

Your Exam Content Outline

The following outline describes the content of one of the Wisconsin insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part 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.

Wisconsin Property: General and State Series 22-05

**100 questions (5 pre-test items)
Two-hour time limit
Effective November 16, 2019**

1.0 Insurance Regulation 35% (35 Items)

1.1 Licensing

Purpose

Ref: ch. 628

Persons required to be licensed

Ref: s. 618.41, ch. 628, s. 628.02(1), s. 628.02(3), s. 628.02(4), s. 628.02(5), s. 628.03, s. 628.04, s. 628.49, s. Ins 6.58, s. Ins 42.01, s. Ins 42.03, ch. Ins 47, s. Ins 42.02

License Requirements

Ref: ch. Ins 26, s. 601.31, s. 628.03, s. 628.04, s. 628.04(2), s. 628.34, s. 628.51, s. Ins 6.59, s. Ins 6.59(4)(a), s. Ins 6.59(4)(c)

Record keeping, maintenance and duration

Renewal

Continuing education requirements

Reinstatement

Assumed name

Change of address or telephone number

Reporting of actions

Ref: s. 134.97, s. 601.42, s. 628.04, s. 628.08, s. 628.09, s. 628.09(6), s. 628.11, s. Ins 6.57, s. Ins 6.61, s. Ins 6.63(3), s. Ins 28.04(1)(a), s. Ins 28.04(1)(f), s. Ins 28.04(2)(a), s. Ins 28.04(2)(b), s. Ins 28.06(6), s. 137.20

Disciplinary actions

License termination, suspension, or revocation

Monetary forfeiture (fines)

Ref: s. 601.64, s. 628.10(1), s. 628.10(2), s. 628.10(3), s. 628.345(1)(b), s. 628.345(2), s. 628.345(3)(a), s. 628.345(3)(d), s. 628.345(3)(e), s. 628.345(3)(f), s. Ins 6.63

1.2 State regulation

Commissioner's general duties and powers

Duties

Hearings

Penalties

Insurance security fund

Ref: ch. 227, s. 227.12, s. 601.41, s. 601.41(4), s. 601.42, s. 601.42(4), s. 601.62, s. 601.62(5), s. 601.64, s. 601.64(2), s. 601.64(3), s. 601.64(3)(d), s. 601.64(4), s. 601.65, s. 628.10, s. 628.10(2)(b), s. Ins 6.59, ch. 646

Company regulation

Solvency

Responsibilities of the insurer

Rates

Use of Policy forms

Producer appointments/terminations

Unfair claims, methods, and practices

Notice of right to file complaint

Ref: s. 628.11, s. 628.40, s. 631.20, s. 631.20(3), s. 631.22, s. 631.28, s. Ins 6.07, s. Ins 6.11, s. Ins 6.11(3), s. Ins 6.55, s. Ins 6.55(4)(b), s. Ins 6.57, s. Ins 6.85

Producer regulation

Fiduciary and trust account responsibilities

Place of business/records maintenance

Compensation of agents

Controlled business

Shared commissions

Proper exchange of business

Ref: s. 628.32, s. 628.51, s. 628.61, s. Ins 6.66

Marketing practices

Misrepresentation

False advertising

Rebating

Unfair discrimination

Boycott, coercion or intimidation

Illegal inducement

Ref: ch. 20, s. 628.34, s. 628.34(1) – (14), s. Ins 6.54, s. Ins 6.55, s. Ins 6.67, s. Ins 6.68, s. Ins 6.60

Examination of records

Ref: s. 601.43, s. 601.43(1)(b), s. 601.43(1)(c), s. 601.43(2)(a), s. 601.45, s. 601.49, s. Ins 16.01, s. Ins 26.10, s. Ins 26.10(3), s. Ins 28.10, s. Ins 28.10(3)

Retention of Electronic Records

Ref: s. 137.20

General statutes, rules, and regulations affecting insurance contracts

Definitions
Specific knowledge
Misrepresentation/Warranties
Knowledge and acts of the agent
Certificates of Insurance
Ref: s. 628.34, ch. 631, s. 631.08, s. 631.09, s. 631.11, s. 631.28, ch. 632

