified health plan
  Marketplace plans
  Stand-alone dental plans
  Private versus government
  Limited versus comprehensive

3.4 Limited policies
  Limited perils and amounts
  Required notice to insured
  Types of limited policies
  Exempted benefits (45 CFR 148.220)
  Accident-only
  Specified (dread) disease
  Hospital indemnity (income)
  Credit disability
  Blanket insurance (teams, passengers, other)
  Prescription drugs
3.5 Common exclusions from coverage

3.6 Producer responsibilities in individual health insurance

Privacy and security (ARS 20-2101 et seq; AND 45 CFR 155.260)

Marketing requirements

Insurable interest (20-1104. 20-1106, 20-1107, 20-1370)

Advertising Requirements (R20-6-201,201.01,201.02)

Sales presentations

Summary of benefits and coverage (45 CFR Part 147)

Life and Disability Insurance Guaranty Fund (20-683)

Field underwriting

Insurer 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

Guaranteed availability (45 CFR 147.104)

Sources of underwriting information

Application

Producer report

Medical Information Bureau (MIB)

Medical examinations and lab tests (including HIV consent) (20-448.01; Rule R20-6-1203, 1204)(Bul 2003-5, 9)

Policy Delivery

Effective date of coverage

QHP rating factors (45 CFR 147.102)

Unfair discrimination (20-448)

Genetic testing (20-448(D), (E), 448.02)

Classification of risks

Preferred

Standard

Substandard

Certificate of Authority (20-206(A))

3.8 Considerations in replacing health insurance

Guaranteed renewable (ARS 20-1380; 45 CFR 148.122 AND 146.152)

Termination of coverage (45 CFR 155.430)

Special enrollment period/late enrollment (45 CFR 155.420; ARS 20-2301)

Open enrollment (45 CFR 155.410)

Grace period (ARS 20-1347; 45 CFR 156.270)

Reinstatement (ARS 20-1348; 45 CFR 155.430)

Discontinuation (45 CFR 147.106)

Pre-existing conditions

Benefits, limitations and exclusions

Underwriting requirements

Producer's liability for errors and omissions

Life and disability insurance Guaranty Fund (20-283(A))

4.0 Individual Disability (Accident and Health) Insurance Policy General Provisions 12%

4.1 Uniform required provisions

Essential health benefits (45 CFR 156)

 Entire contract; changes (20-1345)

Time limit on certain defenses (20-1346)

Grace period (20-1347)

Reinstatement (20-1348)

Claim procedures (20.1349–53)

Physical examinations and autopsy (20-1354)

4.2 Uniform optional provisions

Change of occupation (20-1358)

Misstatement of age (20-1359, 1373)

Other insurance in this insurer (20-1360)

Insurance with other insurers

Expense-incurred basis (20-1361)

Other benefits (20-1362)

Unpaid premium (20-1364)

Cancellation (20-1365)

Conformity with state statutes (20-1366)

Illegal occupation (20-1367)

Intoxicants and narcotics (20-1368)

4.3 Other general provisions

Right to examine (free look) (Rule R20-6-501)

Insuring clause

Consideration clause

Renewability clause (20-1380)

Noncancelable

Guaranteed renewable

Conditionally renewable

Renewable at option of insurer

Nonrenewable (cancelable, term)

Guaranteed issue (20-1379)

5.0 Disability Income and Related Insurance 10%

5.1 Qualifying for disability benefits
Inability to perform duties
Own occupation
Any occupation
Indemnity
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
Probationary period
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
Permanent 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 (20-1363)
Other cash benefits
Accidental death and dismemberment
Rehabilitation benefit
Medical reimbursement benefit (nondisabling injury)
Refund provisions
Return of premium
Cash surrender value
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
Short-term disability (STD)
Long-term disability (LTD)

5.5 Business disability insurance
Key employee (partner) disability income
Business overhead expense policy
Disability buy-sell policy

5.6 Social Security disability
Qualification for disability benefits
Definition of disability
Waiting period
Disability income benefits

5.7 Workers compensation
Eligibility (RL 23-901, 23-901.01)
Benefits (RL 23-1021)

6.0 Medical Plans 12%

6.1 Medical plan concepts
Expense reimbursement/indemnity versus prepaid basis
Specified coverage versus comprehensive coverage
Minimum essential coverage (45 CFR 156.600, 602, 604; 45 CFR §155.605)
Schedule of benefits
In- and out-of-network benefits

On- and off-marketplace plans
Grandfathered (45 CFR 147.140) versus transition plan
Unusual/reasonable/costmary charges
Broad versus narrow provider network
Insureds versus subscribers/participants
Prepaid
Essential health benefits coverage versus excepted benefits
Dependents
Healthcare appeal rights
Role of the federal health insurance marketplace (healthcare.gov)

6.2 Types of providers and plans
Health care services organizations (HCSOs)-pre-paid health care
General characteristics
Essential health benefits
Basic health care services (AAC R20-6-1904)
Preventive care services
Primary care physician versus referral (specialty) physician
Emergency care
Hospital services
Other basic services
In-network providers
Network exception (AAC R20-6-1910)
Cost-share
Maximum out of pocket (MOOP)
Preferred provider organizations (PPOs)
General characteristics
Essential health benefits
Reimbursement methodology
6.3 Cost containment in health care delivery
- Cost-saving services
  - Open enrollment period
  - Preventive care
  - Hospital outpatient benefits
  - Alternatives to hospital services
  - Preauthorization 2nd opinion
- Utilization management
  - Prospective review
  - Concurrent review

6.4 Arizona eligibility requirements (individual and group)
- Dependent child age limit (20-1342(A)(3))
- Newborn child coverage (20-1342(A)(3))
- Child coverage; non-custodial parents (20-1692.03)
- Physically or mentally handicapped dependent coverage (20-1342.01, 1407)

6.5 Marketing Considerations
- Advertising (Rule R20-6-201)
- Regulatory jurisdiction/place of delivery
- Disclosure form (20-2323)
- Summary of benefits & coverages

7.0 Group Accident and Health Insurance 10%

7.1 Characteristics of group insurance
- Small group versus large group (ARS 20-2301 et seq; 45 CFR)
- Group contract
- Certificate of coverage (20-1402(A)(2))
- Experience rating versus community rating

7.2 Types of eligible groups (20-1401)
- Employment-related groups
  - Individual employer groups
  - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- Associations (alumni, professional, other)
- Customer groups (depositors, creditor-debtor, other)

7.3 Marketing considerations
- Advertising (Rule R20-6-201)
- Regulatory jurisdiction/place of delivery
- Summary of benefits & coverages

7.4 Large group disability (accident and health) insurance
- Insurer underwriting criteria
  - Characteristics of group

7.5 Small group disability (accident and health) insurance
- Definition of small employer (20-2301(A)(21))
- Accountable Health Plan (20-2301(A)(1))
- Health benefits plan (20-2301(A)(11))
- Small employer (20-2301(A)(11))
- Late Enrollee (20-2301(A)(15))
- Availability and eligibility (20-2304, 2307, 2308)
- Prohibited marketing practices (20-2313)
- Renewability (20-2309)
Guaranteed issue (20-2304)

Limitations on exclusion from coverage
- Pre-existing conditions (20-2301(A)(20), 2310(B))
- Credit for prior coverage (20-2310)
- Small business health insurance (20-2341)
- Notification of small employer of reduction in premium tax (20-2304(J))
- Geographic rating agreements and other rating factors (ARS 20-238; 20-2311; 45 CFR 147.102)

7.6 Privacy (20-1379)
- Insurance information & privacy protection (ARS 20-2101 et seq)
- Customer information security (AAC R20-6-2101 - 2104)
- HIPAA privacy protections
- Electronic notices (ARS 20-239; ARS 44-7001 - 7052)
- Affordable Care Act privacy protections (45 CFR 155.260)

