

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 Property and Casualty Insurance Broker Examination Series 17-56

150 questions - 2.5-hour time limit
Live Date- September 20, 2018

1.0 Insurance Regulation 9%

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(e))

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

Maintenance and duration

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

Continuing education (2108, 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)

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 420.24)

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 9%

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

2.2 Insurers

Risk retention and risk purchasing groups

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 13%

3.1 Principles and concepts

Insurable interest
Underwriting
 Function
 Prohibition of geographical redlining
 (3429, 3429-a, 3430, 3433; Reg 90,
 Parts 218.1 to 218.7)
 Insurance Risk Score (credit scoring)
Rates
 Types
 Loss costs
 Components
Negligence
 Elements of a negligent act
 Defenses against negligence
Damages
 Compensatory — special versus general
 Punitive
 Absolute or 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, 3426)
Earned premium calculation
 Pro rata, short rate, and flat
 cancellation
Deductibles
Self Insured Retention (SIR)
Other insurance
 Primary
 Excess
 Pro rata share
Limits of liability
 Per occurrence (accident)
 Per person
 Per project
 Per location
 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 Terrorism Risk Insurance Act of 2002 and Extension Act of 2015 (15 USC 6701; S467)

3.5 Certificate of Insurance (501-504)

4.0 Dwelling (2014) Policy 6%

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)
Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners (2011) Policy 14%

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 11%

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 Reparatons 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

6.3 Commercial auto (2010)

- Commercial auto coverage forms
 - Business auto
 - Garage
 - Motor carrier
- Coverage form sections
 - Covered autos
 - Liability coverage
 - Garagekeepers coverage
 - Physical damage coverage

- Exclusions
- Conditions
- Definitions
- Hired auto and non-owned auto liability - New York
- Selected endorsements
 - Lessor — additional insured and loss payee (CA 20 01)
 - Mobile equipment (CA 20 24)
 - Auto medical payments coverage (CA 99 03)
 - Drive other car coverage (CA 99 10)
 - Individual named insured (CA 99 17)
 - Employees as insureds (CA 99 33)
- Commercial carrier regulations
 - The Motor Carrier Act of 1980
 - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

- Claims-made and reported
- Claims made features (Reg 121, Part 73)
- Trigger
- Retroactive date
- Extended reporting periods — basic versus supplemental
- Claim information
- Owners and contractors protective liability

7.3 Commercial property (2012)

- Commercial property conditions (CP 00 90)
- Coverage forms
 - Building and personal property
 - Condominium association
 - Condominium commercial unit-owners
 - Builders risk (CP 11 21)
 - Business income
 - Business Interruption/time element
 - Legal liability
 - Extra expense

- Definitions
- Causes of loss forms
 - Basic
 - Broad
 - Special

- Selected endorsements
 - Spoilage (CP 04 40)
 - Earthquake and volcanic eruption (CP 10 40)
 - Flood coverage (CP 10 65)
 - Ordinance or law (CP 04 05)
 - Protective safeguards

7.4 Commercial crime (2013)

- General definitions
 - Burglary
 - Theft
 - Robbery
 - Coverage trigger — discovery and loss sustained
- Crime coverage forms

7.0 Commercial Package Policy (CPP) 11%

7.1 Components of a commercial policy

- Common policy declarations
- Common policy conditions
- First Named Insured
- Monoline versus package

7.2 Commercial general liability (2013)

- Bodily injury and property damage liability
- Premises and operations
- Products and completed operations
- Personal and advertising injury liability
- Damage to Rented Premises (Fire Legal Liability)
- Medical payments coverage
- Exclusions
- Supplementary payments
- Who is an insured
- Limits of insurance
- Conditions
- Definitions
- Insured contract
- Occurrence versus claims-made

Commercial crime coverage forms

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
Identity theft

7.5 Commercial inland marine

Nationwide marine definition
Bailee Insurance
Commercial inland marine conditions forms
Commercial inland marine coverage forms
Contractors equipment floater
Electronic data processing
Motor truck cargo

7.6 Equipment breakdown protection coverage form (EB 00 20)

7.7 Farm coverage

Farm property coverage forms (2003)
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 forms (2006)
Coverage H — Bodily injury and property damage liability
Coverage I — Personal and advertising injury liability
Coverage J — Medical payments