Electronic delivery of notice of documents
Ref: s. 610.60

Regulation of specific clauses in insurance contracts

Cancellation

Renewal/Nonrenewal

Notice of proof of loss

Payment of claims

*Ref: s. 102.31(2)(a),
s. 102.31(2)(b) 1.,
s. 102.315(10)(a)4,
s. 102.315(10)(a)3,
s. 102.315(10)(b)3, s. 628.46, s. 631.36,
s. 631.43, s. 631.48, s. 631.36 (1) and (2)
s. Ins 21.01(4)(a–c), s. Ins 21.01(5),
s. Ins 21.01(6), s. Ins 21.01(10),
s. Ins 21.01(11), s. Ins 6.11, s. Ins 6.77*

Privacy of Consumer Information

*Ref: s. 134.97, s. 610.70, ch. Ins 25
s.134.98*

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements (18 USC 1033, 1034)

1.4 Wisconsin statutes, rules, and regulations

common to property insurance

General rate standards

*Ref: s. 625.11, s. 625.13, s. 625.22, s. 626.13,
s. 631.20, s. Ins 3.49(3), s. Ins 4.08,
s. Ins 4.10(7)(g), s. Ins 6.78*

Prohibited classification of risks

Ref: s. 628.34, s. Ins 6.54

Surplus lines

Definition

Responsibilities of agents and brokers

*Ref: s. 618.39, s. 618.41, s. 618.41(7m),
s. 618.41(8), s. 618.415, s. 618.42, s. 618.43,
s. 628.02, s. 628.02(5), s. 628.04(2), s. Ins
6.17s. Ins 6.18, s. Ins 6.19, s. Ins 6.66*

Oral contracts

Ref: s. 631.05

1.5 Wisconsin statutes, rules, and regulations

pertinent to property insurance

Application of the standard fire policy in Wisconsin

Modifications or additions

Required provisions

Limitations on using or disclosing information

regarding domestic abuse

*Ref: s. 628.34, s. 631.95(2)(f),
s. 632.05,
s. 632.07, s. 632.08, s. Ins 4.01,*

s. Ins 6.76

Wisconsin Automobile Insurance Plan (WAIP)

Ref: s. 610.01, ch. 619, s. Ins 4.10

Lender Requirements

Ref: s. 632.07

2.0 General Insurance 8% (8 Items)

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

Reciprocals

Lloyd's associations

Risk retention groups

Private versus government insurers

Admitted versus nonadmitted 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 producer

Express

Implied

Apparent

Responsibilities to the applicant/insured

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

- Primary and excess
- Limits of liability
- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Salvage
 - Claim settlement options
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the Bailee

3.0 Property Insurance Basics 13% (13 Items)

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Loss ratio
- Rates
 - Types
 - Loss costs
 - Components
- 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
 - Replacement cost
 - Functional replacement cost
 - Market value
 - Agreed value
 - Stated amount
 - Valued policy

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 and additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency

4.0 Dwelling Policy 4% (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

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

- Special provisions (DP 01 43)
- Automatic increase in insurance (DP 04 11)
- Broad theft coverage (DP 04 72)
- Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners Policy 18% (18 Items)

5.1 Coverage forms

- HO-2 through HO-6
- HO-8

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 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements

- Special provision (HO 01 43)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
- Permitted incidental occupancies — residence premises (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)
- Sewer back-up/sump discharge or overflow (HO 04 95)

6.0 Commercial Package Policy (CPP) 9% (9 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
 - Extra expense
- Causes of loss forms
 - Basic
 - Broad
 - Special
- Selected endorsements
 - Ordinance or law (CP 04 05)
 - Spoilage (CP 04 40)
 - Peak season limit of insurance (CP 12 30)
 - Value reporting form (CP 13 10)

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
 - Installation floater
 - Signs
 - Valuable papers and records
- Transportation coverages
 - Motor truck cargo forms
 - Transit coverage forms

6.4 Equipment breakdown

- Equipment breakdown protection coverage form (EB 00 20)

Selected endorsement

Actual cash value (EB 99 59)

6.5 Farm coverage

- Farm property coverage form
 - Coverage A — Dwellings
 - Coverage B — Other private structures
 - Coverage C — Household personal property
 - Coverage D — Loss of use
 - Coverage E — Scheduled personal property
 - Coverage F — Unscheduled farm personal property
 - Coverage G — Other farm structures
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

7.0 Businessowners Policy 9% (9 Items)

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property

- Coverages
- Exclusions
- Limits
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

8.0 Other Coverages and Options 4% (4 Items)

8.1 Other policies

- Boatowners
- Surplus lines
- Directors and Officers
- National Flood Program