8.0 Dental Insurance 5%

8.1 Types of dental treatment
- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics
- Periodontics
- Prosthodontics
- Orthodontics

8.2 Indemnity plans/PPO Dental Plans
- Stand-Alone Dental Plans (SADP) (45 CFR 155.1065)
- Essential pediatric dental benefit
- Role of the federal health insurance marketplace on dental insurance
- Group versus individual dental insurance

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

8.3 Prepaid dental plans (R1801), (ARS 20-2001)
- Characteristics
- Basic services (R20-6-1806)
- Exclusions
- Limitations

9.0 Insurance for Senior Citizens and Special Needs Individuals 16%

9.1 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
- Part C — Medicare Advantage
- Part D — Prescription drug insurance
- Late enrollment penalty
- Medicare savings programs (QMB, SLMB)
- Medicare marketing restrictions

9.2 Medicare supplements (Rule R20-6-1101)
- Purpose
- Open enrollment
- Rating of supplemental plans
- Standardized Medicare supplement plans
  - Core benefits
  - Additional benefits
- Arizona regulations and required provisions
  - Standards for marketing
  - Advertising
  - Appropriateness of recommended purchase and excessive insurance
- Guide to health insurance
  - Outline of coverage
  - Right to return
  - Replacement
  - Minimum benefit standards
  - Required disclosure provisions
  - Permitted compensation arrangements
  - Renewability and cancellation
  - Continuation and conversion requirements
  - Notice of change
  - Medicare select

9.3 Other options for individuals with Medicare
- Employer group health plans
  - Disabled employees
  - Employees with kidney failure
  - Individuals age 65 and older
9.4 Long-term care (LTC) insurance

Required communications to LTC applicants

Outline of Coverage (ARS 20-1691.06; Rule R20-6-1022)

Shopper’s Guide (Rule R20-6-1023)

Personal Worksheet (Rule R20-6-1018 and Appendix A)

Rating Practices (Rule R20-6-1008(B1-6), (E) and (F))

Eligibility for benefits

Levels of care
  Skilled care
  Intermediate care
  Custodial care
  Home health care (Rule R20-6-1004(I))
  Adult day care
  Respite care

Benefit periods (20-1691.03(C))

Benefit amounts

Optional benefits

Guarantee of insurability

Return of premium

Qualified LTC plans

Exclusions (Rule R20-6-1004(B)(1)–(4))

Underwriting considerations

Arizona regulations and required provisions

Long term care partnership program (ADOI Bulletin 2009-05)

Standards for marketing (Rule R20-6-1017)

Right to return (free look) (20-1691.07)

Replacement (Rule R20-6-1004(F), 1010)

Prohibited policy provisions (20-1691.05; Rule R20-6-1004(B), 1011)

Renewal considerations (Rule R20-6-1004(A))

Cancellation (20-1691.03(A))

Unintentional lapse (Rule R20-6-1005)

Suitability (Rule R20-6-1018)

Premium increase (Rule R20-6-1004(G), 1008)

Continuation of benefits (Rule R20-6-1004(E))

Inflation protection (Rule R20-6-1006)

Required disclosure provisions (Rule R20-6-1007)

Pre-existing conditions (20-1691.10)

Contestable periods (20-1691.12)

Nonforfeiture (Rule R20-6-1019)

Nonforfeiture benefit triggers (Rule R20-6-1020)

Producer long term care partnership training (20-1691.12)

10.0 Federal Tax Considerations for Disability (Accident and Health) Insurance 5%

10.1 Personally-owned health insurance

Disability income insurance

Medical expense insurance

Long-term care insurance

10.2 Employer group health insurance

Disability income (STD, LTD)
Adjusters (20-321)
Life Settlement Broker
(ARS 20-3202)
Business entities (20-
281(1), 285(D, E),
290(B))
Surplus lines brokers
(20-407, 411)
Temporary (20-294)
Vending machines
(20-293)
Lines of producer license
authority (20-286, (A),
321 331, 332, 411,
411.01, 1580,
1693.01,2662)
Fingerprinting
requirements (20-
142(E), 285(E), 286(C),
289(D))
Assumed business name
(20-297)
Maintenance and duration
Expiration, surrender
and renewal (20-
289)
Inactive license status
during military
service (20-289.01)
Change of personal
contact information
(20-286(C))
Change of business
information (20-
286)(C))
Report of actions (20-
301)
Continuing education
(20-2902, 2903)
Disciplinary actions
Denial, suspension,
revocation or refusal
to renew; civil
penalties (20-295,
296)
Cease and desist order
(20-292)

1.2 State regulation
Acts constituting insurance
transaction (20-106,
282, 401.01)
Negotiate (20-
281(10))
Sell (20-281(14))
Solicit (20-281(15))
Payment of premiums
(20-191)
Certificate of authority
(20-217(A))
Producer regulation
Sharing commissions
(20-298)
Place of business and
records (20-157,
290; AZ Const Art
14 s 16)
Unfair practices and frauds
Unfair trade practices
(20-442)
Misrepresentation
(20-443, 443.01,
447; Rule R20-6-
801(D))
False or deceptive
advertising (20-
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statements (20-
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Gender discrimination
(Rule R20-6-207)
Rebating (20-449–
451)
Prohibited
inducements (20-
452)
Fees (20-465)
Unfair claims
settlement practices
(20-461; Rule R20-
6-801)
Claims payment (20-
462)
Insurance fraud (20-
463, 466–466.04)
Insurance information and
privacy protection (20-
2101–2122)

1.3 Federal regulation
Affordable Care Act (45
CFR 144, 146, 147, 148,
150, 154, 155, 156, 157,
164 and 170; and 42
USC 300gg-300gg-91)
Mental Health Parity and
Addiction Equity Act (45
CFR Parts 146 and 147)
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Nondiscrimination Act
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and 148; 45 CFR Parts
160 and 164; and 29
CFR Part 2590)
Violent Crime Control and
Law Enforcement Act
(20-489; 18 USC
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6101-6108; ARS 44-1282)
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(16 CFR 310; 15 USC
6101–6108; A.R.S. 44-
1282)
CAN-SPAM Act of 2003
(15 USC 7701; 18 USC
1037)
Gramm-Leach-Bliley Act
(20-2121; Public Law
106-102)

2.0 General Insurance 6%

2.1 Concepts
Insurance, definition of
(20-103)
Risk management key
terms
Risk
Exposure
Hazard
Peril
Loss

Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer
Managed care
Utilization review

Elements of insurable risks
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2.2 Insurers
Types of insurers
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Elements of a legal contract
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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 Life Insurance Basics 12%

3.1 Insurable interest (20-443.02, 20-1104, 1106, 1107)

3.2 Personal uses of life insurance
Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation
Viatical and life settlements

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

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, FINRA and Arizona) (20-2604, 2606, 2633)
Qualifications of producers for the sale of variable products (20-2662)

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, sales presentations, advertising requirements, and disclosures
General provisions (20-1241.03; Rule R20-6-202)
Policy summary (Rule R20-6-209(B)(8), (D))
Buyer’s guide (20-1242.02, Rule R20-6-209(C), R20-6-211 Appendix)
Life and Disability Insurance Guaranty Fund (20-443(6), 683)
Life insurance policy cost comparison methods (Rule R20-6-209(B)(6))
Field underwriting
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 (20-2107)
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (20-448.01; Rule R20-6-1203, 1204; Bul 2003-5, 9)

Selection criteria
General selection criteria
Discrimination on basis of blindness prohibited (Rule R20-6-211)
Genetic testing (20-448(D), (E), 448.02)

Classification of risks
Preferred
Standard
Substandard
Certificate of Authority (20-206(A))

