

# Your Exam Content Outline

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

## New York Personal Lines Insurance Agent/Broker Examination Series 17-54

**100 questions - 2-hour time limit**  
**Live Date- September 20, 2018**

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing

Process (2103(d-i))

Definitions

Producer definition (2101(k))

Who should be licensed (2101(k))

Home state (2101(l))

Negotiate (2101(m))

Sell (2101(n))

Solicit (2101(o))

Types of licensees

Agents (2101(a, k); 2103; Reg 6, Part 22.2; Reg 7, Part 23.2)

Brokers (2101(c, h, k); 2104)

Consultants (2107)

Adjusters (2101(g), 2108)

Nonresident (2101(d, e); 2103(g)(5, 11); 2136)

Business entities (2101(p), 2103(i)(2))

Temporary (2109; Regs 9, 18, 29, Part 20.1)

Maintenance and duration

Renewal (2103(j); Reg 5, Part 21.2)

Continuing education (2132)

Assumed names (2102(f))

Change of address (all addresses, including email) (2134; Reg 5, Part

21.4; Reg 6, Part 22.3; Reg 7, Part 23.4)

Reporting of actions (2110(i)(j))

Disciplinary actions

Hearings-Notice and Process (2405, 2406, Financial Services 305)

Suspension, revocation, and nonrenewal (2110)

Penalties (2127, 109)

#### 1.2 State regulation

Superintendent's general duties and powers (2404, Financial Services 201, 202, 301)

Company regulation

Certificate of authority (1102(a-b))

Solvency (307)

Unfair claim settlement practices (2601; Reg 64, Part 216.3-216.6)

Appointment of agent (2112(a-c))

Termination of agent appointment (2112(d); Regs 9, 18, 29, Part 20.2)

Unfair and prohibited practices

Misrepresentation (2123; Reg 64, Part 216.3)

False advertising (2603)

Defamation of insurer (2604)

Unfair discrimination (2606-2608, 2612)

Rebating (2324)

Licensee regulation

Controlled business (2103(i))

Sharing commissions (2121, 2128)

Fiduciary responsibility (2120; Regs 9, 18, 29, Parts 20.3, 20.4)

License display (Reg 125, Part 34.5)

Commissions and compensation  
(2102(e), 2114–2116, 2119; Regs 9, 18,  
29, Part 20.6; Reg 194, Part 30)

Termination responsibilities of producer  
(2112(g))

Examination of books and records (2404;  
Reg 152, Parts 243.0 to 243.3)

Insurance Frauds Prevention Act (401-405,  
Financial Services 403-405)

Aiding Unauthorized Insurer (2117)

Prohibitions (403)

Reporting (405)

Consumer privacy regulation (Reg 169, Parts  
420.0 to 420.4)

Producer Compensation Transparency (Reg  
194, Parts 30.1 to 30.5)

Cyber Security Requirements for Financial  
Services Companies (Reg 23)

### 1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681a–  
1681d)

Fraud and false statements including 1033  
waiver (18 USC 1033, 1034)

## 2.0 General Insurance 10%

### 2.1 Concepts

Risk management key terms

Risk (pure and speculative)

Exposure

Hazard (physical, moral, morale)

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer (by contractual liability or  
insurance contract)

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

Risk retention

### 2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Lloyd's associations

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

### 2.3 Agents and general rules of agency

Insurer as principal

Agent/insurer relationship

Authority and powers of agents

Express

Implied

Apparent

Responsibilities to the applicant/insured

### 2.4 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Characteristics of insurance contracts

Contract of adhesion

Aleatory contract

Personal contract

Unilateral contract

Conditional contract

Legal concepts and interpretations affecting  
contracts

Indemnity

Utmost good faith

Representations/misrepresentations  
(3105)

Warranties (3106)

Rescission  
Concealment  
Fraud  
Waiver and estoppel

### 3.0 Property and Casualty Insurance Basics 17%

#### 3.1 Principles and concepts

Insurable interest  
Underwriting  
    Function  
    Insurance Risk Score (credit scoring)  
    Prohibition of geographical redlining  
    (3429, 3429-a, 3430, 3433; Reg 90,  
    Parts 218.1 to 218.7)  
Rates  
    Types  
    Loss costs  
    Components  
Negligence  
    Elements of a negligent act  
    Defenses against negligence  
Damages  
    Compensatory — special versus general  
    Punitive  
Absolute liability  
Strict liability  
Vicarious liability  
Causes of loss (perils)  
Proximate Cause  
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  
        Guaranteed  
        Functional

Market value  
Agreed value  
Stated amount

#### 3.2 Policy structure

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

#### 3.3 Common policy provisions

Insureds — named, first named, additional,  
defined  
Policy period  
Policy territory  
Cancellation and nonrenewal (3425)  
Earned premium calculation  
    Pro rata versus short rate  
Deductibles  
Self Insured Retention (SIR)  
Other insurance  
    Primary  
    Excess  
    Pro rata share  
Limits of liability  
    Per occurrence (accident)  
    Per person  
    Aggregate  
    Sublimit  
    Split  
    Combined single  
Ordinance or law provision  
Vacancy vs non-occupancy  
First named insured provisions  
    Duties after loss  
    Assignment  
    Abandonment

