

Casualty Producer
Series 20-26
80 scored questions (plus 10 unscored)
1-hour 45-minute time limit

1.0 Insurance Regulation

38% (30 items)

1.1 Licensing

Purpose

Process (*Insurance Article Annotated Code- Sec. 10-115; Sec.10-116; Sec. 10-104*)

Initial Licensure Qualifications

Examination

License fee & application

Exemptions to Licensure

Types of licensees

Producers

Business entity producers

Nonresident producers

Temporary

Advisers

Public insurance adjusters

Limited Lines Producer

Portable Electronics Insurance Limited Lines license

Maintenance and duration (*Insurance Article Annotated Code- Sec. 10-116; Sec. 10-117(b)(1)*)

Reinstatement and renewal

Address change

Reporting of actions

Assumed names

Continuing education requirements, exemptions and penalties

Disciplinary actions

Cease and desist order

Hearings

Probation, suspension, revocation, refusal to issue or renew

Penalties and fines

1.2 State regulation

Commissioner's general duties and powers (*Insurance Article Annotated Code-Sec. 2-205 (a)(2)*)

State Specific Definitions (*Insurance Article Annotated Code- Sec. 10-401; Sec. 27-209; Sec. 27-213; Sec. 10-201; Sec 10-126; Ref: COMAR Sec. 31.08.06.02*)

Company regulation

Certificate of authority

Solvency

Rates

Policy forms

Examination of books and records

Producer appointments

Producer's Contract with Insurer versus Producer's Appointment with Insurer

Producer's Individual Appointment versus Business Entity Appointment

Maintaining Record of Appointment Notice

Termination of producer appointment

Producer regulation (*Insurance Article Annotated Code-Sec. 27-212(d)*)

- Examination of Books and Records
- Insurance Information and Privacy Protection
- Fiduciary Responsibilities (*COMAR- Sec. 31.03.03*)
- Bail Bond (*COMAR- Sec. 31.03.05.02(B)(1); Sec. 31.03.05.05*)
- Acting for Unlicensed Insurer
- Record Retention
- Activities of Unlicensed Individual
- Payment and sharing of Commissions
- Charging of fees
- Responsibility for Trust Accounts
- Complaint Record
- Binders (*Insurance Article Annotated Code- Sec. 12-106*)
- Solvency
- Rates and Forms (*Insurance Article Annotated Code -Title 11, Subtitle. 3.Competitive Rating --Rates; Title 11, Subtitle 2. Prior Approval of Policy Forms--Section 11-206(a) on Policy forms*)
- Impersonation
- Larceny
- Unlicensed persons compensation
- Unfair or deceptive insurance practices (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Misrepresentation
 - False advertising
 - Defamation of insurer
 - Boycott, coercion and intimidation
 - False financial statements
 - Failure to maintain complaint record
 - Unfair discrimination (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Unfair claims settlement practices
 - Rebating
- Insurance fraud regulation
- Insurance Information and Privacy Protection
- Competitive Rating
- 1.3 Federal regulation**
 - Fair Credit Reporting Act (*15 USC 1681–1681d; Insurance Article Annotated Code- Sec. 27-501*)
 - Fraud and false statements including 1033 waiver (*18 USC 1033, 1034*)
- 1.4 Maryland laws, regulations and required provisions**
 - Maryland Insurers Insolvency Fund
 - Cancellation and nonrenewal (*Insurance Article Annotated Code- Sec. 27-609*)
 - Concealment, misrepresentation or fraud
 - Appraisal
 - Federal Terrorism Insurance Program
- 1.5 Maryland auto insurance policy**
 - State Auto Insurance Laws & Regulations
 - State Required Limits of Liability (*Insurance Article Annotated Code- Sec. 19-512; Sec. 19-504.1(3)(ii); Sec. 19-106; Sec. 17-103*)
 - Uninsured/Underinsured Motorist (*Insurance Article Annotated Code- Sec. 19-509; COMAR- Sec. 31.15.10.03*)
 - Definitions
 - Compulsory coverage
 - Bodily injury to others
 - Personal injury protection (*Insurance Article Annotated Code- Sec. 19-505; Sec. 19-506; COMAR-Sec. 31.15.07.05*)
 - Benefits/waivers

- Exclusions
 - Damage to someone else's property
 - Uninsured/underinsured motorist (*Insurance Article Annotated Code- Sec. 19-509; COMAR- Sec. 31.15.10.03*)
 - Coverage for damage to your auto
 - Medical payments
 - Collision
 - Limited collision
 - Comprehensive
 - Deductibles
 - Substitute transportation
 - Towing and labor
 - General provisions
 - Duties after an accident or loss
 - Selected endorsements
 - Use of other autos — vehicles furnished or available for regular use
 - Coverage for anyone renting an auto to you additional insured — lessor
 - Named Driver Exclusion
 - Maryland Automobile Insurance Fund (MAIF) (*Insurance Article Annotated Code- Sec. 20-501(b); Sec. 20-502; Sec. 20-509(e-1)(ii); Sec. 20-201; Sec. 20-511*)
 - Mobile home
 - Waiver of deductible

