

**Maryland Personal Lines
State and General Sections
Series 20-13 & 20-14
100 scored questions (plus 10 unscored)**

**Personal Lines State Section
Series 20-14
30 questions- 45-minute time limit**

1.0 Insurance Regulation

1.1 Licensing

20% (5 items)

Purpose

Process (*Insurance Article Annotated Code- Sec. 10-115; Sec.10-116; Sec. 10-104*)

Initial Licensure Qualifications

Examination

License fee & application

Exemptions to Licensure

Types of licensees

Producers

Business entity producers

Nonresident producers

Temporary

Advisers

Public insurance adjusters

Limited Lines Producer

Portable Electronics Insurance Limited Lines license

Maintenance and duration(*Insurance Article Annotated Code- Sec. 10-116; Sec. 10-117(b)(1)*)

Reinstatement and renewal

Address change

Reporting of actions

Assumed names

Continuing education requirements, exemptions and penalties

Disciplinary actions

Cease and desist order

Hearings

Probation, suspension, revocation, refusal to issue or renew

Penalties and fines

1.2 State regulation

16% (4 items)

Commissioner's general duties and powers (*Insurance Article Annotated Code-Sec. 2-205 (a)(2)*)

State Specific Definitions (*Insurance Article Annotated Code- Sec. 10-401; Sec. 27-209; Sec. 27-213; Sec. 10-201; Sec 10-126; Ref: COMAR Sec. 31.08.06.02*)

Company regulation (*Insurance Article Annotated Code-Sec. 10-118; COMAR- Sec. 31.15.12.03(B)*)

Certificate of authority

Solvency

Rates

Policy forms

Examination of books and records

Producer appointments

- Producer's Contract with Insurer versus Producer's Appointment with Insurer
- Producer's Individual Appointment versus Business Entity Appointment
- Maintaining Record of Appointment Notice
- Termination of producer appointment
- Producer regulation (*Insurance Article Annotated Code-Sec. 27-212(d)*)
 - Examination of Books and Records
 - Insurance Information and Privacy Protection
 - Fiduciary Responsibilities (*COMAR- Sec. 31.03.03*)
 - Bail Bond (*COMAR- Sec. 31.03.05.02(B)(1); Sec. 31.03.05.05*)
 - Acting for Unlicensed Insurer
 - Record Retention
 - Activities of Unlicensed Individual
 - Payment and sharing of Commissions
 - Charging of fees
 - Responsibility for Trust Accounts
 - Complaint Record
 - Binders
 - Solvency
 - Rates and Forms
 - Impersonation
 - Larceny
 - Unlicensed persons compensation
- Unfair or deceptive insurance practices (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Misrepresentation
 - False advertising
 - Defamation of insurer
 - Boycott, coercion and intimidation
 - False financial statements
 - Failure to maintain complaint record
 - Unfair discrimination (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Unfair claims settlement practices
 - Rebating
- Insurance fraud regulation
- Insurance Information and Privacy Protection
- Competitive Rating

1.3 Federal regulation 4% (1 item)

- Fair Credit Reporting Act (*15 USC 1681–1681d; Insurance Article Annotated Code- Sec. 27-501*)
- Fraud and false statements including 1033 waiver (*18 USC 1033, 1034*)

1.4 Maryland laws, regulations and required provisions 16% (4 items)

- Maryland Insurers Insolvency Fund
- Cancellation and nonrenewal (*Insurance Article Annotated Code- Sec. 27-609*)
- Concealment, misrepresentation or fraud
- Appraisal
- Federal Terrorism Insurance Program

1.5 Maryland auto insurance policy 44% (11 items)

- State Auto Insurance Laws & Regulations
 - State Required Limits of Liability (*Insurance Article Annotated Code- Sec. 19-512; Sec. 19-504.1(3)(ii); Sec. 19-106; Sec. 17-103*)
 - Uninsured/Underinsured Motorist (*Insurance Article Annotated Code- Sec. 19-509; COMAR- Sec. 31.15.10.03*)

Definitions

Compulsory coverage

Bodily injury to others

Personal injury protection (*Insurance Article Annotated Code- Sec. 19-505; Sec. 19-506; COMAR-Sec. 31.15.07.05*)

Benefits/waivers

Exclusions

Damage to someone else's property

Uninsured/underinsured motorist (*Insurance Article Annotated Code- Sec. 19-509; COMAR- Sec. 31.15.10.03*)

Coverage for damage to your auto

Medical payments

Collision

Limited collision

Comprehensive

Deductibles

Substitute transportation

Towing and labor

General provisions

Duties after an accident or loss

Selected endorsements

Use of other autos — vehicles furnished or available for regular use

Coverage for anyone renting an auto to you additional insured — lessor

Named Driver Exclusion

Maryland Automobile Insurance Fund (MAIF) (*Insurance Article Annotated Code- Sec. 20-501(b); Sec. 20-502; Sec. 20-509(e-1)(ii); Sec. 20-201; Sec. 20-511*)