4.0 Life Insurance Policies 10%

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

4.3 Flexible premium policies
Adjustable life
Universal life
Variable universal
Index whole life

4.4 Specialized policies
Joint life (first-to-die)
Juvenile life
Survivorship life

4.5 Group life insurance
Individual certificates (20-1265)
Characteristics of group plans
Group eligibility (20-1251)
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy (20-1266–1269)

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 10%

5.1 Standard provisions
Ownership
Assignment (20-1122, 1277)
Limitation of liability (20-1226)
Entire contract (20-1205)
Modifications
Right to examine (free look) (Rule R20-6-209(C)(1))
Payment of premiums (20-1214)
Grace period (20-1203, 1259)
Reinstatement (20-1213)
Incontestability (20-1204, 1217, 1260)

5.2 Beneficiaries
Designation options
Individuals
Classes
Estates
Minors
Trusts
Succession
Revocable versus irrevocable
Primary and contingent
Common disaster clause

5.3 Settlement options
Cash payment
Interest only
Fixed-period installments
Fixed-amount installments
Life income
Single life
Joint and survivor

5.4 Nonforfeiture options (20-1231)
Cash surrender value
Extended term
Reduced paid-up insurance

5.5 Policy loan and withdrawal options (20-1209, 1209.01)
Cash loans
Automatic premium loans
Withdrawals or partial surrenders

5.6 Dividend options
Cash payment
Reduction of premium payments
Accumulation at interest
One-year term option
Paid-up additions
5.7 Disability riders
Waiver of premium
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provision/rider (20-1136)
Conditions for payment
Effect on death benefit
Long-term care
Conditions for payment
Effect on death benefit

5.9 Riders covering additional insureds (20-1257)
Spouse/other-insured term rider
Children's term rider
Family term rider

5.10 Riders affecting the death benefit amount
Accidental death
Guaranteed insurability
Cost of living
Return of premium

6.0 Annuities 9%

6.1 Standard provisions
Grace period (20-1219, 1271)
Incontestability (20-1220)
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Reinstatement (20-1224, 1227)
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6.2 Annuity principles and concepts
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities

6.3 Immediate versus deferred annuities
Single premium immediate annuities (SPIAs)
Deferred annuities
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Nonforfeiture (20-1232, 1274)
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6.4 Annuity (benefit) payment options
Life contingency options
Straight life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain (types)

6.5 Annuity products
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General account assets
Interest rate guarantees (minimum versus current)
Level benefit payment amount
Equity indexed annuities
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6.6 Uses of annuities
Lump-sum settlements
Qualified retirement plans
Group versus individual annuities
Personal uses
Individual retirement plans
Tax-deferred growth
Retirement income
Education funds
Compatibility and suitability (20-1243, 1243.01-1243.06)

7.0 Federal Tax Considerations for Life Insurance and Annuities 4%

7.1 Taxation of personal life insurance

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 Section 1035 exchanges

8.0 Disability (Accident and Health) Insurance Basics 9%

8.1 Definitions of perils
Accidental injury
Sickness

8.2 Principal types of losses and benefits
Loss of income from disability
Medical expense
Dental expense
Long-term care expense
Prescriptions

8.3 Classes of health insurance policies
Individual versus group
Small group versus large group
Qualified health plan
Marketplace plans
Stand-alone dental plans
Private versus government
Limited versus comprehensive

8.4 Limited policies
Limited perils and amounts
Required notice to insured
Types of limited policies
Excepted benefits (45 CFR 148.220)
Accident-only
Specified (dread) disease
Hospital indemnity (income)
Credit disability
Blanket insurance (teams, passengers, other)
Prescription drugs
Vision care

8.5 Common exclusions from coverage

8.6 Producer responsibilities in individual health insurance
Privacy and security (ARS 20-2101 et seq; AND 45 CFR 155.260)
Marketing requirements
Insurable interest (20-1104. 20-1106, 20-1107, 20-1370)
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Requirements (R20-6-201, 201.01, 201.02)
Sales presentations
Summary of benefits and coverage (45 CFR Part 147)
Life and Disability Insurance Guaranty Fund (20-683)
Field underwriting
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Nature and purpose
Disclosure of information about individuals

Application procedures
Requirements at delivery of policy
Common situations for errors/omissions

8.7 Individual underwriting by the insurer
Underwriting criteria
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Sources of underwriting information
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Medical examinations and lab tests (including HIV consent) (20-448.01; Rule R20-6-1203, 1204)(Bul 2003-5, 9)
Policy Delivery
Effective date of coverage
QHP rating factors (45 CFR 147.102)

8.8 Considerations in replacing health insurance
Guaranteed renewable (ARS 20-1380; 45 CFR 148.122 AND 146.152)
Termination of coverage (45 CFR 155.430)
Special enrollment period/late enrollment (45 CFR 155.420; ARS 20-2301)
Open enrollment (45 CFR 155.410)
Grace period (ARS 20-1347; 45 CFR 156.270)
Reinstatement (ARS 20-1348; 45 CFR 155.430)
Discontinuation (45 CFR 147.106)
Pre-existing conditions
Benefits, limitations and exclusions
Underwriting requirements
Producer’s liability for errors and omissions
Life and disability insurance Guaranty Fund (20-283(A))

9.0 Individual Disability (Accident and Health) Insurance Policy General Provisions: 6%

9.1 Uniform required provisions
Essential health benefits (45 CFR 156)
Entire contract; changes (20-1345)
Time limit on certain defenses (20-1346)
Grace period (20-1347)
Reinstatement (20-1348)
Claim procedures (20.1349–53)
Physical examinations and autopsy (20-1354)
Legal actions (20-1355)
Change of beneficiary (20-1356)
Time of payment claims (20-1352)
Payment of claims (20-1353)
Notice of claim
Proof of Loss (20-1351)
Physical examinations and autopsy (20-1354)

9.2 Uniform optional provisions
Change of occupation (20-1358)
Misstatement of age (20-1359, 1373)
Other insurance in this insurer (20-1360)
Insurance with other insurers
Expense-incurred basis (20-1361)
Other benefits (20-1362)
Unpaid premium (20-1364)
Cancellation (20-1365)
Conformity with state statutes (20-1366)
Illegal occupation (20-1367)
Intoxicants and narcotics (20-1368)

9.3 Other general provisions
Right to examine (free look) (Rule R20-6-501)
Insuring clause
Consideration clause
Renewability clause (20-1380)
   Noncancelable
   Guaranteed renewable
   Conditionally renewable
   Renewable at option of insurer
   Nonrenewable (cancelable, term)
   Guaranteed issue (20-1379)

10.0 Disability Income and Related Insurance 5%

10.1 Qualifying for disability benefits
   Inability to perform duties
      Own occupation
      Any occupation
   Pure loss of income (income replacement contracts)
   Indemnity
   Presumptive disability
   Requirement to be under physician care

10.2 Individual disability income insurance
   Basic total disability plan
   Income benefits (monthly indemnity)
   Elimination and benefit periods
   Waiver of premium feature

10.3 Unique aspects of individual disability underwriting
   Occupational considerations
   Benefit limits
   Policy issuance alternatives

10.4 Group disability income insurance
   Group versus individual plans
   Short-term disability (STD)
   Long-term disability (LTD)

   Probationary period
   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
   Permanent disability benefit
   
   Other provisions affecting income benefits
   Cost of living adjustment (COLA) rider
   Future increase option (FIO) rider
   Relation of earnings to insurance (20-1363)
   
   Other cash benefits
   Accidental death and dismemberment
   Rehabilitation benefit
   Medical reimbursement benefit (nondisabling injury)
   
   Refund provisions
   Return of premium
   Cash surrender value
   
   Exclusions

10.5 Business disability insurance
   Key employee (partner) disability income
   Business overhead expense policy
   Disability buy-sell policy

