

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 Insurance Series 18-19

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

1.0 Insurance Regulation 8%

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 7%

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/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel

3.0 Property Insurance Basics 20%

3.1 Principles and concepts

Insurable interest
Underwriting
Function

Loss ratio

Rates Types Loss costs
Components
Hazards Physical Moral
Morale
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
Policy limits Restoration/nonreduction of limits Coinsurance
Vacancy or unoccupancy Named insured provisions Duties after loss
Assignment
Abandonment Insurer provisions Liberalization
Subrogation
Salvage
Claim settlement options
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-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)

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 21%

- 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 Perils insured against**
- 5.5 Exclusions**
- 5.6 Conditions**
- 5.7 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)

6.0 Commercial Package Policy (CPP) 15%

6.1 Components of a commercial policy

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

6.2 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)

6.3 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

6.4 Equipment breakdown ('13)

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

6.5 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
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

7.0 Businessowners ('13) Policy 13%

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property

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

7.3 Businessowners Section III — Common Policy

Conditions

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 and Options 9%

8.1 National Flood Insurance

Program "Write your own" versus
government Eligibility
Coverage
Limits
Deductibles

8.2 Other policies

Boatowners
Difference in conditions