

# 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 Independent Fidelity and Surety Adjuster Examination Series 17-68

**60 questions - 1-hour time limit**  
**Live Date- September 20, 2018**

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing requirements

- Qualifications (2108(c, g))
- Process (2108(d), (f))
- Bond (2108(l))
- Fingerprints (2108(d)(2))
- Temporary adjuster permit (2108(h, n))
- Superintendent's general duties and powers (2404, Financial Services 201, 202, 301)

#### 1.2 Maintenance and duration

- Renewal (2108(i, j))
- Assumed names (2102(f))
- Change of address (Reg 25, Part 26.6)
- Reporting of actions (2110(i)(j))
- Cyber Security Requirements for Financial Services Companies (Reg 23)

#### 1.3 Disciplinary actions

- Cease and desist (2405)
- Suspension, revocation, and nonrenewal (2110)
- Penalties (2127)

#### 1.4 Claim settlement laws and regulations (Reg 64, Part 216)

- Unfair claim practices (2601)
- Misrepresentation (2108(o))
- Prohibitions (Reg 25, Part 26.5)
- Consumer privacy regulation (Reg 169, Parts 420.0 to 420.4)

### 1.5 Federal regulation

- Fraud and false statements including 1033 waiver (18 USC 1033, 1034)
- Terrorism Risk Insurance Act of 2002 and Extension Act of 2015 (15 USC 6701; S467)

### 2.0 Insurance Basics 10%

#### 2.1 Contract basics

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

#### 2.2 Insurance principles and concepts

- Insurable interest
- Hazards
  - Physical
  - Moral
  - Morale

- Negligence
  - Elements of a negligent act
  - Defense against negligence

### **2.3 Policy structure**

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

### **2.4 Common policy provisions**

- Insureds — named, first named, additional, defined
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Policy limits
- Other insurance
  - Primary
  - Excess
  - Pro rata
  - Noncurrency
  - Contribution of equal shares
- Limits of liability — per occurrence
- Assignment
- Subrogation

## **3.0 Adjusting Losses 18%**

### **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 Fidelity and surety**

- Duties of an insured after a loss
- Determining value and loss
- Burden of proof of value and loss
- Claim settlement options
- Payment and discharge

### **3.4 Coverage problems**

- Dealing with coverage disputes
- Reservation of rights letter
- Nonwaiver agreement
- Declaratory judgment action

### **3.5 Claims adjustment procedures**

- Settlement procedures
  - Advance payments
  - Draft authority
  - Execution of releases
- Subrogation procedures
- Alternative dispute resolution
  - Appraisal
  - Competitive estimates
  - Negotiation
  - Releases
  - Mediator
- Coverage Problems
  - Reservation of Rights Letter
  - Non-Waiver Agreement

## **4.0 Surety Bonds 31%**

### **4.1 Nature of surety bonds**

- Surety bonds versus insurance
- Parties of a surety bond
- Principal
- Obligee
- Surety

### **4.2 Types of surety bonds**

- Contract bonds
  - Bid

- Performance
- Payment
- Maintenance
- Miscellaneous contracts
- Small Business Administration (SBA) Surety Bond Guaranty Program
- Purpose of license and permit bonds
  - Types of guarantees
  - Financial
  - Indemnity
- Public official bond
  - Statutory, common law, or voluntary
  - Individual
  - Name schedule
  - Position schedule
- Judicial bonds
  - Attachment
  - Garnishment
  - Replevin
  - Counter-replevin
  - Release attachment
  - Bail
  - Appeal
  - Cost
  - Injunction
  - Dissolve injunction
  - Discharge mechanics lien
- Fiduciary bonds
  - Probate
  - Equity
  - Federal bankruptcy court
- Federal
  - Bureau of Alcohol, Tobacco and Firearms
  - Customs
  - Immigrant
- Miscellaneous surety bonds
  - Indemnity
  - Financial guarantee

- Lost instrument
- Reclamation
- Self-insurance workers' compensation

**5.0 Fidelity Coverages 31%**

**5.1 Nature of fidelity bonds**

- Insuring agreement
- Discovery versus loss sustained forms
- Bond period
- Discovery period
- Limit of liability
  - Aggregate
  - Single loss
- Termination of coverage

**5.2 Employee dishonesty coverage**

- Individual bonds
- Blanket
- Scheduled
  - Named employee
- Specified position
- Pension plan, ERISA compliance

**5.3 Financial institution bonds**

- Form 14 Securities dealers
- Form 15 Finance companies
- Form 23 Credit unions
- Form 24 Banks and thrifts
- Form 25 Insurance companies
  - A — Fidelity
  - B — On premises
  - C — In transit
  - D — Forgery or alteration
  - E — Securities (forgery)
- Coverage riders
  - Automated teller machine (ATM)
  - Computer systems
  - Extortion coverage
  - Fraudulent real property mortgages
  - Insurers of registered checks or personal money orders
  - Pension plans, ERISA compliance

Servicing contractors

Trading loss

Voice initiated electronic funds transfer  
(VIT)

#### **5.4 Public employee bonds**

Coverage Form O — Public employee  
dishonesty

#### **5.5 Commercial crime (2013)**

General definitions

Burglary

Theft

Robbery

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