

# Your Exam Content Outline

The following outline describes the content of one of the North Dakota 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.

## North Dakota Examination for Crop Insurance Series 13-62

**60 questions (plus 5 unscored items)**  
**70 minute time limit**

### 1.0 Insurance Regulation 10% (6 Items)

#### 1.1 Licensing

Process (26.1-26-13.2, 13.3, 15; Reg 45-02-02-02)

Types of licensees (26.1-26-03)

Producers (individual and business entity)  
(26.1-26-02, 05, 06, 07, 11)

Producer-agent of insured (26.1-26-07)

Producer-agent of insurer (26.1-26-06)

Consultants (26.1-26-35, 41; Reg 45-02-02-09, 10)

Nonresident producers (26.1-26-20, 47.1)

Temporary (26.1-26-26)

Maintenance and duration

Renewal of appointments (26.1-26-32; Reg 45-02-02-07)

Termination (26.1-26-31; Reg 45-02-02-12)

Change of address (26.1-26-33; Reg 45-02-02-13)

Reporting of actions (26.1-26-45.1)

Assumed business names (26.1-26-25.1)

Continuing education (26.1-26-31.1; Reg 45-02-04-03, 08-11, 13)

Disciplinary actions

Refusal of license (26.1-26-39, 40, 42)

Cease and desist order (26.1-01-03.1; 26.1-04-13)

Suspension, revocation and probation  
(26.1-26-42-46)

Penalties for violations (26.1-01-03.3; 26.1-04-13-17; 26.1-26-50, 51)

#### 1.2 State regulation

Commissioner's general duties and powers  
(26.1-01-03; 26.1-04-09)

Company regulation

Certificate of authority (26.1-02-02)

Solvency (26.1-02-02, 03; 26.1-05-32)

Unfair claims settlement practices (26.1-04-03(9))

Producer regulation

Sharing commissions (26.1-26-04)

Company and agency regulation

Examination of books and records (26.1-03-19.2; 26.1-26-48)

Producer appointment (26.1-26-13.1; Reg 45-02-02-06)

Termination of appointment (26.1-26-34; Reg 45-02-02-06)

Unfair practices

Misrepresentation (26.1-04-03(1), (12), 07)

False advertising (26.1-04-03(1), (2))

Defamation (26.1-04-03(3))

Boycott, coercion and intimidation (26.1-04-03(4), 04)

False financial statements (26.1-04-03(5))

Unfair discrimination (26.1-04-03(7), (11), 05)

Rebating (26.1-04-03(8), 05, 06)

Prohibited inducements (26.1-04-05, 06)

Twisting (26.1-04-03(1))

Insurance fraud regulation (26.1-02.1-01-11)

Consumer information privacy regulation (26.1-02-27; Reg 45-14-01-01-25)

### 1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

## 2.0 General Insurance 10% (6 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

Reciprocal or inter-insurance exchanges

Risk retention groups

Lloyd's associations

Purchasing groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

### 2.3 Producers and general rules of agency

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 Crop Insurance (Hail) 30% (18 Items)

### 3.1 Eligibility

Insureds

Insurable crops

### 3.2 Application

Binder

Declarations section

Required signatures  
Required information  
Provision for company rejection

### **3.3 Term of coverage**

Effective date  
Inception of coverage  
Expiration  
Cancellation

### **3.4 Perils insured against**

### **3.5 Exclusions**

### **3.6 Limits of coverage**

Insurable value  
Percentage plan  
Deductibles  
Reduction of insurance

### **3.7 Other provisions**

Replanting clause  
Acreage variation  
Transit coverage  
Fire department service charge  
Pro rata liability clause  
Fire and lightning coverage  
Windrowed crops  
Catastrophe loss award  
Assignment

### **3.8 Claim settlement practices**

Notice of loss  
Insured's duties after loss  
Appraisal/arbitration

### **3.9 Companion plan**

## **4.0 Federal Multi-Peril Crop Insurance Programs 50% (30 Items)**

### **4.1 Basic crop insurance**

Eligibility  
Insureds  
Insurable crops  
Actuarial document books  
Yield guarantee  
Actual production history (APH)

Assigned yield  
Transitional yield

Coverage level  
Market price percentage  
Covered causes of loss  
Application  
Basic unit  
Administrative fee  
Production records  
Acreage reporting  
Late planting agreement option  
Disqualification of producer  
Life of policy  
Continuous  
Cancellation  
Termination

### **4.2 Multiple peril policy options**

Levels of coverage  
Price election  
Optional units  
High-risk land exclusion  
Hail/fire exclusion  
Replant payments  
Late planting coverage  
Prevented planting coverage  
Transfer of coverage  
Assignment of indemnity

### **4.3 Other provisions and types of coverage**

Individual crop  
Small grain  
Coarse grain  
Priorities of conflicts between provisions  
Duties after loss  
Insured  
Insurer  
Supplements  
Revenue products  
Income Protection (IP)

Crop Revenue Coverage (CRC)  
Revenue Assurance (RA)