

Your Exam Content Outline

The following outline describes the content of one of the Nebraska 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

Nebraska Producer's Examination for Casualty Insurance Series 13-23

100 questions - 2-hour time limit
Effective Date: January 27, 2020

1.0 Insurance Regulation 12%

1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
 - Producers (44-4049, 4054)
 - Consultants (44-2606-2635)
 - Resident versus nonresident (44-2625, 4055, 4063)
 - Temporary (44-4058)
- Maintenance and duration
 - Renewal (44-4054)
 - Name or address change (44-4054(8))
 - Reporting of actions (44-4065)
 - Assumed names (44-4057)
- Continuing education requirements including ethics education (44-3901-3908)
- Disciplinary actions
 - Right to hearing (44-4059(2))
 - Suspension, revocation or refusal to issue or renew (44-2633, 4059)
 - Fines (44-2634, 4059(4))
 - Cease and desist order (44-1529, 1542)

1.2 State regulation

- Director's general duties and powers (44-101.01, 2635)
- Company regulation
 - Certificate of authority (44-303)
 - Capital and surplus requirements (44-214, 305)
 - Unfair claims settlement practices (44-1539, 1540)
 - Examination of books and records (44-1527, 5904)
 - Appointment (44-4061)
 - Termination of appointment (44-4062)

- Unfair trade practices complaint register (44-1525(9); Reg Ch 21)
- Producer regulation
 - Sharing commissions (44-4060)
 - Controlled business (44-361.01, .02)
 - Prohibited fees or charges (44-354)
 - Records retention (44-5905)
- Unfair trade practices
 - Misrepresentation (44-1525(1))
 - False advertising (44-1525(2))
 - Defamation of insurer (44-1525(3))
 - Boycott, coercion or intimidation (44-1525(4))
 - Unfair discrimination (44-1525(7))
 - Rebating (44-361, 1525(8))
- Insurance Fraud Act (44-6601-6608)
- Privacy of Insurance Consumer Information Act (44-901-925)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements

2.0 General Insurance 12%

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
 - Lloyd's associations

- Risk retention groups
- Surplus lines
- 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 licensees
 - 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 Property and Casualty Insurance Basics 14%

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

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
 - Combined single
- Named insured provisions
 - Duties after loss
 - Assignment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Duty to defend

3.4 Nebraska laws, regulations and required provisions

- Nebraska Valued Policy Law (44-501.02)
- Nebraska Property and Liability Insurance Guaranty Association (44-2401-2418)
- Cancellation and nonrenewal (44-522)
- Concealment, misrepresentation or fraud (44-358; 44-6601-6608; RL 28-631)
- Rate and Form Act (44-7501-7535)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

4.0 Homeowners ('11) Policy 14%

4.1 Coverage forms

- HO-2 through HO-6

4.2 Definitions

4.3 Section II — Liability coverages

Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Nebraska (HO 01 26)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Permitted incidental occupancies — residence premises (HO 04 42)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)

5.0 Auto Insurance 15%

5.1 Laws

Nebraska Motor Vehicle Safety Responsibility Act (RL 60-501-569)
Required limits of liability (RL 60-501(10), 534)
Required proof of financial responsibility (RL 60-346)
Nebraska Automobile Insurance Plan
Uninsured/underinsured motorist (44-6401-6414)
Definitions
Bodily injury
Required limits
Cancellation/nonrenewal
Grounds (44-515)
Notice (44-516-519, 523; RL 60-544)
Notice of eligibility in assigned risk plan (44-520)
After-market parts regulation (Reg Title 210 Chapter 45)

5.2 Personal auto ('05)

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 expense
Exclusions
Duties after an accident or loss
General provisions
Selected endorsements

Amendment of policy provisions — Nebraska (PP 01 85)
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 (PP 03 34)

5.3 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
Trailer interchange coverage
Physical damage coverage
Exclusions
Conditions
Definitions
Selected endorsements
Lessor — additional insured and loss payee (CA 20 01)
Mobile equipment (CA 20 15)
Broad form products coverage (CA 25 01)
Auto medical payments coverage (CA 99 03)
Drive other car coverage (CA 99 10)
Individual named insured (CA 99 17)
Pollution liability — broadened coverage (CA 99 48; CA 99 55)
Commercial carrier regulations
The Motor Carrier Act of 1980
Endorsement for motor carrier policies of insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP) 10%

6.1 Components of a commercial policy

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

6.2 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
Premises and operations
Products and completed operations
Insured contract

6.3 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 coverages
Extortion — commercial entities (CR
04 03)
Guests' property (CR 04 11)

6.4 Farm coverage

Farm liability coverage forms ('06)
Coverage H — Bodily injury and
property damage liability
Coverage I — Personal and
advertising injury liability
Coverage J — Medical payments
Definitions
Conditions
Exclusions
Limits
Additional coverages

7.0 Businessowners ('13) Policy 10%

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

Coverages
Exclusions
Who is an insured
Limits of insurance
General conditions
Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsement

Hired auto and non-owned auto liability
(BP 04 04)

8.0 Workers Compensation Insurance 9%

8.1 Workers compensation laws

Types of laws
Monopolistic versus competitive
Compulsory versus elective
Nebraska Workers' Compensation Act
Exclusive remedy (RL 48-111)
Employment covered (required,
voluntary) (RL 48-106, 114, 115)
Covered injuries (RL 48-101, 102,
127, 151(2)(4-8))
Occupational disease (RL 48-151(3))
Benefits provided (RL 48-119-126,
162.01)
Workers' Compensation Trust Fund
(RL 48-128, 162.02)
Federal workers compensation laws
Federal Employers Liability Act
(FELA) (45 USC 51-60)
U.S. Longshore and Harbor Workers'
Compensation Act (33 USC 901-
944, 948-950)
The Jones Act (46 USC 688)

8.2 Workers compensation and employers liability insurance policy

General sections
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 endorsement
Voluntary compensation

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverage

Nebraska Workers' Compensation Plan
(RL 44-3,158)
Self-insured employers and employer
groups (RL 48-144.02(2), 48-145)

9.0 Other Coverages and Options 4%

9.1 Umbrella/excess liability policies

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

9.2 Specialty liability insurance

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

9.3 Surplus lines

- Definitions and markets
- Licensing requirements

9.4 Surety bonds

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

9.5 Aviation insurance

- Aircraft liability

9.6 Ocean marine insurance

- Major coverages
- Protection and indemnity

9.7 Other policies

- Boatowners