

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 Public Adjuster Insurance Series 13-66

100 questions (plus 5 unscored items)

120 minute time limit

1.0 Insurance Regulation 20% (20 Items)

1.1 Licensing requirements

- Qualifications
- Process
- Bond
- Fingerprints
- Superintendent's general duties and powers

1.2 Maintenance and duration

- Renewal
- Continuing education
- Assumed names
- Change of address (all addressed including email)
- Reporting of actions
- Contract requirements
- Insured's right to cancel
- Compensation agreement
- Maximum compensation
- Records

1.3 Disciplinary actions

- Cease and desist
- Suspension, revocation and nonrenewal
- Penalties

1.4 Claim settlement laws and regulations

- Unfair claim practices
- Misrepresentation

- Procedures for direction of payment
- Suit against insurer
- Prohibitions
- Consumer privacy regulation

1.5 Federal regulations

- Fraud and false statements including (18 USC 1033, 1034)
- Terrorism Risk Insurance Act of 2002 and Extension Act of 2015 (15 USC 6701; S467)

2.0 Insurance Basics 5% (5 Items)

2.1 Contract basics

- 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
 - Indemnity
 - Utmost good faith
 - Representations/misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

2.2 Insurance principles and concepts

- Insurable interest

- Hazards
 - Physical
 - Moral
 - Morale
- Causes of loss (perils)
- Named perils versus open perils (All risk)
- Direct loss
- Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
 - Actual cash value
 - Broad evidence rule
 - Replacement cost
 - Guaranteed
 - Functional
 - Market value
 - Agreed value
 - Stated amount

2.3 Policy structure

- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

2.4 Common policy provisions

- Insureds — named, first named, additional, defined
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary
 - Excess

- Pro rata
 - Contribution by equal shares
- Policy limits
- Reinstatement of limits
- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Liberalization
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to Bailee

2.5 Certificate of insurance

3.0 Adjusting Losses 15% (15 Items)

3.1 Role of the adjuster

- Duties and responsibilities
- Staff and independent adjuster versus public adjuster
- Relationship to the legal professional

3.2 Property losses

- Duties of insured after a loss
 - Notice to insurer
 - Mitigating the loss
 - Proof of loss
 - Special requirements
 - Produce books and records
 - Abandonment
- Determining value and loss
 - Burden of proof of value and loss
 - Estimates
 - Depreciation
 - Salvage

- Claim settlement options
- Payment and discharge

3.3 Claims adjustment procedures

- Settlement procedures
 - Advance payments
 - Draft authority
- Subrogation procedures

Alternative dispute resolution

Appraisal

Competitive estimates

Negotiation

Releases

Mediator

Arbitrator

Coverage Problems

Reservation of Rights Letter

Non-Waiver Agreement

5.4 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements

Special provisions —

Earthquake (HO 04 54)

Identity fraud expense (HO 04 55)

Scheduled personal property (HO 04 61)

Personal property replacement cost (HO 04 90)

Home business (HO 07 01)

Water Back Up and Sump Discharge or Overflow (HO 23 85)

4.0 Dwelling Policy 15% (15 Items)

4.1 Coverage forms — Perils insured against

Broad

Special

4.2 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

4.3 General exclusions

4.4 Conditions

4.5 Selected endorsements

Special provisions —

Automatic increase in insurance

Broad theft coverage

Dwelling under construction

5.0 Homeowners Policy 15% (15 Items)

5.1 Coverage forms

HO-3 through HO-6, HO-8

5.2 Definitions

5.3 Section I — Property coverages

Coverage A — Dwelling

Coverage B — Other structures

Coverage C — Personal property

Coverage D — Loss of use

Additional coverages

6.0 Commercial Package Policy (CPP) 14% (14 Items)

6.1 Components of a commercial policy

Common policy declarations

Common policy conditions

Monoline versus package

6.2 Commercial property

Commercial property conditions form

Coverage forms

Building and personal property

Condominium association

Condominium commercial unit-owners

Builders risk

Business income/extra expense

Definitions

Causes of loss forms

Broad

Special

Selected endorsements

Ordinance or law (CP 04 05)

Spoilage (CP 04 40)

Earthquake and volcanic eruption (CP 10 40)

Flood coverage (CP 10 65)

Peak season limit of insurance (CP 12 30)

Value reporting form (CP 13 10)

6.3 Commercial inland marine

- Nationwide marine definition
- Commercial inland marine conditions form
- Commercial inland marine coverage forms
 - Accounts receivable
 - Commercial articles
 - Contractors equipment floater
 - Electronic data processing
 - Equipment dealers
 - Installation floater
 - Jewelers block
 - Signs
 - Valuable papers and records
- Transportation coverages
 - Common carrier legal liability
 - Motor truck cargo
 - Transit coverage

6.4 Boiler and machinery

- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsements
 - Business income — Report of values (BM 15 31)
 - Actual cash value (BM 99 59)

6.5 Farm coverage

- Farm property coverage forms
 - Coverage A — Dwellings
 - Coverage B — Other private structures
 - Coverage C — Household personal property
 - Coverage D — Loss of use
 - Coverage E — Scheduled farm personal property
 - Coverage F — Unscheduled farm personal property
 - Coverage G — Other farm structures
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Cause of loss (basic, broad, and special)

- Conditions
- Exclusions
- Limits
- Additional coverages
 - Animals other than "livestock"

7.0 Businessowners Policy 15% (15 Items)

7.1 Characteristics and purpose

7.2 Businessowners property coverage forms (standard and special)

- Coverage
- Causes of loss
- Exclusions
- Who is an insured
- Limits of insurance
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Additional coverages
- Definitions

7.3 Businessowners common policy conditions form

7.4 Selected endorsements

- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

8.0 Other Coverages 1% (1 Item)

8.1 National Flood Insurance Program

- "Write your own" versus direct
- Eligibility
- Coverage
 - Flood definition
 - Limits
 - Deductibles
 - Increased cost of compliance
- Proof of loss requirement
- Forms
 - Dwelling
 - General

Residential Condominium Building
Association Policy

8.3 Other policies

Aircraft hull

Watercraft

Difference in conditions