Insurer provisions

Liberalization

Subrogation

Salvage

Loss settlement options

Duty to defend

Coinsurance

Third-party provisions

Standard mortgage clause

Loss payable clause

No benefit to the Bailee

### **3.4 Certificate of Insurance vs. Binder (501-504)**

## **4.0 Dwelling (2002) Policy 8%**

### **4.1 Purpose and eligibility**

### **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 — New York (DP 01 31)

Broad theft endorsement (DP 04 83) (DP 04 72)

Dwelling under construction (DP 11 43)

### **4.7 Personal liability supplement**

## **5.0 Homeowners (2011) Policy 24%**

### **5.1 Purpose and eligibility**

### **5.2 Coverage forms**

HO-2 through HO-6, HO-8

### **5.3 Definitions**

### **5.4 Section I — Property coverages**

Coverage A — Dwelling

Coverage B — Other structures

Coverage C — Personal property

Coverage D — Loss of use

Additional coverages

### **5.5 Section II — Liability coverages**

Coverage E — Personal liability

Coverage F — Medical payments to others

Additional coverages

### **5.6 Perils insured against**

### **5.7 Exclusions**

### **5.8 Conditions**

### **5.9 Selected endorsements**

Special provisions — New York (HO 01 31)

Earthquake (HO 04 54)

Identity fraud expense (HO 04 55)

Scheduled personal property (HO 04 61)

Personal property replacement cost (HO 04 90)

Home business (HO 07 01)

Personal injury — New York (HO 24 86)

Workers' compensation — certain residence employees — New York (HO 24 93)

Water Back Up and Sump Discharge or Overflow (HO 23 85)

## **6.0 Auto Insurance 24%**

### **6.1 Laws**

New York Motor Vehicle Financial Responsibility Law

Required limits of liability (Veh & Traf 333)

Transportation Network Companies (Ridesharing) (Veh & Traf Article 44-B)

Required proof of insurance (Veh & Traf 311(3))

Insurance Information and Enforcement System (IIES) notification to DMV (Veh & Traf 313(2))

Auto ID cards

New York Automobile Insurance Plan (Assigned Risk) (5301–5304)

- Purpose
- Eligibility
- Coverage
- Binding authority
- Comprehensive Motor Vehicle Insurance  
Reparations Act (PIP) (5101-5108)
  - Notice of claim
  - Medical
  - Rehabilitation
  - Loss of earnings
  - Funeral
  - Substitution services
  - Tort limitation/verbal threshold
- Optional coverages
- OBEL
- Additional PIP
- Motor Vehicle Accident Indemnification  
Corporation Act (5201-5225)
- Uninsured/Underinsured motorist (3420(f))
  - Definitions
  - Bodily injury only
  - Required limits
  - Mandatory coverage
- Supplementary uninsured/underinsured  
motorist coverage (3420(f)(2)(A)(B); Reg  
35-A, Parts 60-2.0 to 60-2.4)
  - Definitions
  - Optional
  - Nonstacking
  - Coverage limits
- Mandatory inspection requirements for private  
passenger automobiles (Reg 79, Parts 67.0  
to 67.11)
- Cancellation/nonrenewal (3425)
  - Grounds
  - Notice
- Choice of repair shop (2610)
- Supplemental spousal liability (3420(g))
- 6.2 Personal (2005) auto policy**
  - Purpose and eligibility

- Definitions
- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments
  - Who is insured
  - Exclusions
- Medical payments coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision/comprehensive
  - Deductibles
  - Transportation expenses
  - Exclusions
- Duties after an accident or loss
- General provisions
  - Selected endorsements
  - Amendment of policy provisions — New  
York (PP 01 79)
  - Towing and labor costs (PP 03 03)
  - Miscellaneous type vehicle — New York  
(PP 03 29)
  - Named non-owner coverage — New York  
(PP 03 30)
  - Rental vehicle coverage — New York (PP  
03 46)
  - Joint ownership coverage — New York (PP  
03 78)
  - Out of state coverage

**7.0 Other Coverages and Options 7%**

**7.1 Umbrella/excess liability policies**

Personal (DL 98 01)

**7.2 National Flood Insurance Program**

- Eligibility
- Coverage
- Flood definition
- Forms
- Dwelling
- General
- Residential Condominium Building Association  
Policy

### **7.3 Other policies**

Watercraft

### **7.4 New York Property Insurance Underwriting Association (FAIR PLAN) (5401-5412)**

Purpose

Coverage

Coastal market assistance program

### **7.5 Excess Lines (Reg 41, Part 27)**

Definition of Excess Lines (nonadmitted market)

Licensing requirements (2105)

Total cost form

Affidavit

Export list

Disclosure (no guaranty fund)