**Personal Lines General Section
Series 20-13
80 questions- 90-minute time limit**

2.0 General Insurance

10% (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

Reciprocal

Self Insurers

Risk retention groups

Surplus lines carriers

Purchasing groups

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services) and operating results

Marketing (distribution) systems

2.3 Producers and general rules of agency

Types

Captive

Independent

Insurer as principal

Producer of insurer

Authority and powers of producers

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

3.0 Property and Casualty Insurance Basics

12% (9 items)

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
 - Proximate cause
- Torts
- 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
 - Guaranteed 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
 - Nonconcurrent
 - Primary and excess
 - Pro rata
 - Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Split
 - Combined single
- Restoration/nonreduction of limits
- Coinsurance
- Third Party Provisions
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Salvage
 - Claim settlement options
 - Duty to defend
- Lien holder provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

4.0 Casualty Specific

15% (11 Items)

4.1 Strict Liability

4.2 Vicarious Liability

4.3 Limits of Liability

- Per occurrence (accident)
- Per person
- Aggregate (general versus products) completed operations
- Split
- Combined single

4.4 Restoration - Non-Reduction of Limits

4.5 Named Insured Provisions

- Duties after loss
- Assignment
- Abandonment**

4.6 Insurer Provisions

Liberalization
Subrogation
Salvage
Claim settlement options
Duty to defend

5.0 Property Specific

12% (9 Items)

5.1 Causes of Loss (Basic, Broad and Special Forms)

5.2 Direct Loss

5.3 Consequential vs Indirect Loss

5.4 Basic Types of Construction

5.6 Coinsurance

5.7 Loss Valuation

Actual cash value
Replacement cost
Functional replacement cost
Guaranteed Replacement Cost
Market value
Agreed value

6.0 Dwelling Policy

15% (11 items)

6.1 Characteristics and purpose

6.2 Coverage forms — Perils insured against

DP-1 Basic
DP-2 Broad
DP-3 Special

6.3 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

6.4 General exclusions

6.5 Conditions

6.6 Personal liability supplement

6.7 Selected Endorsements

Automatic Increase in Insurance
Dwelling Under Construction
Broad Theft Coverage
Limited Theft Coverage
Special Provisions

7.0 Homeowners Policy

20% (15 items)

7.1 Characteristics and Purpose

7.2 Coverage forms

HO-3 Special
HO-4 Tenants
HO-5 Comprehensive
HO-6 Condominium Unit-Owners

7.3 Definitions

7.4 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Additional Living Expense and Fair Rental Value

Loss of Use

7.5 Section II — Liability coverages

Coverage E — Personal liability

Coverage F — Medical payments to others

7.6 Perils insured against

7.7 Additional coverages

Debris removal

Reasonable repairs

Trees, shrubs and other plants

Fire department service charge

Property removed

Credit card, fund transfer card, forgery and counterfeit money

Loss assessment

Glass or safety glazing material

Landlord's furnishings

Building Additions and Alterations

Claim expenses

First aid expenses

Damage to property of others

7.8 Exclusions

7.9 Conditions

7.10 Other Policies

Mobile Homes

7.11 Selected Endorsements

Business Pursuits

Earthquake

Home Day Care

Permitted Incidental Occupancies

Personal Injury

Personal Property Replacement Cost

Scheduled Personal Property

Valuable papers

Computers

Watercraft

Special Provisions

8.0 Auto Insurance

13% (10 items)

8.1 Personal auto policy

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Coverage for damage to your auto

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Medical Payments

Protection Against Uninsured/Underinsured Motorists

General Provisions

Conditions

Duties after an accident or loss

General provisions

Selected endorsements

Towing and labor costs
Miscellaneous type vehicle
Amendment of policy provisions — Maryland
Medical expense and income loss benefits coverage — Maryland
Transportation expenses coverage — Maryland
Joint ownership coverage — Maryland
Towing and labor costs — Maryland
Extended non-owned coverage for named individual — Maryland
Miscellaneous type vehicle — Maryland
Uninsured motorists coverage — Maryland
Loss Payable Clause

9.0 Other Coverages and Options

3% (2 items)

9.1 Personal umbrella

Coverages
Underlying Coverages
Self-Insured Retention

9.2 National Flood Insurance Program

"Write your own" versus government
Eligibility
Coverage
Limits
Deductibles

9.3 Boatowners including uninsured private pleasure watercraft coverage

9.4 Basic Property Residual Market

Maryland Property Insurance Association (FAIR plan)

9.5 Inland marine

Personal Articles floaters