

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 Consultant Examination Series 17-58

150 questions - 2.5-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(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 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

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

Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations
(3105)

Warranties (3106)
Rescission
Concealment
Fraud
Waiver and estoppel

3.0 Property and Casualty Insurance Basics 16%

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 Certificates 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 15%

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 10%

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))	Notice
Auto ID cards	Choice of repair shop (2610)
New York Automobile Insurance Plan (Assigned Risk) (5301-5304)	Supplemental spousal liability (3420(g))
Purpose	6.2 Personal (2005) auto policy
Eligibility	Purpose and eligibility
Coverage	Definitions
Binding authority	Liability coverage
Comprehensive Motor Vehicle Insurance Reparations Act (PIP) (5101-5108)	Bodily injury and property damage
Notice of claim	Supplementary payments
Medical	Who is insured
Rehabilitation	Exclusions
Loss of earnings	Medical payments coverage
Funeral	Coverage for damage to your auto
Substitution services	Collision
Tort limitation/verbal threshold	Other than collision/Comprehensive
Optional coverages	Deductibles
OBEL	Transportation expenses
Additional PIP	Exclusions
Motor Vehicle Accident Indemnification Corporation Act (5201-5225)	Duties after an accident or loss
Uninsured/Underinsured motorist (3420(f))	General provisions
Definitions	Selected endorsements
Bodily injury only	Amendment of policy provisions — New York (PP 01 79)
Required limits	Towing and labor costs (PP 03 03)
Mandatory coverage	Miscellaneous type vehicle — New York (PP 03 29)
Supplementary uninsured/underinsured motorist coverage (3420(f)(2)(A)(B); Reg 35-A, Parts 60-2.0 to 60-2.4)	Named non-owner coverage — New York (PP 03 30)
Definitions	Rental vehicle coverage — New York (PP 03 46)
Optional	Joint ownership coverage — New York (PP 03 78)
Nonstacking	Out of state coverage
Coverage limits	6.3 Commercial auto (2010)
Mandatory inspection requirements for private passenger automobiles (Reg 79, Parts 67.0 to 67.11)	Commercial auto coverage forms
Cancellation/nonrenewal (3425)	Business auto
Grounds	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)

7.0 Commercial Package Policy (CPP) 10%

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
- 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

- Ordinance or law (CP 04 05)
- Spoilage (CP 04 40)
- Earthquake and volcanic eruption (CP 10 40)
- Flood coverage (CP 10 65)
- Ordinance of law (CP 04 05)

7.4 Commercial crime (2013)

General definitions

- Burglary
- Theft
- Robbery

Coverage trigger — discovery and loss sustained

Crime coverage forms

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

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
Eligibility

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 (bid bonds, performance bonds, payment bonds)
Bonds vs. Insurance

10.7 National Flood Insurance Program

Eligibility
Coverage
Flood definition

Forms

Dwelling

General

Residential Condominium Building
Association Policy

10.8 Other policies

Watercraft

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

Purpose

Coverage

Coastal Market Assistance Program (C-MAP)