Nebraska Producer's Examination for Crop Insurance Series 13-09

60 questions – 1 hour time limit
Live Date: January 21, 2017

1.0 Insurance Regulation 10%

1.1 Licensing
Process (44-4052, 4053)
Types of licensees (44-4054)
Producers (44-4049, 4054)
Consultants (44-2606–2635)
Resident versus nonresident (44-2625, 4055, 4063)
Temporary (44-4058)

Maintenance and duration
Renewal (44-4054)
Name or address change (44-4054(8))
Reporting of actions (44-4065)
Assumed names (44-4057)

Continuing education requirements including ethics education (44-3901–3908)

Disciplinary actions
Right to hearing (44-4059(2))
Suspension, revocation or refusal to issue or renew (44-2633, 4059)
Fines (44-2634, 4059(4))

1.2 State regulation
Director's general duties and powers (44-101.01, 2635)

Company regulation
Certificate of authority (44-303)
Capital and surplus requirements (44-214, 305)
Unfair claims settlement practices (44-1539, 1540)
Examination of books and records (44-1527, 5904)
Appointment (44-4061)
Termination of appointment (44-4062)

Unfair trade practices complaint register (44-1525(9); Reg Ch 21)

Producer regulation
Sharing commissions (44-4060)
Controlled business (44-361.01, .02)
Prohibited fees or charges (44-354)
Records retention (44-5905)
Unfair trade practices
Misrepresentation (44-1525(1))

False advertising (44-1525(2))
Defamation of insurer (44-1525(3))
Boycott, coercion or intimidation (44-1525(4))
Unfair discrimination (44-1525(7))
Rebating (44-361, 1525(8))

Insurance Fraud Act (44-6601–6608)
Privacy of Insurance Consumer Information Act (44-901–925)

1.3 Federal regulation
Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements

2.0 General Insurance 10%

2.1 Concepts
Risk management key terms
Risk
Exposure
Hazard
Peril
Loss

Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer

Elements of insurable risks
Adverse selection
Law of large numbers

2.2 Insurers
Types of insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals
Lloyd's associations
Risk retention groups
Surplus lines

Private versus government insurers
Admitted versus nonadmitted insurers
Domestic, foreign and alien insurers
Financial status (independent rating services)
Marketing (distribution) systems

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of licensees
Express
Implied
Apparent

Responsibilities to the applicant/insured
2.4 Contracts
Elements of a legal contract
Offer and acceptance
Consideration
Competent parties
Legal purpose
Distinct characteristics of an insurance contract
Contract of adhesion
Aleatory contract
Personal contract
Unilateral contract
Conditional contract
Legal interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel

3.0 Crop-Hail Insurance 29%

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
Catastrophe loss award
Assignment
Subrogation

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

4.0 Federal Multi-Peril Crop Insurance Programs 51%

4.1 Basic crop insurance
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
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
Revenue Plan Choice
Revenue Protection (RP)
Revenue Protection with Harvest (RPHPE)

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

4.4 Additional programs
Area Risk Plans (ARP)/(ARPHPE)
Livestock Risk Protection (LRP)
Pasture Rangeland and Forage (PRF)
Livestock gross margin (LGM)