

Virginia Public Adjuster's Examination
Series 11-08
50 scored (5 pre-test) questions - 1-hour time limit

1.0 Insurance Regulation

7% (4 items)

1.1 Licensing

Purpose

Process (38.2-1819)

Definitions

Public Adjuster (38.2-1845.1)

Public adjusting (38.2-1845.1)

Catastrophic disaster (38.2-1845.1)

Business Entity (38.2-1800.1)

Solicitation (38.2-1845.1)

Negotiation (38.2-1845.1)

Types of licensees

Nonresidents (38.2-1845)

Resident Public Adjuster (38.2-1845.2)

Business entities (38.2-1800.1(B), 1820, 1845.2(F))

Exemptions (38.2-1845.3)

Maintenance

Duration and termination (38.2-1825, 1845.17)

Address and/or name changes (38.2-1845.17(B))

Assumed names (38.2-1845.17(B))

Requirement to report felony convictions (38.2-1845.17(C))

Requirement to report crimes of moral turpitude, (38.2-1845.17(C))

Requirement to report any criminal offense involving dishonesty or breach of trust (38.2-1845.17(C))

Requirement to report other states actions (38.2-1826(C))

License renewal (38.2-1845.8)

General requirements/Financial Responsibility (38.2-1845.2(C) 3)

Continuing Education (38.2-1845.9)

1.2 State regulation

State Corporation Commission's general duties and powers (38.2-200)

General powers (38.2-200)

Rules and regulations, orders (38.2-223)

Investigations (38.2-515, 1317, 1845.22)

Penalties (38.2-218, 219)

Termination, suspension, or revocation (1845.11)

Hearings and judicial review (38.2-1845.11)

Insurer regulation

Unfair claims settlement practices (38.2-510)

Complaint record (38.2-511)

Agent regulation

Examinations (38.2-1845.4)

Refusal to issue a license; hearing; new application (38.2-1845.7)

Other Requirements

Fees (38.2-1845.14)

Written Contracts (38.2-1845.13)

Standards of conduct (38.2-1845.12)

Record retention (38.2-1845.15)

Requirement to report to the Commission (38.2-1845.17)

Information security program (38.2-1845.18)

Escrow or trust accounts (38.2-1845.16)

- Unfair trade practices
 - Misrepresentation (512)
 - False advertising (38.2-1845.23)
 - Defamation (38.2-504)
 - Boycott, coercion and intimidation (38.2-505)
 - Unfair discrimination (38.2-508)
 - Unfair settlement practices (38.2-517)
 - Blank forms (38.2-1804)
- Examination of books and records (38.2-515, 1845.22)
- Insurance information and privacy protection (38.2-600–620)

2.0 Insurance Basics

20% (10 items)

2.1 Insurance policy 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
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Proximate cause
 - Utmost good faith
 - Representations/misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

2.2 Insurance principles and concepts

- Insurable interest
- Hazards
 - Physical
 - Moral
 - Morale
- Causes of loss (perils)
- 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
 - Broad Evidence Rule
 - Replacement cost
 - Market value
 - Agreed value
 - Stated amount
 - Valued policy

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
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Negligence
- Binder
- Vacancy or unoccupancy
- Assignment
- Liberalization
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to Bailee

3.0 Adjusting Losses

25% (13 items)

3.1 Role of the adjuster

- Duties and responsibilities
- Relationship to the legal profession

3.2 Property losses

- Duties of insured after a loss
 - Notice to insurer
 - Minimizing the loss
 - Proof of loss
 - Special requirements
 - Production of books and records
 - Abandonment
- Determining value and loss
 - Burden of proof of value and loss
 - Estimates
 - Depreciation
 - Salvage
- Claim settlement options
- Payment and discharge

3.3 Claims adjustment procedures

- Subrogation procedures
- Alternative dispute resolution
 - Appraisal
 - Arbitration
 - Competitive estimates
 - Mediation

Negotiation

- 4.0 Dwelling Policy** **7% (4 items)**
 - 4.1 Characteristics and purpose**
 - 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
 - Dwelling Fire and Contents Forms
 - DP-1 Basic
 - DP-2 Broad
 - DP-3 Special
 - 4.4 General exclusions**
 - 4.5 Conditions**
 - 4.6 Selected endorsements**
 - Special provisions
 - Automatic increase in insurance
 - Dwelling under construction

- 5.0 Homeowners Policy** **13% (6 items)**
 - 5.1 Coverage forms**
 - HO-3 Special
 - HO-4 Tenants
 - HO-5 Comprehensive
 - HO-6 Condominium Unit-Owners
 - 5.3 Section I — Property coverages**
 - Coverage A — Dwelling
 - Coverage B — Other structures
 - Coverage C — Personal property
 - Coverage D — Loss of use
 - Additional coverages
 - 5.4 Perils insured against**
 - 5.5 Exclusions**
 - 5.6 Conditions**
 - 5.7 Selected endorsements**
 - Special provisions
 - Permitted incidental occupancies
 - Earthquake
 - Scheduled personal property
 - Limited fungi, wet or dry rot, or bacteria coverage
 - Personal property replacement cost

- 6.0 Commercial Package Policy (CPP)** **10% (5 items)**
 - 6.1 Components of a commercial policy**
 - Common policy declarations
 - Common policy conditions
 - Interline endorsements
 - One or more coverage parts

6.2 Commercial property

- Commercial property conditions form
- Coverage forms
 - Building and personal property
 - Condominium association
 - Condominium commercial unit-owners
 - Builders risk
 - Business income
 - Legal liability
 - Extra expense
- Causes of loss forms
 - Basic
 - Broad
 - Special
- Selected endorsements
 - Ordinance or law coverage
 - Spoilage coverage
 - Peak season limit of insurance
 - Value reporting form

6.3 Commercial inland marine

- Nationwide marine definition
- Commercial inland marine conditions form
- Inland marine coverage forms
 - Accounts receivable
 - Bailee's customer
 - Commercial articles
 - Contractors equipment floater
 - Electronic data processing
 - Equipment dealers
 - Installation floater
 - Jewelers block
 - Signs
 - Valuable papers and records

7.0 Businessowners Policy

13% (6 items)

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property

- Coverage
- Exclusions
- Limits of insurance
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

- Protective safeguards
- Utility services — direct damage
- Utility services — time element

8.0 Other Coverages

5% (2 items)

8.1 National Flood Insurance Program

- "Write your own" versus government
- Eligibility

Coverage
Limits
Deductibles

8.2 Inland marine

Personal Articles floaters
Nationwide Definition

8.3 Other policies

Difference in conditions
Earthquake
Mobile Homes
Watercraft
Farm Owners

8.4 Additional Coverages and Exclusions

Business Interruption
Time Element
Law and Ordinance exclusion
Law and Ordinance coverage (§ 38.2-2124)
Water backup through sewers and drains exclusion
Water backup through sewers and drains coverage (§ 38.2-2120)
Valuable Papers and Records
Vandalism and Malicious Mischief