8.0 Businessowners (2010) Policy 8%

8.1 Purpose and eligibility

8.2 Businessowners property coverage

Coverage
Causes of loss
Exclusions
Limits of insurance
Deductibles
Loss conditions
General conditions
Optional coverages
Additional coverages
Definitions

8.3 Businessowners liability coverage form

Coverages
Exclusions
Who is an insured
Limits of insurance
General conditions
Definitions

8.4 Businessowners common policy conditions form

8.5 Selected endorsements

Hired auto and non-owned auto liability — New York (BP 04 36)
Named Perils (BP 10 09)

9.0 Workers Compensation Insurance 8%

9.1 Workers compensation laws

Types of laws
Monopolistic versus competitive
Compulsory versus elective
New York Workers' Compensation Law
Exclusive remedy (WC 11)
Employment covered (required, voluntary) (WC 2(3, 4, 5), 10)
Independent/Subcontractor
Covered injuries (WC 2(7), 10, 13, 18)
Grave injuries (WC 11)
Occupational disease (WC 3(2), 37-48)

Benefits provided (WC 12–16)
Claims reporting requirements (Workers' Compensation Board Regulation Part 314.7)
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
Selected endorsements
Waiver of subrogation

9.3 Volunteer Firefighters/Ambulance endorsement (WC 31 00 01A, WC 31 00 03A)

9.4 Premium computation

Job classification-payroll and rates
Experience modification factor
Premium discounts
Participation (dividend) plans

9.5 Other sources of coverage

New York State Insurance Fund (WC 76–100)
Self-insured employers and employer groups (WC 50, 60–75-a; Workers' Compensation Board Regulation Parts 317.1 to 317.22)

9.6 New York State Disability Benefits Law

Purpose
Definitions
Employment covered
Benefits

9.7 Paid Family Leave

Purpose

10.0 Other Coverages and Options 7%

10.1 Umbrella/excess liability policies

Umbrella policies
Personal (DL 98 01)
Commercial (CU 00 01)
Underlying Limits
Excess coverage
Stand alone
Follow form

10.2 Specialty liability insurance

Errors and omissions
Professional liability
Directors and officers liability
Fiduciary liability
Liquor liability
Dram shop
Employment practices liability
Environmental liability
Cyber Liability

10.3 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)

10.4 Surety bonds

Principal, obligee, surety
Types of obligations
Bonds vs. Insurance (bid bonds, performance bonds, payment bonds)

10.5 National Flood Insurance Program

Eligibility
Coverage
Flood definition
Forms
Dwelling
General

Residential Condominium Building
Association Policy

10.6 Other policies

Watercraft

10.7 New York Property Insurance Underwriting Association (FAIR PLAN) (5401-5412)

Purpose

Coverage

Coastal Market Assistance Program (C-MAP)

11.0 Accident and Health Insurance 4%

11.1 Individual health insurance policy general provisions

Required provisions (3216(d)(1))

Other provisions (3216(d)(2))

11.2 Disability income and related insurance

Qualifying for disability benefits

Inability to perform duties — own
occupation or any occupation

11.3 Individual disability income insurance

Basic total disability plan

Coordination with social insurance and
workers compensation benefits

11.4 Medical plans

Medical plan concepts

Types of plans

Major medical insurance (indemnity plans)

Health Maintenance Organizations (HMOs)

Preferred provider organizations (PPOs)
and Point-of-Service (POS) plans and
Exclusive provider organizations (EPOs)

11.5 New York dependent requirements (individual and/or group)

Dependent child age limit (3216(a)(4);
4235(f)(1)(2))

Policy extension for handicapped children
(3216(c)(4)(A))

Newborn child coverage (3216(c)(4)(C))

11.6 New York Required benefits (individual and/ or group)

11.7 New York mandated offers

11.8 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue

Renewability

Privacy protections

11.9 Federal Patient Protection and Affordable Care Act

Affordable Care Act

Preexisting conditions

Insurance exchanges

Eligibility (individual and small
employer)

Benchmark plan

State vs. federal

Metal levels

Enrollment period

Individual mandate

10 Essential benefits

11.10 Group health and blanket insurance

Characteristics of group insurance

Group contract

Certificate of coverage

Experience rating versus community
rating

11.11 Medicare supplements