

# Your Exam Content Outline

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

## Connecticut Producer's Examination for Property/Casualty Insurance Series 18-04

**150 questions - 2.5-hour time limit  
Effective October 1, 2019**

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing

- Process (38a-702d, 702e, 769)
- Types of licensees (38a-702f(a), 769) Resident producers (38a-702d)
- Certified insurance consultants (38a-731-733, 786)
- Nonresident producers (38a-702g, 702n) Temporary (38a-702j)
- Maintenance and duration
  - Renewal (38a-702f(b)(c), 784, 786(b)) Change in name or address (38a-702f(f), 771(a))
  - Reporting of actions (38a-702o, 771(b)) Assumed names (38a-702i)
  - Continuing education requirements, exemptions and penalties (Reg 38a-782a-2, 10, 12-17)
- Disciplinary actions
  - Cease and desist order (38a-817) Hearings (38a-16, 817, 818)
  - Suspensions, revocations, refusal to issue or renew, fines (38a-2, 702k, 735, 774, 777, 817, 830)

#### 1.2 State regulation

- Commissioner's general duties and powers (38a-8,10)
- Company regulation
  - Certificate of authority (38a-41)
  - Capital and surplus requirement (38a-72) Unfair claim settlement practices (38a-816)
- Producer regulation

- Controlled business (38a-782) Commissions (38a-702l, 734) Acting as an agent (38a-702m)
- Representing an unauthorized insurer (38a-275, 703, 714)
- Failure to remit premiums (38a-712) Unfair and prohibited practices
  - Misrepresentation (38a-816(1), (8)) False advertising (38a-816(1), (2)) Defamation of insurer (38a-816(3)) Boycott, coercion and intimidation (38a-816 (4))
  - False financial statements (38a-816(5)) Failure to maintain complaint record (38a-816(7))
  - Unfair discrimination (38a-816(12), (13)) Rebating (38a-816(9), 825)
  - Twisting (38a-826)
- Examination of books and records (38a-769(f)) Connecticut Insurance Information and Privacy Protection Act (38a-975-999a)

#### 1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (18 USC 1033, 1034)

### 2.0 General Insurance 9%

#### 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
  - Lloyd's associations
  - Risk retention 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

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of producers
  - Express
  - Implied
  - Apparent

## 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/misrepresentation
  - Warranties
  - Concealment
  - Fraud
  - Waiver and estoppel

## 3.1 Principles and concepts

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

- Vicarious liability
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
- Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
  - Actual cash value
  - Replacement cost
  - Functional replacement cost
  - Market value
  - Agreed value
  - Stated amount
  - Valued policy

## 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
  - Contribution by equal shares
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate — general versus products — completed operations
  - Split

3.0 Property and Casualty Insurance Basics 13%

Combined single  
Restoration/nonreduction of limits  
Coinsurance  
Vacancy or unoccupancy 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

### **3.4 Connecticut laws, regulations and required provisions**

Connecticut Insurance Guaranty Association  
Act

(38a-836-853)

Cancellation and nonrenewal (38a-307,  
308(e), 323,  
324)

Binders (38a-309, 322)

Legal action against insurer (38a-321,  
307) Concealment or fraud (38a-307)

Appraisal (38a-307)

Availability of insurance on real property  
regardless of location (Reg 38a-824-1-3)

Connecticut Standard Fire Policy (38a-  
307) Connecticut FAIR Plan (Reg 38a-

328-1-20) Federal Terrorism Insurance  
Program (15 USC

6701; Public Law 107-297, 109-144, 110-  
160)

## **4.0 Dwelling ('02) Policy 5%**

### **4.1 Characteristics and purpose**

### **4.2 Coverage forms — Perils insured against**

Basic  
Broad  
Special

### **4.3 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

### **4.4 General exclusions**

### **4.5 Conditions**

### **4.6 Selected endorsements**

Special provisions — Connecticut (DP 01  
06)

Automatic increase in insurance (DP  
04 11) Dwelling under construction  
(DP 11 43)