10.6 Social Security disability
   Qualification for disability benefits
   Definition of disability
   Waiting period
   Disability income benefits

10.7 Workers compensation
   Eligibility (RL 23-901, 23-901.01)
   Benefits (RL 23-1021)

11.0 Medical Plans 6%

11.1 Medical plan concepts
   Expense reimbursement/indemnity versus prepaid basis
   Specified coverage versus comprehensive coverage
   Minimum essential coverage (45 CFR 156.600, 602, 604; 45 CFR §155.605)
   Schedule of benefits
   In- and out-of-network benefits
   On- and off-marketplace plans
   Grandfathered (45 CFR 147.140) versus transition plan
   Unusual/reasonable/customary charges
   Broad versus narrow provider network
   Insureds versus subscribers/participants
   Prepaid
   Essential health benefits coverage versus excepted benefits
   Dependents
   Healthcare appeal rights
   Role of the federal health insurance marketplace (healthcare.gov)
11.2 Types of providers and plans
Health care services organizations (HCSOs)-
pre-paid health care

- General characteristics
- Essential health benefits
- Basic health care services (AAC R20-
6-1904)
- Preventive care services
- Primary care physician versus referral
(specialty) physician
- Emergency care
- Hospital services
- Other basic services
- In-network providers
- Network exception (AAC R20-6-1910)
- Cost-share
- Maximum out of pocket (MOOP)
- Preferred provider organizations (PPOs)

11.3 Cost containment in
health care delivery
Cost-saving services
- Open enrollment period
- Preventive care
- Hospital outpatient benefits
- Alternatives to hospital services
- Utilization management
- Prospective review
- Concurrent review

11.4 Arizona eligibility
requirements (individual and group)
- Dependent child age limit (20-1342(A)(3))
- Newborn child coverage (20-1342(A)(3))
- Coverage of adopted children (20-
1342(A)(3),(11),(12), 1692, 2321)
- Child coverage; non-custodial parents (20-
1692.03)
- Physically or mentally handicapped dependent coverage (20-1342.01, 1407)
- Rating criteria health insurance policies (45 CFR 147.102)

11.5 Marketing Considerations
Advertising (Rule R20-6-201)
Regulatory jurisdiction/place of delivery
Disclosure form (20-2323)
Summary of benefits & coverages

11.6 Group Accident and Health
Insurance 5%

12.1 Characteristics of group insurance
Small group versus large group (ARS 20-2301 et seq; 45 CFR)
Group contract
Certificate of coverage (20-1402(A)(2))

12.2 Types of eligible groups (20-1401)
Employment-related groups
- Individual employer groups
- Multiple-Employer Trusts (METs) or Welfare
Arrangements (MEWAs)
- Associations (alumni, professional, other)
- Customer groups (depositors, creditor-debtor, other)

12.3 Marketing considerations
Advertising (Rule R20-6-201)
Regulatory jurisdiction/place of delivery
Disclosure form (20-2323)
Summary of benefits & coverages

12.4 Large group disability
(accident and health) insurance
Insurer underwriting criteria
- Characteristics of group
- Plan design factors
Eligibility for coverage
- Annual open enrollment
- Employee eligibility
- Dependent eligibility
Coordination of benefits provision (Rule R20-6-214)
Change of insurance companies or loss of coverage
- Coinsurance and deductible carryover
- No-loss no-gain
- Events that terminate coverage
- Extension of benefits
Continuation of coverage under COBRA
Conversion (20-1377, 1408)
Reinstatement of coverage for military personnel (20-1408(L))
Special enrollment period (45 CFR 155.420)
Open enrollment
Loss of minimum essential coverage

12.5 Small group disability (accident and health) insurance
Definition of small employer (20-2301(A)(21))
Accountable Health Plan (20-2301(A)(1))
Health benefits plan (20-2301(A)(11))
Small employer (20-2301(A) (11))
Late Enrollee (20-2301(A)(15))
Availability and eligibility (20-2304, 2307, 2308)
Prohibited marketing practices (20-2313)
Renewability (20-2309)
Guaranteed issue (20-2304)
Limitations on exclusion from coverage
Pre-existing conditions (20-2301(A)(20), 2310(B))
Credit for prior coverage (20-2310)
Small business health insurance (20-2341)
Notification of small employer of reduction in premium tax (20-2304(J))
Geographic rating agreements and other rating factors (ARS 20-238; 20-2311; 45 CFR 147.102)

12.6 Privacy (20-1379)
Insurance information & privacy protection (ARS 20-2101 et seq)

Customer information security (AAC R20-6-2101 - 2104)
HIPAA privacy protections
Electronic notices (ARS 20-239; ARS 44-7001 - 7052)
Affordable Care Act privacy protections (45 CFR 155.260)

13.0 Dental Insurance 3%

13.1 Types of dental treatment
Diagnostic and preventive
Restorative
Oral surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics

13.2 Indemnity plans/PPO Dental Plans
Stand-Alone Dental Plans (SADP) (45 CFR 155.1065)
Essential pediatric dental benefit
Role of the federal health insurance marketplace on dental insurance
Group versus individual dental insurance
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

13.3 Prepaid dental plans
Characteristics
Basic services (R20-6-1806)

Exclusions
Limitations

14.0 Insurance for Senior Citizens and Special Needs Individuals 8%

14.1 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
  Late enrollment penalty
  Medicare savings programs (QMB, SLMB)
  Medicare marketing restrictions

14.2 Medicare supplements (Rule R20-6-1101)
Purpose
Open enrollment
Rating of supplemental plans
Standardized Medicare supplement plans
  Core benefits
  Additional benefits
Arizona regulations and required provisions
  Standards for marketing
  Advertising
Appropriateness of recommended purchase and excessive insurance
Guide to health insurance
Outline of coverage
Right to return
Replacement
Minimum benefit standards
Required disclosure provisions
Permitted compensation arrangements
Renewability and cancellation
Continuation and conversion requirements
Notice of change
Medicare select

14.3 Other options for individuals with Medicare
Employer group health plans
Disabled employees
Employees with kidney failure
Individuals age 65 and older
Arizona Health Care Cost Containment System (AHCCCS)
Eligibility (RL 36-2901(6), 2901.03, .05)
Benefits (RL 36-2907)

14.4 Long-term care (LTC) insurance
Required communications to LTC applicants
Outline of Coverage (ARS 20-1691.06; Rule R20-6-1022)
Shopper’s Guide (Rule R20-6-1023)
Personal Worksheet (Rule R20-6-1018 and Appendix A)
Rating Practices (Rule R20-6-1008(B1-6), (E) and (F))

Eligibility for benefits
Levels of care
Skilled care
Intermediate care
Custodial care
Home health care (Rule R20-6-1004(I))
Adult day care
Respite care
Benefit periods (20-1691.03(C))
Benefit amounts
Optional benefits
Guarantee of insurability
Return of premium
Qualified LTC plans
Exclusions (Rule R20-6-1004(B)(1)–(4))
Underwriting considerations
Arizona regulations and required provisions
Long term care partnership program (ADOI Bulletin 2009-05)
Standards for marketing (Rule R20-6-1017)
Right to return (free look) (20-1691.07)
Replacement (Rule R20-6-1004(F), 1010)
Prohibited policy provisions (20-1691.05; Rule R20-6-1004(B), 1011)
Renewal considerations (Rule R20-6-1004(A))
Cancellation (20-1691.03(A))
Unintentional lapse (Rule R20-6-1005)
Suitability (Rule R20-6-1018)
Premium increase (Rule R20-6-1004(G), 1008)

Continuation of benefits (Rule R20-6-1004(E))
Inflation protection (Rule R20-6-1006)
Required disclosure provisions (Rule R20-6-1007)
Pre-existing conditions (20-1691(12), 1691.03(G))
Contestable periods (20-1691.10)
Nonforfeiture (Rule R20-6-1019)
Nonforfeiture Benefit triggers (Rule R20-6-1020)
Producer long term care partnership training (20-1691.12)

