

**Maryland Casualty Producer
State and General Sections
Series 20-07 & 20-08
80 scored questions (plus 10 unscored)**

**Casualty Producer State Section
Series 20-08
35 questions- 45-minute time limit**

1.0 Insurance Regulation

1.1 Licensing

17% (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

17% (5 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

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 (*Insurance Article Annotated Code- Sec. 12-106*)
 - Solvency
 - Rates and Forms (*Insurance Article Annotated Code -Title 11, Subtitle. 3.Competitive Rating --Rates; Title 11, Subtitle 2. Prior Approval of Policy Forms--Section 11-206(a) on Policy 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

3% (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

13% (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

33% (10 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*)
 - Mobile home
 - Waiver of deductible

1.6 Workers compensation laws

17% (5 items)

- Types of laws
 - Monopolistic versus competitive
 - Compulsory versus elective
- Maryland Workers Compensation Act (*Glossary of Insurance Terms; Insurance Article Annotated Code- Sec. 19-402; Sec. 27-601; Sec. 19-404; Sec. 19-406; Sec. 25-301; Sec. 19-405; Sec. 9-209; Sec. 9-201; Sec. 9-506*)
 - Employer's Liability
 - Covered Employees
 - Exclusive remedy
 - Employment covered (required, voluntary)
 - Covered injuries
 - Occupational disease
 - Benefits provided
 - Subsequent injury fund
 - Large deductible programs
 - Subrogation
- Federal workers compensation laws
 - Federal Employers Liability Act (FELA) (*45 USC 51–60*)
 - U.S. Longshore and Harbor Workers' Compensation Act (*33 USC 904*)
 - The Jones Act (*46 USC 30104*)

Casualty Producer State Section
Series 20-07
55 questions- 60-minute time limit

2.0 General Insurance

14% (7 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

Risk retention and risk purchasing groups

Self-insurance groups

Surplus Lines Carriers

Purchasing 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

Types

Captive

Independent

Insurer as principal

Producer/insurer relationship

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 Casualty Insurance Basics

30% (15 Items)

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Expense ratio, combined ratio
 - Loss ratio
- Rates
 - Types
 - Loss costs
 - Components
- Hazards
 - Physical
 - Moral
 - Morale
 - Torts
- Negligence
 - Elements of a negligent act
 - Defenses against negligence
- Damages
 - Compensatory — special versus general
 - Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Attractive nuisance

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 share
- Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Restoration - Non-Reduction of Limits
- 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
- Subrogation
- Arbitration/Mediation

4.0 Homeowners Policy

6% (3 Items)

4.1 Coverage forms

HO-2 through HO-6

4.2 Definitions

4.3 Section II — Liability coverages

Coverage E — Personal liability

Coverage F — Medical payments to others

Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Maryland

Limited fungi, wet or dry rot, or bacteria coverage

Permitted incidental occupancies — residence premises

Home day care

Tenants relocation expense — Maryland

Lead poisoning exclusion — Maryland

Coverage for lead poisoning — Maryland

Business pursuits

Watercraft

Personal injury

5.0 Auto Insurance

18% (9 Items)

5.1 Laws

Maryland Compulsory Motor Vehicle Liability Insurance

Required limits of liability

Required proof of insurance

Maryland Assigned Risk Plan

- Personal injury protection
 - Medical
 - Loss of income/Lost wages
 - Death
 - Funeral
 - Replacement services
- Uninsured/underinsured motorist
 - Definitions
 - Bodily injury
 - Required limits
- Cancellation/nonrenewal
 - Grounds
 - Notice
 - Notice of eligibility in assigned risk plan
- Aftermarket parts regulation
- Regulation of rates for motor vehicle insurance
- Private passenger motor vehicle insurance rates

5.2 Personal Auto Policy

- Definitions
- Liability
- Cancellation/Non-Renewal/Renewal
 - Grounds
 - Notice
 - Bodily injury and property damage
 - Supplementary payments
 - Exclusions
- Medical Payments
- Physical Damage
 - Collision
 - Other than collision
 - Deductibles
 - Transportation expenses
 - Exclusions
- Protection Against Uninsured/Underinsured Motorists
- General Provisions
- Conditions
- Duties After an Accident or Loss
- Endorsements
 - Towing and labor costs
 - Miscellaneous type vehicle
 - Joint ownership coverage