### **4.7 Personal liability supplement**

## **5.0 Homeowners ('11) Policy 14%**

### **5.1 Coverage forms**

HO-2 through HO-6

### **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

### **5.4 Section II — Liability coverages**

Coverage E — Personal liability

Coverage F — Medical payments to others  
Additional coverages

### **5.5 Perils insured against**

### **5.6 Exclusions**

### **5.7 Conditions**

### **5.8 Selected endorsements**

Special provisions — Connecticut (HO 01  
06)

Permitted incidental occupancies —  
residence premises (HO 04 42)

Earthquake (HO 04 54)

Scheduled personal property (HO 04 61)

Limited fungi, wet or dry rot, or bacteria  
coverage

— Connecticut (HO 04 74, HO 04 75, HO  
04 76) Personal property replacement cost

(HO 04 90) Home day care (HO 04 97)

Home business — Connecticut (HO

07 05) Business pursuits (HO 24

71)

Watercraft (HO 24 75)

Personal injury — Connecticut (HO 24 79)

## **6.0 Auto Insurance 14%**

### **6.1 Laws**

Connecticut Motor Vehicle Financial  
Responsibility

Law

Required limits of liability (RL 17-

114) Required proof of insurance

(RL 14-112(b))

Connecticut Automobile Insurance Assigned  
Risk

Plan (38a-329)

- Uninsured/underinsured motorist (38a-336) Definitions
- Bodily injury
- UM/UIM reduction
- Required limits (Reg 38a-334-6(d))
- Conversion coverage (38a-336a)
- Cancellation/nonrenewal
  - Reasons (38a-342)
  - Notice (38a-343, 344)
  - Notice of eligibility in assigned risk plan (38a-345)
- Illegal declination, cancellation or nonrenewal (38a-358, 815, 816(9), 817(b))
- Aftermarket parts regulation (38a-355)
- Constructive total loss (38a-353)
- Arbitration (Reg 38a-10-1-4)

## 6.2 Personal ('05) auto policy

- Definitions
- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Uninsured motorists coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision
  - Deductibles
  - Transportation expenses
  - Exclusions
- Duties after an accident or loss
- General provisions
- Selected endorsements
  - Amendment of policy provisions — Connecticut (PP 01 54)
  - Towing and labor costs (PP 03 03)
  - Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage — Connecticut (PP13 45)

## 6.3 Commercial auto ('10)

- Commercial auto coverage forms
  - Business auto
  - Garage
  - Business auto physical damage
  - Truckers
  - Motor carrier
- Coverage form sections Covered

- autos Liability coverage
- Garagekeepers coverage
- Physical damage coverage
- Exclusions
- Conditions
- Definitions
- Selected endorsements
  - Connecticut changes (CA 01 07)
  - Lessor — additional insured and loss payee (CA 20 01)
  - Mobile equipment (CA 20 15)
  - Auto medical payments coverage (CA 99 03)
  - Drive other car coverage (CA 99 10)
  - Individual named insured (CA 99 17)
- Commercial carrier regulations
  - The Motor Carrier Act of 1980
  - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

## 7.0 Commercial Package Policy (CPP) 10%

### 7.1 Components of a commercial policy

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

### 7.2 Commercial general liability ('13)

- 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 (Connecticut minimum standards) (Reg 38a-327-1-6)
  - Trigger
  - Retroactive date
  - Extended reporting periods
  - Claim information
- Premises and operations
- Products and completed operations
- Insured contract

### 7.3 Commercial property ('12)

Commercial property conditions form  
Coverage forms  
    Building and personal property  
    Condominium association Condominium  
    commercial unit-owners Builders risk  
    Business income  
    Legal liability Extra  
    expense  
Causes of loss forms  
    Basic  
    Broad  
    Special  
Selected endorsements  
    Ordinance or law coverage (CP 04 05)  
    Spoilage coverage (CP 04 40)  
    Peak season limit of insurance (CP 12 30)  
    Value reporting form (CP 13 10)

