

**Maryland Public Adjuster  
State and General Sections  
Series 20-01 & 20-02  
50 scored questions (plus 10 unscored)**

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**Public Adjuster State Section  
Series 20-02  
15 questions- 30-minute time limit**

**1.0 Insurance Regulation**

**1.1 Licensing**

**50% (5 items)**

Purpose

Process (*Insurance Article Annotated Code- Sec. 10-118(b)(2); Sec. 10.109; Sec. 10-103(c)(1)*)

Definitions

Public Adjuster

Public adjusting

Catastrophic disaster

Business Entity

Solicitation

Negotiation

Types of licensees (*Insurance Article Annotated Code- Sec. 1-101(u)(1)*)

Nonresidents

Resident Public Adjuster

Business entities

Exemptions

Maintenance (*Insurance Article Annotated Code- Sec. 10- 211(e)(2)(i); Sec. 10-115; Sec. 10-1-05; Sect. 10- 116(a)(2)(i);*)

Duration and termination

Address and/or name changes

Assumed names

Requirement to report felony convictions

Requirement to report crimes of moral turpitude

Requirement to report any criminal offense involving dishonesty or breach of trust

Requirement to report other states actions

License renewal

General requirements/Financial Responsibility

Continuing Education

**1.2 State regulation**

**50% (5 items)**

State Corporation Commission's general duties and powers (*Insurance Article Annotated Code- Sec. 2-102(a); Sec. 2-103(a)(4); Sec. 2-204(b)(1); 16-601; Sec. 1-301; Sec. 2- 101; Sec. 10-126*)

General powers

Rules and regulations, orders

Investigations

Penalties

Termination, suspension, or revocation

Hearings and judicial review

Insurer regulation (*Insurance Article Annotated Code- Sec. 15-204(B); Sec. 15-208(A)(1); Sec. 15-211(A); Sec. 18-105(1); Sec. 18- 106(b)(1); Sec. 27-501(a)(1)*)

Public Adjuster Practices, Responsibilities and Duties

Unfair claims settlement practices (*Insurance Article Annotated Code*-*Sec. 19-107(a)(2); Sec. 27-303; Sec. 27-305(c)(2); Sec. 27-213, 212, 27-501*)

State Specific Definitions (*Insurance Article Annotated Code*- *Sec. 10-401(d)(1)(i); Sec. 10-401(d)(1)(iii); Sec. 27-209(2)(i); ; Sec. 27-213; Sec. 27-209(2)(i); Sec. 10-201; Sec.10-126; COMAR- Sec. 31.08.06.02*)

Producer regulation (*Insurance Article Annotated Code*- *Sec. 27-209; Sec. 10-105; COMAR- Sec. 31.03.03*)

Examinations

Refusal to issue a license; hearing; new application

Other Requirements

Fees

Written Contracts

Standards of conduct

Record retention

Requirement to report to the Commission

Information security program

Escrow or trust accounts

Unfair trade practices (*Insurance Article Annotated Code*- *Sec. 27-304; Sec. 27-213; Sec. 27-305(a); Sec. 27-504(b)(1); COMAR- Sec. 31.15.02.12; Sec.31.15.02.18(A); Sec. 31.15.02.02; Sec.31.15.02.03(B)*)

Misrepresentation

False advertising

Defamation

Boycott, coercion and intimidation

Unfair discrimination

Unfair settlement practices

Blank forms

Examination of books and records

**Public Adjuster General Section  
Series 20-01**

**45 questions- 60-minute time limit**

**2.0 Insurance Basics**

**25% (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

Liability

Appraisal Clause

Robbery

Burglary

Apportionment Clause

Inflation Guard

**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**

**18% (7 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

## **4.0 Dwelling Policy**

**15% (6 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**

**15% (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)**

**5% (2 items)**

#### **6.1 Components of a commercial policy**

- Common policy declarations
- Common policy conditions
- Interline endorsements
- One or more coverage parts

#### **6.2 Boiler & Machinery**

- Equipment breakdown protection coverage form
- Selected endorsements

#### **6.2 Commercial property**

- Commercial property conditions form
- Coverage forms
  - Building and personal property
  - Condominium association

- Condominium commercial unit-owners
- Builders risk
- Business income
- Refrigeration Interruption Coverage
- Refrigeration Interruption - Report of Values
- Turbine Units Explosion Coverage
- Pressure or Vacuum Equipment
- Production Machinery Exclusion
- 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**

**5% (2 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

### **7.5 Commercial and Special Multi-Peril**

### **7.6 Standard Fire Policy**

## **8.0 Other Coverages**

**17% (7 items)**

### **8.1 National Flood Insurance Program**

"Write your own" versus government

Eligibility

Coverage

Limits

Deductibles

## **8.2 Inland marine**

Definitions

Policies

F.O.B.

Personal Articles floaters

Nationwide Definition

## **8.3 Ocean Marine**

## **8.4 Other policies**

Difference in conditions

Earthquake

Mobile Homes

Watercraft

Farm Owners

## **8.5 Additional Coverages and Exclusions**

Business Interruption

Time Element

Law and Ordinance exclusion

Law and Ordinance coverage

Water backup through sewers and drains exclusion

Water backup through sewers and drains coverage

Valuable Papers and Records

Vandalism and Malicious Mischief