15.0 Federal Tax Considerations for Disability (Accident and Health) Insurance 3%

15.1 Personally-owned health insurance
Disability income insurance
Medical expense insurance
Long-term care insurance

15.2 Employer group health insurance
Disability income (STD, LTD)
Benefits subject to FICA
Medical and dental expense
Long-term care insurance
Accidental death and dismemberment
Section 125 plans

15.3 Medical expense coverage for sole proprietors and partners

15.4 Business disability insurance
Key person disability income
Buy-sell policy

15.5 Health Reimbursement Arrangements (HRAs)
Flexible Spending Accounts (FSAs)
ARIZONA DEPARTMENT OF INSURANCE

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Arizona Examination for Property and Casualty Insurance Producer Series 13-34

150 questions – 2.5-hour time limit
Effective July 1, 2017

1.0 Insurance Regulation 5%

1.1 Licensing
License application requirements (20-285)
Number of exam attempts (20-284(H))
Licensing eligibility/lawful presence (41-1080)
Types of licensees
Producers (20-281(5), 286)
Nonresidents (20-281(11))
Adjusters (20-321)
Life Settlement Broker (ARS 20-3202)
Business entities (20-281(1), 285(D, E), 290(B))
Surplus lines brokers (20-407, 411)
Temporary (20-294)
Vending machines (20-293)
Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)
Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
Assumed business name (20-297)
Maintenance and duration
Expiration, surrender and renewal (20-289)
Inactive license status during military service (20-289.01)
Change of personal contact information (20-286(C))
Change of business information (20-286(C))
Report of actions (20-301)
Continuing education (20-2902, 2903)
Disciplinary actions
Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
Cease and desist order (20-292)

1.2 State regulation
Acts constituting insurance transaction (20-106, 282, 401.01)
Negotiate (20-281(10))
Sell (20-281(14))
Solicit (20-281(15))
Payment of premiums (20-191)
Certificate of authority (20-217(A))
Identification of Producer (20-229)
Producer regulation
Sharing commissions (20-298)
Place of business and records (20-157, 290; AZ Const Art 14 s 16)
Unfair practices and frauds
Unfair trade practices (20-442)
Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
False or deceptive advertising (20-444)
Defamation of insurer (20-445)
Boycott, coercion or intimidation (20-446)
False financial statements (20-447)
Unfair discrimination (20-448)
Gender discrimination (Rule R20-6-207)
Rebating (20-449–451)
Prohibited inducements (20-452)
Fees (20-465)
Unfair claims settlement practices (20-461; Rule R20-6-801)
Claims payment (20-462)
Insurance fraud (20-463, 466–466.04)
Insurance information and privacy protection (20-2101–2122)

1.3 Federal regulation
Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
Fair Credit Reporting Act (15 USC 1681–1681d)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101–6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

2.0 General Insurance 5%

2.1 Concepts
Insurance, definition of (20-103)
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
Mutual, stock, fraternal (20-702, -703)
Captive insurance companies (20-1098)
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals (20-761,-762)
Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
Lloyd’s associations (20-1021)
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers (20-201, 203, 204)
Marketing (distribution) systems

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of producers

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
Personal contract
Aleatory 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 14%

3.1 Principles and concepts
Insurable interest (20-1105)
Underwriting
Function
Loss ratio
Rates
Types
Loss costs
Components
Hazards
Physical
Moral
Morale

Negligence
Elements of a negligent act

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

3.2 Policy structure
Standard Provisions (20-1112)
Content of Policy (20-1113)

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  
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  
Electronic Communications (20-239; SB 1222)  
Electronic Posting of Policies (20-240)  
3.4 Required provisions  
Arizona Property and Casualty Insurance Guaranty Fund (20-662)  
Certificate of authority (20-217(A))  
Cancellation and nonrenewal  

4.0 Dwelling ('02) Policy 9%  
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  
4.7 Personal liability supplement  
5.0 Homeowners ('11) Policy 15%  
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  
5.4 Section II — Liability coverages  
   Coverage E — Personal liability  
   Coverage F — Medical payments to others  
5.5 Perils insured against  
5.6 Exclusions  
5.7 Conditions  
5.8 Selected endorsements  
6.0 Auto Insurance 13%  
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)
6.2 Personal ('05) auto policy
Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Medical payments coverage
Uninsured/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 (PP 00 01)
Selected endorsements
Amendment of policy provisions — Arizona (PP 01 67)
Full Safety Glass Coverage—Arizona (PP 03 48)
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; Regulatory Bulletin 2003-10, 2003-03)
Underinsured motorists coverage — Arizona (PP 04 89; Regulatory Bulletin 2003-10, 2003-03)
Miscellaneous type vehicle — Arizona (PP 13 69, PP 13 70, PP 13 71, PP 13 72)

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)

7.0 Commercial Package Policy (CPP) 17%
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
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
- Inside the premises — robbery or safe burglary of other property
- Outside the premises
- Computer fraud
- Funds transfer fraud

### 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
- Coverage A — Dwellings
- Coverage B — Other private structures
- Coverage C — Household personal property
- Coverage D — Loss of use

### 8.0 Businessowners ('10) Policy

#### 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 Workers Compensation Insurance 8%

#### 9.1 Workers compensation laws

Types of laws
- Monopolistic versus competitive
- Compulsory versus elective

Arizona Workers Compensation Law
- Exclusive remedy (RL 23-1022)
- Employment covered (required, voluntary, elective) (RL 23-901(6), 902)
- Covered injuries (RL 23-901(13), 901.04)
- Occupational disease (RL 23-901.01)
- Benefits provided (RL 23-1021, 1044(A,B), 1045(A,B,C), 1046, 1062)
- Subsequent injury fund (RL 23-1065)

Federal workers compensation laws
- Federal Employers Liability Act (FELA) (45 USC 51–60)
- U.S. Longshore and 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 coverage

- Assigned risk plan (RL 23-1091)
- Self-insured employers and employer groups (RR R20-5-201–208)

### 10.0 Other Coverages and Options 8%

#### 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 Aviation insurance

- Aircraft hull
- Aircraft liability

### 10.6 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

### 10.7 Other policies

- Boatowners
- Difference in conditions

#### Arizona Examination for Bail Bond Agent

Series 13-35

60 questions - 1-hour time limit

Effective July 1, 2017

### 1.0 Insurance Regulation 25%

#### 1.1 Licensing (Rule R20-6-601(C))

- License application requirements (20-285)
- Persons to be licensed (20-340, 340.01)
- Surety bond required (20-340.02)
- Maintenance and duration of license
  - Expiration, surrender and renewal (20-289)
  - Change of personal/business information (20-286(C))
  - Report of actions (20-301)
- Disciplinary actions
  - Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
  - Cease and desist order (20-292)

#### 1.2 Agent regulation

- Director's general duties and powers (20-142, 340.05)
- Bail recovery agent (20-340, 340.04, RL 13-3885(C-G))
Place of business (20-340.01(E))
Business hours (20-340.01(H), R20-6-601(D)(8))
Employees (Rule R20-6-601(D)(2, 3); RL 13-3885(D); 20-340.03(A)(9), (B))
Records maintenance (20-340.01(D–H); Rule R20-6-601(D)(8))
Prohibited conduct (20-340.03; Rule R20-6-601(D))
  - Solicitation where prisoners are confined
  - Failure to act as fiduciary
  - Nondisclosure of fees or charges
  - Practice of law
  - Referral of attorney
  - Signing bond in blank
  - Entry into an occupied residential structure (RL 13-3885(B)(1))
  - Apprehension or arrest of bailee (RL 13-3885(B)(2))
  - Uniform/badge identification (RL 13-3885(B)(3))
  - Permitting others to apprehend or arrest (RL 13-3885(B)(4))
  - Charges, refunds and rebates (20-340.03(D); Rule R20-6-601(E))