### 7.4 Commercial crime ('06)

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 coverage  
    Extortion — commercial entities (CR 04 03)

### 7.5 Commercial inland marine

Nationwide marine definition  
Commercial inland marine conditions form  
Inland marine coverage forms  
    Accounts receivable  
    Bailee's customer  
    Commercial articles  
    Contractors equipment floater  
    Electronic data processing  
    Equipment dealers  
    Installation floater  
    Jewelers block  
    Signs  
    Valuable papers and records  
Transportation coverages

Common carrier cargo  
liability Motor truck cargo  
forms Transit coverage  
forms

### 7.6 Equipment breakdown ('13)

Equipment breakdown protection coverage  
form  
    (EB 00 20)  
Selected endorsement  
    Actual cash value (EB 99 59)

### 7.7 Farm coverage

Farm property coverage form  
('03) 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  
Farm liability coverage form ('06)  
    Coverage H — Bodily injury and  
    property damage liability  
    Coverage I — Personal and advertising  
    injury liability  
    Coverage J — Medical payments  
Livestock coverage form  
Mobile agricultural machinery and  
    equipment coverage form  
Causes of loss (basic, broad and  
special) Exclusions  
Additional coverages  
Limits of  
insurance  
Conditions  
Definitions

## 8.0 Businessowners ('13) Policy 9%

### 8.1 Characteristics and purpose

### 8.2 Businessowners Section I Property

Coverage  
Exclusions  
Limits of insurance  
Deductibles Loss  
conditions  
General  
conditions  
Optional  
coverages  
Definitions

### 8.3 Businessowners Section II — Liability

Coverages  
Exclusions  
Who is an  
insured Limits

of insurance  
General  
conditions  
Definitions

#### **8.4 Businessowners Section III – Common Policy**

##### **Condition**

#### **8.5 Selected endorsements**

Hired auto and non-owned auto liability (BP 04 04)  
Protective safeguards (BP 04 30)  
Utility services – direct damage (BP 04 56)  
Utility services – time element (BP 04 57)

### **9.0 Workers Compensation Insurance 10%**

#### **9.1 Workers compensation laws**

Types of laws  
Monopolistic versus competitive  
Compulsory versus elective  
Connecticut Workers Compensation Law (Title 31  
Chapter  
568)  
Exclusive remedy (RL 31-284(a), 293a)  
Employment covered (required, voluntary) (RL 31-275(9), (10))  
Covered injuries (RL 31-275(1), (16), 284(a), 294c, 295)  
Occupational disease (RL 31-275(15))  
Benefits provided (RL 31-275(12), 283a, 295, 306, 306b, 307, 308, 308a)  
Second injury fund (RL 31-349, 350, 352-355b)  
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 688)

#### **9.2 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  
endorsements

Voluntary compensation

#### **9.3 Premium computation**

Job classification – payroll and rates  
Experience modification  
factor Premium  
discounts Participation  
(dividend) plans

#### **9.4 Other sources of coverage**

Connecticut Workers Compensation  
Insurance Plan Self-insured employers (RL 31-285, 286)  
Employers' mutual insurance associations (RL 31-328–339)

### **10.0 Other Coverages and Options 6%**

#### **10.1 Umbrella/excess liability policies**

Personal (DL 98 01)  
Commercial (CU 00 01)

#### **10.2 Specialty liability insurance**

Professional liability  
Errors and omissions  
Directors and officers liability  
Fiduciary liability  
Liquor liability  
Employment practices liability

#### **10.3 Surplus lines**

Definitions and  
markets Licensing  
requirements  
Exportable list  
Affidavits

#### **10.4 Surety bonds**

Principal, obligee, surety  
Contract bonds  
License and permit bonds  
Judicial bonds

#### **10.5 National Flood Insurance Program "Write your own"**

versus government Eligibility  
Coverage  
Limits  
Deductibles

#### **10.6 Other policies**

Boatowners  
Difference in conditions