

# Your Exam Content Outline

The following outline describes the content of one of the Nebraska 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

## Nebraska Producer's Examination for Title Insurance Series 13-16

**50 questions - 1-hour time limit**  
**Effective Date: January 27, 2020**

### 1.0 Insurance Regulation 12%

#### 1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
  - Producers (44-4049, 4054)
  - Resident versus nonresident (44-19, 109; 4055, 4063)
  - Temporary (44-4058)
- Maintenance and duration
  - Renewal (44-4054)
  - Name or address change (44-4054(8))
  - Reporting of actions (44-4065)
  - Assumed names (44-4057)
  - Continuing education requirements including ethics education (44-3901-3908)
- Disciplinary actions
  - Right to hearing (44-4059(4))
  - Suspension, revocation or refusal to issue or renew (44-4059(2))
  - Fines (44-4059(4)), (44-19, 102)
  - Cease and desist order (44-1529, 1542, 44-19, 120.01)

#### 1.2 State regulation

- Director's general duties and powers (44-101.01)
- Company regulation
  - Certificate of authority (44-303)
  - Capital and surplus requirements (44-214, 305)
  - Unfair claims settlement practices (44-1539, 1540; Reg Ch 60)
  - Examination of books and records (44-19, 110, 117; 44-1527, 5904, 5905)
  - Appointment (44-4061)
  - Termination of appointment (44-4062)

- Unfair trade practices complaint register (44-1525(9); Reg Ch 21)
  - Producer regulation
    - Sharing commissions (44-4060)
    - Controlled business (44-19, 112, 113; 44-361.01, .02)
    - Prohibited fees or charges (44-354)
    - Records retention (44-19,100; 44-5905; Reg Ch 34)
  - Unfair trade practices
    - Misrepresentation (44-1525(1))
    - False advertising (44-1525(2))
    - Defamation of insurer (44-1525(3))
    - Boycott, coercion or intimidation (44-1525(4))
    - Unfair discrimination (44-1525(7))
    - Rebating (44-19,111)
  - Insurance Fraud Act (44-6601-6608)
  - Privacy of Insurance Consumer Information Act (44-901-925)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681-1681d)
  - Fraud and false statements

### 2.0 General Insurance 8%

#### 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
  - Insurable interest
  - Law of large numbers
  - Reinsurance

#### 2.2 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship

- Authority and powers of licensees
  - Express
  - Implied
  - Apparent
- Responsibilities to the applicant/insured

### 2.3 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 Real Property 26%

#### 3.1 Concepts, principles and practices

- Definition of real property
- Types of real property
- Title to real property
- Marketable title

#### 3.2 Acquisition and transfer of real property

- Conveyances
- Encumbrances
- Adverse possession
- Condemnation
- Accession
- Dedication
- Escheats
- Involuntary alienation
- Abandonment
- Judicial sales
- Decedent's estates
  - Intestate
  - Testate
- Trusts
- Wills
- Types of joint ownership
  - Tenants in common
  - Joint tenancy
- Acknowledgments
- Legal capacity of parties
  - Individuals
  - Corporations

- General partnerships
- Limited partnerships
- Fictitious names
- Trust agreements
- Limited Liability Company (LLC)

### 3.3 Legal descriptions

- Types of legal descriptions
- Types of measurements used
- Language of legal descriptions
- Structure and format
- Interpretation

### 3.4 Escrow principles

- Escrow terminology
- Types of escrows
- Escrow contracts
- Fiduciary responsibilities of escrow agents

### 3.5 Recording

- Types of records
- Types of recording systems
- Requirements to record
- Recording steps
- Acknowledgments
- Presumptions

### 3.6 Title insurance

- Security interests

### 4.0 Title Insurance 30%

#### 4.1 Title insurance principles

- Risks covered by title insurance
  - Risk of error in public records
  - Hidden off-record title risks
  - Risk of omission and commission by agent
- Entities that can be insured; need for insurance
  - Individual
  - Commercial
- Interests that can be insured
  - Fee simple estates
  - Leasehold estate
  - Life estate
  - Easements
- Title insurance forms
  - Commitments
  - Owner's policy
  - Loan policy
  - Leasehold policy
- Title insurance policy structure and provisions
  - Insuring provisions
  - Schedule A
  - Schedule B — Exceptions from coverage
  - Exclusions from coverage
  - Conditions and stipulations
  - Endorsements
  - Rates and premiums

#### 4.2 Title searching techniques

Hard copy index  
Computer index  
Chain sheet

## **5.0 Title Exceptions and Procedures for Clearing Title 24%**

### **5.1 Principles and concepts**

General exceptions  
Voluntary and involuntary liens  
Federal liens  
Deeds of trust  
Judgments  
Taxes and assessments  
Surveys  
Condominiums  
Water rights  
Mineral rights  
Equitable interests  
Attachments  
Executions  
Covenants  
Conditions  
Restrictions

### **5.2 Special problem areas and concerns**

Acknowledgments  
Mechanic's lien  
Bankruptcy  
Probate  
Good faith  
Foreclosure  
Forfeiture  
Claims against the title  
Lis pendens

### **5.3 Principles of clearing title**

Releases  
Assignments  
Subordinations  
Affidavits  
Reconveyances

### **5.4 Settlement or closing procedures**

Real Estate Settlement Procedures Act  
(RESPA)  
Insured closing protection  
Escrow account rules

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