5.3 Commercial auto

- Commercial auto coverage forms
 - Business auto
 - Policy Definitions
 - Policy Period and Territory
 - PIP Coverage
 - Medical Payments
 - Protection Against Uninsured/Underinsured Motorists
 - Garage
 - Truckers
- Coverage form sections
 - Covered autos
 - Liability coverage
 - Garagekeepers coverage
 - Trailer interchange coverage

- Physical damage coverage
- Exclusions
- Conditions
- Definitions
- Selected endorsements
 - Lessor (additional insured and loss payee)
 - Individual named insured
 - Endorsement for motor carrier policies of insurance for public liability
 - Mobile equipment
 - Lessor — additional insured and loss payee — Maryland
 - Drive other car coverage
- Commercial carrier regulation
 - The Motor Carrier Act of 1980
 - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP)

14% (7 Items)

6.1 Components of a commercial policy

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

6.2 Commercial general liability

- Commercial general liability coverage forms
 - Bodily injury and property damage liability
 - Personal and advertising injury liability
 - Medical payments
 - Exclusions
 - Supplementary payments
 - Who is an insured
 - Limits of insurance
 - Conditions
 - Definitions
- Occurrence versus claims-made
- Claims-made features
 - Trigger
 - Retroactive date
 - Extended reporting periods — basic versus supplemental
 - Claim information
- Defense within limits versus open limits
- Premises and operations
- Products and completed operations
- Insured Contracts
- Selected endorsement
 - Limited fungi or bacteria coverage

6.3 Commercial crime

- General definitions
 - Burglary
 - Theft
 - Robbery
- Crime coverage forms
 - Commercial crime coverage forms (discovery/loss sustained)
 - Government crime coverage forms (discovery/loss sustained)
- Coverages
 - Employee theft
 - Forgery or alteration
 - Inside the premises — theft of money and securities

- Inside the premises — robbery or safe burglary of other property
- Outside the premises
- Computer fraud
- Funds transfer fraud
- Money orders and counterfeit money
- Other crime coverages
 - Kidnap/ransom and extortion
 - Extortion — commercial entities
 - Lessees of safe deposit boxes
 - Securities deposited with others
 - Guests' property
 - Safe depository

6.4 Farm coverage

- Farm liability coverage form
 - Coverage H — Bodily injury and property damage liability
 - Coverage I — Personal and advertising injury liability
 - Coverage J — Medical payments
- Definitions
- Conditions
- Exclusions
- Limits
- Additional coverages

7.0 Businessowners Policy

6% (3 Items)

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

- Hired auto and non-owned auto liability

8.0 Workers Compensation Insurance

6% (3 Items)

8.1 General Requirements

- Employer's Liability
- Covered Employees
- Benefits Provided
- Policy Structure
 - Covered states
 - Other states coverage
- Deductibles

8.2 Workers compensation and employers liability insurance policy

- General section
- Part One — Workers compensation insurance
- Part Two — Employers liability insurance
- Part Three — Other states insurance
- Part Four — Your duties if injury occurs
- Part Five — Premium
- Part Six — Conditions
- Selected endorsement
 - Voluntary compensation

8.3 Premium computation

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts

8.4 Other sources of coverage

- Assigned risk plan
- Self-insured employers and employer groups
- Maryland Workers' Compensation Trust Fund

9.0 Other Coverages and Options

6% (3 Items)

9.1 Umbrella/excess liability policies

- Personal
- Commercial
- Coverages
- Underlying Coverages
- Self-Insured Retention

9.2 Specialty liability insurance

- Errors and omissions
- Professional liability
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability
- Employee benefits liability

9.3 Surplus lines

- Definitions and markets
- Licensing requirements

9.4 Surety bonds

- Principal, obligee, surety
- Purpose and Type of Surety Bonds
 - Contract
 - Court
 - Public Official
 - Miscellaneous
 - License and permit
 - Judicial

9.5 Aviation insurance

- Aircraft liability

9.6 Ocean marine insurance

- Protection and indemnity

9.7 Other policies

- Boatowners
 - Personal watercraft
 - Recreational vehicles

9.8 Residual markets

- Joint Underwriting Association — Liquor Liability