

Public Adjuster
Series 20-23
50 scored questions (plus 10 unscored)
1.5-hour time limit

1.0 Insurance Regulation

30% (15 items)

1.1 Licensing (*Sec. 10-401(d)(1)(i); Sec. 10-401(d)(1)(iii); Sec. 27-209(2)(i); Sec. 27-213; Sec. 27-209(2)(i); Sec. 10-201; Sec.10-126; Ref: COMAR- Sec. 31.08.06.02*)

Purpose

Process

Definitions

Public Adjuster

Public adjusting

Catastrophic disaster

Business Entity

Solicitation

Negotiation

Types of licensees

Nonresidents

Resident Public Adjuster

Business entities

Exemptions

Maintenance

Duration and termination

Address and/or name changes

Assumed names

Requirement to report felony convictions

Requirement to report crimes of moral turpitude

Requirement to report any criminal offense involving dishonesty or breach of trust

Requirement to report other states actions

License renewal

General requirements/Financial Responsibility

Continuing Education

1.2 State regulation

Maryland Insurance Administration's general duties and powers

General powers

Rules and regulations, orders

Investigations

Penalties

Termination, suspension, or revocation

Hearings and judicial review

Insurer regulation

Public Adjuster Practices, Responsibilities and Duties

Unfair claims settlement practices (*Code-Sec. Sec. 19-107(a)(2); Sec. 27-303; Sec. 27-305(c)(2); Sec. 27-213, 212, 27-501*)

State Specific

Producer regulation

Examinations

Refusal to issue a license; hearing; new application

Other Requirements

Fees

Written Contracts

Standards of conduct

- Record retention
- Requirement to report to the Maryland Insurance Administration
- Information security program
- Escrow or trust accounts
- Unfair trade practices
 - Misrepresentation
 - False advertising
 - Defamation
 - Boycott, coercion and intimidation
 - Unfair discrimination
 - Unfair settlement practices
 - Blank forms
- Examination of books and records

2.0 Insurance Basics

18% (9 items)

2.1 Insurance policy 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
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Proximate cause
 - 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 special (open) perils
 - Direct loss
 - Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
 - Actual cash value
 - Broad Evidence Rule
 - Replacement cost
 - Market value

- Agreed value
 - Stated amount
 - Valued policy
- Liability
- Appraisal Clause
- Robbery
- Burglary
- Apportionment Clause
- Inflation Guard
- 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
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Negligence
- Binder
- Vacancy or unoccupancy
- Assignment
- Liberalization
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to Bailee

3.0 Adjusting Losses

12% (6 items)

3.1 Role of the adjuster

- Duties and responsibilities
- Relationship to the legal profession

3.2 Property losses

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

Salvage
Claim settlement options
Payment and discharge

4.0 Dwelling Policy

10% (5 items)

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
Dwelling Fire and Contents Forms
DP-1 Basic
DP-2 Broad
DP-3 Special

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions
Automatic increase in insurance
Dwelling under construction

5.0 Homeowners Policy

10% (5 items)

5.1 Coverage forms

HO-3 Special
HO-4 Tenants
HO-5 Comprehensive
HO-6 Condominium Unit-Owners

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
Permitted incidental occupancies
Earthquake
Scheduled personal property
Limited fungi, wet or dry rot, or bacteria coverage
Personal property replacement cost

6.0 Commercial Package Policy (CPP)

4% (2 items)

6.1 Components of a commercial policy

Common policy declarations
Common policy conditions

Interline endorsements
One or more coverage parts

6.2 Boiler & Machinery

Equipment breakdown protection coverage form
Selected endorsements

6.2 Commercial property

Commercial property conditions form

Coverage forms

Building and personal property
Condominium association
Condominium commercial unit-owners
Builders risk
Business income
Refrigeration Interruption Coverage
Refrigeration Interruption - Report of Values
Turbine Units Explosion Coverage
Pressure or Vacuum Equipment
Production Machinery Exclusion
Legal liability
Extra expense

Causes of loss forms

Basic
Broad
Special

Selected endorsements

Ordinance or law coverage
Spoilage coverage
Peak season limit of insurance
Value reporting form

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

7.0 Businessowners Policy

4% (2 items)

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
- Utility services — direct damage
- Utility services — time element

7.5 Commercial and Special Multi-Peril

7.6 Standard Fire Policy

8.0 Other Coverages

12% (6 items)

8.1 National Flood Insurance Program

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

8.2 Inland marine

- Definitions
- Policies
- F.O.B.
- Personal Articles floaters
- Nationwide Definition

8.3 Ocean Marine

8.4 Other policies

- Difference in conditions
- Earthquake
- Mobile Homes
- Watercraft
- Farm Owners

8.5 Additional Coverages and Exclusions

- Business Interruption
- Time Element
- Law and Ordinance exclusion
- Law and Ordinance coverage
- Water backup through sewers and drains exclusion
- Water backup through sewers and drains coverage
- Valuable Papers and Records
- Vandalism and Malicious Mischief