

# 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 Personal Lines Insurance Series 18-18

**100 questions - 2-hour time limit  
Effective October 1, 2019**

### 1.0 Insurance Regulation 9%

#### 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  
s Warranties  
Concealment  
Fraud  
Waiver and estoppel

# 3.0 Property and Casualty Insurance Basics 17%

## 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

Limits of liability

Per occurrence (accident) Per

person

Split

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)
- Binders (38a-309, 322)
- Legal action against insurer (38a-290, 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)

**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)

**4.0 Dwelling ('02) Policy 7%**

**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 25%**

**5.1 Coverage forms**

- HO-2 through HO-6

**6.0 Auto Insurance 26%**

**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)  
Disclosure of automobile liability insurance policy limits (38a-335a)

## **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  
(PP

13 45)

## **7.0 Other Coverages and Options 7%**

### **7.1 Personal umbrella policy**

### **7.2 National Flood Insurance**

**Program** "Write your own" versus  
government Eligibility

Coverage

Limits

Deductibles

### **7.3 Other policies**

Boatowners