2.0 The Legal Framework 30%

2.1 Authority
  - Express
  - Implied
  - Apparent

2.2 Contracts
  - Elements of a legal contract
    - Offer and acceptance
    - Consideration
    - Competent parties
    - Legal purpose
  - Classifications of contracts
    - Formal and bilateral

2.3 Court jurisdictions
  - Original jurisdiction
  - Territorial
  - Subject-matter
  - Personal
  - Appellate jurisdiction

2.4 Terminology
  - Acquit
  - Adjudicate
  - Capital offense
  - Collateral
  - Conviction
  - Custody
  - Defendant
  - Disposition
  - Exoneration
  - Extradition
  - Felony
  - Forfeiture
  - Fugitive
  - Hearing
  - Incarceration
  - Indictment
  - Misdemeanor
  - Recognizance
  - Revocation
  - Supervening indictment
  - Suspend
  - Warrant
  - Writ

3.0 Bail Bond Principles and Practices 45%

3.1 Parties to a surety bond
  - Principal
  - Indemnitor for principal
  - Indemnity agreement
  - Obligee
  - Surety

3.2 Duties of bail bond agent
  - Approval
  - Premium receipt (20-340.01(G)
  - Power of attorney
  - Collateral and trust obligations (Rule R20-6-601(E)(4))

3.3 Types of bonds
  - Personal surety bond
  - Corporate surety bond
  - Criminal defendant bonds
    - Bail
    - Appeal
    - Supersedeas
    - Habeas corpus
    - Extradition
    - Property bond
    - Nonsurety/cash
    - Ten percent surety

3.4 Bonding procedure
  - Application for bond (Surety/defendant contract)
  - Collateral security
  - Surety contract
  - Posting the bond
  - Informational notice

3.5 Court procedures
  - Court appearances
    - Initial appearance
    - Trial
    - Appeal
    - Conditions of release
      - Prior to trial
      - Pending appeal
    - Failure to appear
    - Revocation of bail

3.6 Release of surety
  - Exoneration of bond
    - Return of collateral (20-340.03(A)(6); Rule R20-6-601(E)(4))

3.7 Surrender of principal (defendant)
  - Return of premium (Rule R20-6-601(E)(5))
3.8 Bond forfeiture

Motion
Notice to defendant and sureties
Judgment
Dispersal of funds
Time limit for appeals
Arrest after forfeiture

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

2.3 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional supplemental 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 and nonreduction of limits
Coincidence
Vacancy or unoccupancy
Assignment
Insurer provisions

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

2.2 Insurance principles and concepts
Insurable interest
Hazard
Physical
Moral
Morale
Negligence
Elements of a negligent act
Defenses against negligence
Damas
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

Arizona Examination for Property and Casualty Insurance Adjuster Series 13-36

150 questions — 2.5-hour time limit
Effective July 1, 2017
A R I Z O N A  D E P A R T M E N T  O F  I N S U R A N C E

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

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

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)

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

6.3 Commercial auto ('10)

Commercial auto coverage forms
- Business auto
- Garage
- Business auto physical damage

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
- 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
- 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

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
Optional coverages
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)

8.6 Other policies
Boatowners
Difference in conditions

9.0 Other Coverages and Options

9.1 Umbrella/excess liability policies

9.2 Specialty liability insurance
Personal (DL 98 01)
Commercial (CU 00 01)

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

Arizona Examination for Surplus Lines Insurance Broker
Series 13-41
60 questions - 1-hour time limit
Effective July 1, 2017

1.0 Insurance Regulation 15%

1.1 Licensing
Assumed name (20-297)
Who needs a license 20-411.02
Who may be licensed (20-411)
Individuals
Business entities
Licensing requirements (20-411)
Maintenance and duration
Expiration, surrender and renewal (20-289)
(B)(1),(E),(411(F))
Change of personal/business information (20-286(C)(1))
Report of actions (20-301)
Disciplinary actions
Denial, suspension, revocation or refusal to renew (20-295, 296, 418)

1.2 Authority of surplus lines broker
Binding
Underwriting
Claims
Commissions (20-298, 412)
Service fees (20-410(C))
Mexican insurance surplus lines broker limited authority (20-411.01, 422)

1.3 General prohibitions
Unfair practices and frauds
Misrepresentation (20-443, 443.01, 447)
False or deceptive advertising (20-444, (20-446)
Unfair discrimination (20-448), (20-445)
Rebating (20-451)
Prohibited inducements (20-451), (20-452)
Unfair claim settlement practices (20-461)

1.4 General requirements
Recognized surplus lines (20-409)
Diligent effort (20-401(4), 407)
Validity of contracts (20-402, 410(A))
Exemptions from surplus lines provisions (20-420)
Home state (20-401(6)
Multistate risk (20-401(7)
2.0 Markets 50%

2.1 United States nonadmitted market
Nonadmitted insurers
Insurance exchanges

2.2 Alien nonadmitted market
London market
Lloyd's of London
Other London companies
Other alien markets
United States trust funds

2.3 Alternative markets
Foreign risk retention groups
Industrial insureds

2.4 Qualified unauthorized insurers (20-413)
Requirements
List of unauthorized insurers
Withdrawal of certificate
Service of process (20-419)

3.0 Records and Tax 35%

3.1 Record of coverage (20-414)

3.2 Report of broker (20-408)
Timeliness (20-408(A), (E))
Contents (20-408(A))
Surplus Lines Association (20-408(C))
Stamping fee (20-167(I), 20-408(D))

3.3 Statement of transactions (20-415)

3.4 Surplus lines tax (20-416.01)
Amount
Collection
Remittance

4.0 Surplus lines brokers (20-407, 411)
Temporary (20-294)
Vending machines (20-293)

5.0 Authorization (20-217(A))

6.0 Renewal (20-208)

7.0 Regulation (20-208)

8.0 Unauthorized insurers (20-410(B))
Unauthorized insurer
Arizona insurance guaranty fund

9.0 Disciplinary actions
Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
Cease and desist order (20-292)

10.0 Arizona Examination for Property Insurance Producer
Series 213-4

100 questions - 2-hour time limit
Effective July 1, 2017

1.0 Insurance Regulation 9%

1.1 Licensing
License application requirements (20-285)
Number of exam attempts (20-284(H))
Licensing eligibility/lawful presence (41-1080)
Types of licensees
Producers (20-281(5), 286)
Nonresidents (20-281(11))
Adjusters (20-321)
Life Settlement Broker (ARS 20-3202)
Business entities (20-281(1), 285(D, E), 290(B))
Surplus lines brokers (20-407, 411)
Temporary (20-294)
Vending machines (20-293)

Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)
Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
Assumed business name (20-297)
Maintenance and duration
Expiration, surrender and renewal (20-289)
Inactive license status during military service (20-289.01)
Change of personal contact information (20-286(C))

Change of business information (20-286(C))
Report of actions (20-301)
Continuing education (20-2902, 2903)

Unfair practices and frauds
Unfair trade practices (20-442)
Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
False or deceptive advertising (20-444)
Defamation of insurer (20-445)
Boycott, coercion or intimidation (20-446)
False financial statements (20-447)
Unfair discrimination (20-448)
2.0 General Insurance 7%

2.1 Concepts

- Insurance, definition of (20-103)
- 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
  - Mutual, stock, fraternal (20-702, 703)
  - Captive insurance companies (20-1098)
  - Stock companies
  - Mutual companies
  - Fraternal benefit societies
- Reciprocals (20-761, 762)
- Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
- Lloyd’s associations (20-1021)

2.3 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of producers
- Express
- Implied
- Apparent