1.6 Workers compensation laws

- Types of laws
 - Monopolistic versus competitive
 - Compulsory versus elective
- Maryland Workers Compensation Act (*Glossary of Insurance Terms; Insurance Article Annotated Code- Sec. 19-402; Sec. 27-601; Sec. 19-404; Sec. 19-406; Sec. 25-301; Sec. 19-405; Sec. 9-209; Sec. 9-201; Sec. 9-506*)
 - Employer's Liability
 - Covered Employees
 - Exclusive remedy
 - Employment covered (required, voluntary)
 - Covered injuries
 - Occupational disease
 - Benefits provided
 - Subsequent injury fund
 - Large deductible programs
 - Subrogation
- 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 30104*)

2.0 General Insurance

9% (7 items)

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
 - Risk retention and risk purchasing groups
 - Self-insurance groups
 - Surplus Lines Carriers
 - Purchasing 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**
 - Types
 - Captive
 - Independent
 - Insurer as principal
 - Producer/insurer relationship
 - Authority and powers of producers
 - 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 Casualty Insurance Basics

19% (15 items)

3.1 Principles and concepts

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

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 share
 - Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Restoration - Non-Reduction of Limits
- 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
- Subrogation
- Arbitration/Mediation

4.0 Homeowners Policy

4% (3 items)

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 — Maryland
- Limited fungi, wet or dry rot, or bacteria coverage
- Permitted incidental occupancies — residence premises
- Home day care
- Tenants relocation expense — Maryland
- Lead poisoning exclusion — Maryland
- Coverage for lead poisoning — Maryland
- Business pursuits
- Watercraft
- Personal injury

5.0 Auto Insurance

11% (9 items)

5.1 Laws

- Maryland Compulsory Motor Vehicle Liability Insurance
 - Required limits of liability
 - Required proof of insurance
- Maryland Assigned Risk Plan
- Personal injury protection
 - Medical
 - Loss of income/Lost wages
 - Death
 - Funeral
 - Replacement services
- Uninsured/underinsured motorist
 - Definitions
 - Bodily injury
 - Required limits
- Cancellation/nonrenewal
 - Grounds
 - Notice
 - Notice of eligibility in assigned risk plan

Aftermarket parts regulation
Regulation of rates for motor vehicle insurance
Private passenger motor vehicle insurance rates

5.2 Personal Auto Policy

Definitions
Liability
Cancellation/Non-Renewal/Renewal
 Grounds
 Notice
 Bodily injury and property damage
 Supplementary payments
 Exclusions
Medical Payments
Physical Damage
 Collision
 Other than collision
 Deductibles
 Transportation expenses
 Exclusions
Protection Against Uninsured/Underinsured Motorists
General Provisions
Conditions
Duties After an Accident or Loss
Endorsements
 Towing and labor costs
 Miscellaneous type vehicle
 Joint ownership coverage

5.3 Commercial auto

Commercial auto coverage forms
 Business auto
 Policy Definitions
 Policy Period and Territory
 PIP Coverage
 Medical Payments
 Protection Against Uninsured/Underinsured Motorists
 Garage
 Truckers
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)
 Individual named insured
 Endorsement for motor carrier policies of insurance for public liability
 Mobile equipment
 Lessor — additional insured and loss payee — Maryland
 Drive other car coverage
Commercial carrier regulation
 The Motor Carrier Act of 1980
 Endorsement for motor carrier policies of insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP)

9% (7 items)

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

- 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
 - Trigger
 - Retroactive date
 - Extended reporting periods — basic versus supplemental
 - Claim information
- Defense within limits versus open limits
- Premises and operations
- Products and completed operations
- Insured Contracts
- Selected endorsement
 - Limited fungi or bacteria coverage

6.3 Commercial crime

- 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
 - Kidnap/ransom and extortion
 - Extortion — commercial entities
 - Lessees of safe deposit boxes
 - Securities deposited with others
 - Guests' property
 - Safe depository

6.4 Farm coverage

- Farm liability coverage form

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 Policy **4% (3 items)**

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 endorsements

Hired auto and non-owned auto liability

8.0 Workers Compensation Insurance **4% (3 items)**

8.1 General Requirements

Employer's Liability
Covered Employees
Benefits Provided
Policy Structure
Covered states
Other states coverage
Deductibles

8.2 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 endorsement
Voluntary compensation

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverage

Assigned risk plan
Self-insured employers and employer groups
Maryland Workers' Compensation Trust Fund

9.0 Other Coverages and Options **4% (3 items)**

9.1 Umbrella/excess liability policies

Personal
Commercial
Coverages

- Underlying Coverages
- Self-Insured Retention
- 9.2 Specialty liability insurance**
 - Errors and omissions
 - Professional liability
 - Directors and officers liability
 - Fiduciary liability
 - Liquor liability
 - Employment practices liability
 - Employee benefits liability
- 9.3 Surplus lines**
 - Definitions and markets
 - Licensing requirements
- 9.4 Surety bonds**
 - Principal, obligee, surety
 - Purpose and Type of Surety Bonds
 - Contract
 - Court
 - Public Official
 - Miscellaneous
 - License and permit
 - Judicial
- 9.5 Aviation insurance**
 - Aircraft liability
- 9.6 Ocean marine insurance**
 - Protection and indemnity
- 9.7 Other policies**
 - Boatowners
 - Personal watercraft
 - Recreational vehicles
- 9.8 Residual markets**
 - Joint Underwriting Association — Liquor Liability