

Your Exam Content Outline

The following outline describes the content of one of the Arizona 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.

Arizona Examination for Surplus Lines Insurance Broker

Series 13-41

60 questions - 1 hour time limit

Effective January 22, 2020

1.0 Insurance Regulation 15%

1.1 Licensing

- Assumed name (20-297)
- Who needs a license 20-411.02
- Who may be licensed (20-411)
 - Individuals
 - Business entities
- Licensing requirements (20-411)
- Maintenance and duration
 - Expiration, surrender and renewal (20-289) (B)(1),(E),(411(F))
 - Change of personal/business information (20-286(C)(1))
 - Report of actions (20-301)
- Disciplinary actions
 - Denial, suspension, revocation or refusal to renew (20-295, 296, 418)

1.2 Authority of surplus lines broker

- Binding
- Underwriting
- Claims
- Commissions (20-298, 412)
- Service fees (20-410(C))
- Mexican insurance surplus lines broker limited authority (20-411.01, 422)

1.3 General prohibitions

- Unfair practices and frauds

- Misrepresentation (20-443, 443.01, 447)
- False or deceptive advertising (20-444),(20-446)
- Unfair discrimination (20-448), (20-445)
- Rebating (20-451)
- Prohibited inducements (20-451),(20-452)
- Unfair claim settlement practices (20-461)

1.4 General requirements

- Recognized surplus lines (20-409)
- Diligent effort (20-401(4), 407)
- Validity of contracts (20-402, 410(A))
- Exemptions from surplus lines provisions (20-420)
- Home state (20-401 (6))
- Multistate risk (20-401 (7))
- Single state risk (20-401 (10))
- Notice to insured (20-410(B))
 - Unauthorized insurer
 - Arizona insurance guaranty fund

2.0 Markets 50%

2.1 United States nonadmitted market

- Nonadmitted insurers
- Insurance exchanges

2.2 Alien nonadmitted market

- London market
 - Lloyd's of London
 - Other London companies
- Other alien markets
- United States trust funds

2.3 Alternative markets

Foreign risk retention groups

Industrial insureds

2.4 Qualified unauthorized insurers (20-413)

Requirements

List of unauthorized insurers

Withdrawal of certificate

Service of process (20-419)

3.0 Records and Tax 35%

3.1 Record of coverage (20-414)

3.2 Report of broker (20-408)

Timeliness (20-408(A), (E))

Contents (20-408(A))

Surplus Lines Association (20-408(C))

Stamping fee (20-167(I), 20-408(D))

3.3 Statement of transactions (20-415)

3.4 Surplus lines tax (20-416.01)

Amount

Collection

Remittance

Tax report

Civil penalty