3.0 Property Insurance Basics 17%

3.1 Principles and concepts

- Insurable interest (20-1105)
- 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

Legal purpose

Distinct characteristics of an insurance contract
- Contract of adhesion
- Personal contract
- Aleatory 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
Actual cash value
Replacement cost
Market value
Agreed value
Stated amount

3.2 Policy structure
Standard Provisions (20-1112)
Content of Policy (20-1113)
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 the bailee
Electronic Communications (20-239)
Electronic Posting of Policies (20-240)

3.4 Required provisions
Arizona Property and Casualty Insurance Guaranty Fund (20-662)
Certificate of authority (20-217(A))
Cancellation and nonrenewal
Personal (20-1651–1656)
Commercial (20-1671–1679)
Binders (20-1120)
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107–297, 109–144, 110–160)

4.0 Dwelling (‘02) Policy 10%

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

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 16%

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

5.4 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 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)

6.0 Auto Insurance 13%

6.1 Laws
Personal auto
cancellation/nonrenewal
Grounds (20-1631)
Notice (20-1632)
Grace period (20-1632.01)
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 — Arizona (PP 01 67)
Towing and labor costs (PP 03 03)
Joint ownership coverage (PP 03 34)
Miscellaneous type vehicle — Arizona (PP 13 69, PP 13 70, PP 13 71, PP 13 72)

6.3 Commercial auto ('10)

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) 16%

7.1 Components of a commercial policy
Common policy declarations
Common policy conditions
Interline endorsements
One or more coverage parts

7.2 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)

7.3 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

7.4 Equipment breakdown ('11)

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

7.5 Farm coverage

Farm property coverage form ('03)

Coverage A — Dwellings
Coverage B — Other private structures
Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled farm personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures
Livestock coverage form
Cause of loss (basic, broad and special)
Exclusions
Additional coverages
Limits of insurance
Conditions
Definitions
8.0 Businessowners (’10) Policy — Property 6%

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 III — Common Policy Conditions

8.4 Selected endorsements

- Arizona changes (BP 01 38)
- 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 6%

9.1 Aviation insurance

9.2 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

9.3 Other policies

- Boatowners
- Difference in conditions

Arizona Examination for Casualty Insurance Producer

Series 13-43

100 questions - 2-hour time limit
Effective July 1, 2017

9.0 Other Coverages and Options 6%

9.1 Aviation insurance

9.2 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

9.3 Other policies

- Boatowners
- Difference in conditions

1.0 Insurance Regulation 9%

1.1 Licensing

- License application requirements (20-285)
- Number of Exam Attempts (20-284(H))
- Licensing eligibility/lawful presence (41-1080)
- Types of licensees
  - Producers (20-281(5), 286)
  - Nonresidents (20-281(11))
  - Adjusters (20-321)
  - Life Settlement Broker (ARS 20-3202)
- Business entities (20-281(1), 285(D, E), 290(B))
- Surplus lines brokers (20-407, 411)
- Temporary (20-294)
- Vending machines (20-293)
- Lines of producer license authority (20-286, (A), 321, 331, 332, 411, 411.01, 1580, 1693.01, 2662)

1.2 State regulation

- Acts constituting insurance transaction (20-106, 282, 401.01)
- Negotiate (20-281(10))
- Sell (20-281(14))
- Solicit (20-281(15))
- Payment of premiums (20-191)
- Certificate of authority (20-217(A))
- Identification of Producer (20-229)
- Producer regulation
  - Sharing commissions (20-298)
  - Place of business and records (20-157, 290; AZ Const Art 14 s 16)
- Unfair practices and frauds
  - Unfair trade practices (20-442)
  - Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
  - False or deceptive advertising (20-444)
  - Defamation of insurer (20-445)
  - Boycott, coercion or intimidation (20-446)
  - False financial statements (20-447)
  - Unfair discrimination (20-448)
  - Gender discrimination (Rule R20-6-207)
  - Rebating (20-449-451)
  - Prohibited inducements (20-452)
  - Fees (20-465)
  - Unfair claims settlement practices
1.3 Federal regulation

Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
Fair Credit Reporting Act (15 USC 1681–1681d)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101–6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

2.0 General Insurance 9%

2.1 Concepts

Insurance, definition of (20-103)
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
Mutual, stock, fraternal (20-702, -703)
Captive insurance companies (20-1098)
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals (20-761, -762)
Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
Lloyd's associations (20-1021)
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers (20-201, 203, 204)
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
Distinct characteristics of an insurance contract
Contract of adhesion
Personal contract
Aleatory Contract
Unilateral contract
Conditional contract

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

3.0 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
Damages
Compensatory — special versus general
Punitive
Strict liability
Vicarious liability

3.2 Policy structure

Standard Provisions (20-1112)
Content of Policy (20-1113)
Declarations
Definitions
Insuring agreement or clause
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

4.0 Homeowners (’11) Policy 15%

4.1 Coverage forms
HO-2 through HO-6
HO-8

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 — 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)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)

5.0 Auto Insurance 19%

5.1 Laws
Arizona Motor Vehicle Financial Responsibility Law (RL Title 28, Chapter 9)

5.2 Personal (‘05) auto policy Definitions

5.3 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)

5.4 Personal auto policy limits

5.5 Personal auto policy coverage
Bodily injury and property damage
Uninsured/Underinsured motorist coverage

5.6 Personal auto policy duties
Duties after an accident or loss

5.7 Personal auto insurance quotes
General provisions (PP 00 01)
Selected endorsements

Amendment of policy provisions — Arizona (PP 01 67)

Full Safety Glass Coverage-Arizona (PP 03 48)
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; Regulatory Bulletin 2003-10, 2003-03)

Underinsured motorists coverage — Arizona (PP 04 89; Regulatory Bulletin 2003-10, 2003-03)

Miscellaneous type vehicle — Arizona (PP 13 69, PP 13 70, PP 13 71, PP 13 72)

5.3 **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)

### 6.0 **Commercial Package Policy (CPP) 13%**

#### 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
- Exclusions
- Supplementary payments
- Who is an insured
- Limits of insurance
- Conditions
- Definitions

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

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

Other crime coverage

- Extortion — commercial entities (CR 04 03)

#### 6.4 **Farm coverage**

Farm liability coverage form ('06)

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

Exclusions

- Additional coverages
- Limits of insurance
- Conditions
- Definitions

7.0 **Businessowners ('10) Policy — Liability 6%**

#### 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
7.4 Selected endorsements
Arizona changes (BP 01 38)
Hired auto and non-owned auto liability (BP 04 04)

8.0 Workers Compensation Insurance 8%

8.1 Workers compensation laws
Types of laws
Monopolistic versus competitive
Compulsory versus elective
Arizona Workers Compensation Law
Exclusive remedy (RL 23-1022)
Employment covered (required, voluntary, elective) (RL 23-901(6), 902)
Covered injuries (RL 23-901(13), 901.04)
Occupational disease (RL 23-901.01)
Benefits provided (RL 23-1021, 1044(A,B), 1045(A,B,C), 1046, 1062)
Subsequent injury fund (RL 23-1065)
Federal workers compensation laws
Federal Employers Liability Act (FELA) (45 USC 51–60)
U.S. Longshore and 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 coverage
Assigned risk plan (RL 23-1091)
Self-insured employers and employer groups (RR R20-5-201-208)

9.0 Other Coverages and Options 6%

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 Aviation insurance
Aircraft liability

9.6 Other policies

Boatowners

Arizona Examination for Personal Lines Insurance Producer Series 13-44
100 questions - 2-hour time limit
Effective July 1, 2017

