

Your Exam Content Outline

The following outline describes the content of one of the New Hampshire 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.

Producer's Personal Lines Insurance Series 12-86

100 questions – 2 hour time limit

1.0 Insurance Regulation 11%

1.1 Licensing

- Process (402-J:5, 6)
 - Types of licensees
 - Producer (402-J:2, 14)
 - Producer with appointment (402-J:14)
 - Business entity (402-J:6)
 - Financial institutions (406-C:1–19)
 - Resident versus nonresident (402-J:8, 16)
 - Temporary (402-J:11)
 - Maintenance and duration
 - Renewal (402-J:7(II–IV))
 - Change of address (402-J:7(VI))
 - Reporting of actions (402-J:17)
 - Assumed names (402-J:10)
 - Continuing education requirements (Reg 1302.03, 1302.04, 1304.03)
 - Disciplinary actions
 - Cease and desist order (417:12)
 - Denial, suspension or revocation (402:49; 402-J:12)
 - Penalties and fines (400-A:15(III); 402:42, 48; 402-J:12(IV); 417:10, 13)
- #### 1.2 State regulation
- Commissioner's general duties and powers (400-A:3, 15; 417:5, 14)
 - Company regulation
 - Producer appointment (402-J:14)
 - Termination of appointment (402-J:15)
 - Producer regulation
 - Acting without a license (402-J:3, 13)
 - Commissions (402-J:13)
 - Conversion of funds by producer (402:53)
 - Referral (402:16-B)
 - Controlled business (402:74)
 - Fiduciary requirements (Reg 4301.01–4301.09)
 - License to transact business (402:12)
 - Unfair claim settlement practices (417:4(XV); Reg 1001.01–.11, Reg 1002.01–.20)
 - Unfair insurance trade practices
 - Misrepresentation (402:46; 417:4(I, II))
 - Twisting (402:47; 417:4(I))
 - False information and advertising (417:4(III))

- Defamation (417:4(IV))
- Boycott, coercion and intimidation (417:4(V))
- Illegal inducement (417:4(VII))
- Unfair discrimination (417:4(VIII))
- Rebating (402:39–41; 417:4(IX))
- Examination of books and records (400-A:37)
- Insurance fraud regulation (400-A:36-b(II); 417:23; RL 638:20)
- Consumer privacy regulation (Reg 3001–3006)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 11%

2.1 Concepts

- Risk management key terms
 - Risk
 - Exposure
 - Hazard
 - Peril
 - Loss
- Methods of handling risk
 - Avoidance
 - Retention
 - Sharing
 - Reduction
 - Transfer
- Elements of insurable risks
 - Adverse selection
 - Law of large numbers
 - Reinsurance

2.2 Insurers

- Types of insurers
 - Stock companies
 - Mutual companies
 - Fraternal benefit societies
 - Reciprocal
 - Lloyd's associations
 - Risk retention groups
 - Surplus lines
- Private versus government insurers
- Authorized versus unauthorized insurers
- Domestic, foreign and alien insurers
- Financial status (independent rating services)
- Marketing (distribution) systems

2.3 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of producers

2.4 Contracts

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

3.0 Property and Casualty Insurance Basics 17%

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Loss ratio
- Rates
 - Types
 - Loss costs
 - Components
- Hazards
 - Physical
 - Moral
 - Morale
- 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)
- 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
 - Functional replacement cost
 - 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
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Split
 - Combined single
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Salvage
 - Claim settlement options
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

3.4 New Hampshire laws, regulations and required provisions

- New Hampshire Valued Policy Law (407:11)
- New Hampshire Insurance Guaranty Association (404-B)
- Standard fire policy (407:1-2-a, 22)
- Cancellation and nonrenewal (417-B)
- Binders (407:6)
- Concealment, misrepresentation or fraud (407:22; RL 638:20)
- Claim settlement time limits (407:12, 12-a; Reg 1002.05)
- Record Retention (400-B)

4.0 Dwelling ('02) Policy 10%

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

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — New Hampshire (DP 01 28)
Automatic increase in insurance (DP 04 11)
Dwelling under construction (DP 11 43)

5.0 Homeowners ('11) Policy 22%

5.1 Coverage forms

HO-2 through HO-6

5.2 Definitions

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 Section II — Liability coverages

Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

Special provisions — New Hampshire (HO 01 28)
Limited fungi, wet or dry rot, or bacteria coverage
(HO 04 26, HO 04 27))
Permitted incidental occupancies (HO 04 42)
Earthquake (HO 04 54)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)
Worker's Compensation

6.0 Auto Insurance 22%

6.1 Laws

New Hampshire Motor Vehicle Financial
Responsibility Law
Required limits of liability (RL 259:61, 264:20)
New Hampshire Automobile Reinsurance Facility
Plan (Reg 1405)
Uninsured/underinsured motorist (RL 264:15)
Definitions
Bodily injury
Required limits
Cancellation/nonrenewal (417-A)
Grounds
Notice
Notice of eligibility in Automobile Reinsurance
Facility Plan (417-A:5(V))
Residency statement (417-A:3-b; 1406.01)
Medical costs coverage (RL 264:16)
After market parts regulation (407-D)
Coverage Deductible Waiver (417-A:11)

6.2 Personal ('05) auto policy

Definitions

Liability coverage

Bodily injury and property damage
Supplementary payments
Exclusions

Medical payments

Uninsured motorist / underinsured motorist
coverage

Coverage for damage to your auto

Collision
Other than collision
Deductibles
Transportation expense
Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Amendment of policy provisions — New
Hampshire (PP 01 76)
Towing and labor costs (PP 03 03)
Extended non-owned coverage — vehicles
furnished or available for regular use (PP 03
06)
Miscellaneous type vehicle — New Hampshire
(PP 13 32)
Joint ownership coverage — New Hampshire
(PP 13 34)

7.0 Other Coverages and Options 7%

7.1 Umbrella/excess liability policies

Personal (DL 98 01)

7.2 National Flood Insurance Program

"Write your own" versus government
Eligibility
Coverage
Limits
Deductibles

7.3 Other policies

Boatowners