1.0 Insurance Regulation 10%

1.1 Licensing
License application requirements (20-285)
Number of Exam Attempts (20-284(H))
Licensing eligibility/lawful presence (41-1080)
Types of licensees
Producers (20-281(5), 286)
Nonresidents (20-281(11))
Adjusters (20-321)
Life Settlement Broker (ARS 20-3202)
Business entities (20-281(1), 285(D, E), 290(B))
Surplus lines brokers (20-407, 411)
Temporary (20-294)
Vending machines (20-293)
Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)
Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
Assumed business name (20-297)
Maintenance and duration
Expiration, surrender and renewal (20-289)
Inactive license status during military service (20-289.01)
Change of personal contact information (20-286(C))
1.2 State regulation

Acts constituting insurance transaction (20-106, 282, 401.01)
Negotiate (20-281(10))
Sell (20-281(14))
Solicit (20-281(15))
Payment of premiums (20-191)
Certificate of authority (20-217(A))
Identification of Producer (20-229)
Producer regulation
Sharing commissions (20-298)
Place of business and records (20-157, 290; AZ Const Art 14 s 16)
Unfair practices and frauds
Unfair trade practices (20-442)
Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))
False or deceptive advertising (20-444)
Defamation of insurer (20-445)
Boycott, coercion or intimidation (20-446)
False financial statements (20-447)
Unfair discrimination (20-448)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)
Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101-6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

2.0 General Insurance 10%

2.1 Concepts

Insurance, definition of (20-103)
Risk management key terms
Risk
Exposure
Hazard
Peril
Loss
Methods of handling risk
Avoidance
Retention
3.0 Property and Casualty Insurance Basics 17%

3.1 Principles and concepts
- Insurable interest (20-1105)
- Underwriting
  - Function
  - Loss ratio
- Rates
  - Types
  - Loss costs
  - Components
- Hazards
  - Physical
  - Moral
  - Morale
- Negligence
  - Elements of a negligent act
- Damages
  - Compensatory — special versus general
  - Punitive
- Strict liability
- Vicarious liability

3.2 Policy structure
- Standard Provisions (20-1112)
- Content of Policy (20-1113)
- 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
  - Split
- Combined single

3.4 Required provisions
- Arizona Property and Casualty Insurance Guaranty Fund (20-662)
- Certificate of authority (20-217(A))
- Cancellation and nonrenewal (20-1651-1656)
- Binders (20-1120)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

4.0 Dwelling (’02) Policy 11%

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 — Arizona (DP 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)

### 6.0 Auto Insurance 23%

#### 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)
- Premium payments and administrative fees (20-267)
- 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
- Uninsured/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 (PP 00 01)
- Selected endorsements
  - Amendment of policy provisions — Arizona (PP 01 67)
  - Full Safety Glass Coverage—Arizona (PP 03 48)
  - 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; Regulatory Bulletin 2003-10, 2003-03)
  - Underinsured motorists coverage — Arizona (PP 04 89; Regulatory Bulletin 2003-10, 2003-03)
7.0 Other Coverages and Options 6%

7.1 Umbrella/excess liability policies
Personal (DL 98 01)

7.2 National Flood Insurance Program
“Write your own” versus government

7.3 Other policies
Boatowners

Arizona Examination for Crop Insurance Producer
Series 13-46

60 questions - 1- hour time limit
Effective August 9, 2017

1.0 Insurance Regulation 10%
1.1 Licensing
Requirements (20-285)
Types of licensees
Producers (20-281(5), 286)
Nonresident producers (20-281(11))
Adjusters (20-321)
Business entities (20-281(1), 285(D, E), 290(B))
Temporary (20-294)
Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)
Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))
Assumed business name (20-297)
Expiration, surrender and renewal (20-289)
Inactive license status during military service (20-289.01)
Change of name, address, telephone number (20-286(C))
Reporting of actions (20-301)
Continuing education (20-2902, 2903)
Disciplinary actions
Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)
Cease and desist order (20-292)

1.2 State regulation
Acts constituting insurance transaction (20-106, 282, 401.01)
Negotiate (20-281(10))
Sell (20-281(14))
Solicit (20-281(15))
Payment of premiums (20-191)
Certificate of authority (20-217(A))
Signature on insurance policy (20-229)
Producer regulation
Sharing commissions (20-298)
Place of business and records (20-157, 290; AZ Const Art 14 s 16)
Certificate of authority (20-217(A))

1.3 Federal regulation
Fair Credit Reporting Act (15 USC 1681–1681d)
Fraud and false statements including 1033 waiver (18 USC 1033, 1034)
Other federal regulations (e.g. Do Not Call List) https://www.donotcall.gov/
Captive insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals
Risk retention groups
Lloyd's associations
Self insurers
Surplus lines
Risk purchasing groups
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers
Marketing (distribution) systems
Financial solvency status (independent rating services)
A.M. Best, Standard and Poor's, NAIC

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
Personal contract
Aleatory 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 Crop-Hail Insurance 30%

3.1 Eligibility
Insureds
Insurable crops

3.2 Application
Binder
Declarations section
Required signatures
Required information
Provision for company rejection

3.3 Term of coverage
Effective date
Inception of coverage
Expiration
Cancellation

3.4 Perils insured against

3.5 Exclusions

3.6 Limits of coverage
Insurable value
Percentage plan
Deductibles
Reduction of insurance

3.7 Other provisions
Replanting clause
Acreage variation
Transit extension
Fire department service charge
Pro rata liability clause
Fire and lightning coverage

3.8 Claim settlement practices
Notice of loss
Insured's duties after loss
Appraisal/arbitration

4.0 Federal Multi-Peril Crop Insurance Programs 50%

4.1 Basic/catastrophic crop insurance (CAT)
Eligibility
Insureds
Insurable crops
Actuarial document books
Yield guarantee
Actual production history (APH)
Assigned yield
Transitional yield
Coverage level
Market price percentage
Covered causes of loss
Application
Basic unit
Administrative fee
Production records
Acreage reporting
Late planting agreement option
Disqualification of producer
Life of policy
Continuous
Cancellation
Termination

4.2 Multiple peril policy options
Levels of coverage
Price election
Optional units
High-risk land exclusion
Hail/fire exclusion
Replant payments
Late planting coverage
Prevented planting coverage
Transfer of coverage
Assignment of indemnity
Subrogation

4.3 Other provisions
Individual crop
Small grain
Coarse grain
Priorities of conflicts between provisions
Duties after loss
   Insured
   Insurer

4.4 Revenue Protection Plan
Base price
Units
Harvest price
Guaranteed revenue
Rebating
Exam Registration Form
Arizona Insurance Examinations

To conveniently register online, please go to http://www.prometric.com/arizona/insurance

Print or type clearly and neatly. Incomplete or illegible forms will not be processed.

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| City | State | ZIP Code | Daytime Phone Number (including area code) |
| Employer (insurance company, if known) | Evening Phone Number (including area code) ( ) |
| E-mail address (applications without an email address may experience delays) | Fax Number (including area code) ( ) |

| Name of Your Pre-licensing Education Course Provider | Pre-licensing Course Completion Date |

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<tr>
<td>13-32</td>
<td>Insurance Producer – Accident and Health</td>
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<td>Insurance Producer – Life, Accident and Health</td>
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<td>Insurance Producer – Property (commercial and noncommercial)</td>
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Fingerprint Processing Fee (We recommend you do not schedule your fingerprint appointment until you have passed your licensing exam. You will not be fingerprinted if you do not pass your exam, as all fees are non-refundable). | $20 |

| Total Fee | $ |

By filing this registration, you assume full responsibility for exam selection. If you are unsure about which exam you need for the license you are seeking, resolve this question before you register. Fees for these exams are non-refundable and non-transferrable. Exam fees are valid for 90 days from receipt at Prometric.

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**Credit Card Payment Form**

Print or type clearly. Incomplete or illegible forms will not be processed.

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- [ ] American Express

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<th>Card Number</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Amount**

$ __ __ __ . __ __

**Name of Cardholder (Print)**

**Signature of Cardholder**