

**Adviser Property and Casualty
Series 20-33
50 scored questions (plus 10 unscored)
1.5-hour time limit**

1.0 Insurance Regulation

30% (15 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

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

Requirement to report felony convictions

Renewal

Continuing education requirements, exemptions and penalties

Duration and Termination

Disciplinary actions

Cease and desist order

Hearings

Probation, suspension, revocation, refusal to issue or renew

Penalties and fines

Fraud

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*)

Insurer Regulation (*Insurance Article Annotated Code-Sec. 10-118;
COMAR- Sec. 31.15.12.03(B)*)

Insurance Information and Privacy Protection

Cancellation & Non-Renewal

Personal

Commercial

Notice of Renewal Premium

Certificate of authority

Binders

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
 - Misrepresentation, twisting, and rebating
 - Responsibility for Trust Accounts
 - Impersonation
 - Larceny
 - Unlicensed persons compensation
- Premium Finance Companies/Agreements
- 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**
 - Property and Casualty Insurance Guaranty Corporation
 - Surplus Lines
 - Homeowners Coverage
 - Water backup from sewers and drains
 - Cancellation and nonrenewal (175:99, 187C, 187D, 193P)
 - Lead Liability
 - Maryland Insurers Insolvency Fund
 - Cancellation and nonrenewal (*Insurance Article Annotated Code- Sec. 27-609*)
 - Concealment, misrepresentation or fraud
 - Appraisal
 - Federal Terrorism Insurance Program
 - Joint Insurance Association (JIA)
 - Fair Credit Reporting Act

Flood Insurance

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*)

2.0 General Insurance

6% (3 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
- Surplus Lines Carriers
- Self-insurance groups

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 Property and Casualty Insurance Basics

14% (7 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
- Negligence
 - Elements of a negligent act
 - Defenses against negligence
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
- Consequential or indirect loss
- Blanket versus specific insurance
- Basic types of construction
- Coinsurance
- Loss valuation
 - Actual cash value
 - Replacement cost
 - Functional replacement cost
 - Guaranteed Replacement Cost
 - Market value
 - Agreed value
 - Stated amount
 - Valued policy
- 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
- Lienholders
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata share
 - Contribution by equal shares
- Policy limits
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Appraisal
 - Subrogation
 - Salvage
 - Claim settlement options
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

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

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

- Special provisions — Maryland
- Automatic increase in insurance
- Broad theft coverage
- Dwelling under construction

4.7 Personal liability supplement

5.0 Homeowners Policy

10% (5 items)

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 Section II — Liability coverages

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

5.5 Perils insured against

5.6 Additional Coverages

- Debris Removal
- Trees, Shrubs, and Other Plants
- Fire Department Service Charge
- Property Removed
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money
- Loss Assessment
- Glass or Safety Glazing Material
- Landlord's Furnishings
- Building Additions and Alterations
- First Aid Expenses
- Damage to Property of Others

5.7 Exclusions

- Lead paint liability abatement

5.8 Conditions

5.9 Selected endorsements

- Special provisions — Maryland
- Business Pursuits
- Limited fungi, wet or dry rot, or bacteria coverage
- Permitted incidental occupancies — residence premises
- Earthquake
- Identity fraud expense
- Scheduled personal property
- Personal property replacement cost
- Home day care
- Valuable Papers
- Computers
- Watercraft
- Tenants relocation expense — Maryland
- Lead poisoning exclusion — Maryland
- Coverage for lead poisoning — Maryland
- Business pursuits

Personal injury

6.0 Auto Insurance

6% (3 items)

6.1 Maryland auto insurance policy

Definitions

Coverage for damage to your auto

Collision

Limited collision

Comprehensive

Deductibles

Substitute transportation

Towing and labor

Bodily injury coverage

Personal Injury Protection

Liability/damage to someone else's property

General provisions

Duties after an accident or loss

Selected endorsements

Maryland mandatory endorsement

Mobile home

Waiver of deductible

6.2 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

Individual named insured

Mobile equipment

Lessor — additional insured and loss payee — Maryland

Drive other car coverage

Commercial carrier regulation

Endorsement for motor carrier policies of insurance for public liability

6.3 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

7.0 Commercial Package Policy (CPP)

4% (2 items)

7.1 Components of a commercial policy

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

7.2 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

7.3 Commercial property

- 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
- Earthquake
- Selected endorsements
 - Ordinance or law
 - Spoilage
 - Peak season limit of insurance
 - Protective Safeguards
 - Value reporting form
- 7.4 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
- 7.5 Boiler and Machinery**
 - Equipment breakdown
 - Equipment breakdown protection coverage form
 - Selected endorsement
 - Actual cash value
- 7.6 Farm coverage**
 - Farm property coverage form
 - 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
 - Coverage H — Bodily injury and property damage liability
 - Coverage I — Personal and advertising injury liability
 - Coverage J — Medical payments
 - Mobile agricultural machinery and equipment coverage form
 - Livestock coverage form
 - Definitions
 - Cause of loss (basic, broad and special)
 - Conditions
 - Exclusions
 - Limits
 - Additional coverages
 - Farm liability coverage form
 - Definitions
 - Conditions

- Exclusions
- Limits
- Additional coverages

7.7 Commercial Crime

- General Definitions

- Burglary
 - Theft
 - Robbery

- Coverages

- Employee theft
 - Forgery or alteration
 - Inside the premises (theft of money or securities)
 - Inside the premises (robbery or safe burglary of other property)
 - Outside the premises (Theft, Disappearance, or Destruction)
 - Computer fraud
 - Funds transfer fraud
 - Money orders and counterfeit paper currency

- Other crime coverages

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

8.0 Businessowners Policy

6% (3 items)

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

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

8.3 Businessowners Section II — Liability

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

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

- Protective safeguards
- Utility services — direct damage
- Utility services — time element
- Hired auto and non-owned auto liability

9.0 Workers Compensation Insurance

6% (3 items)

9.1 General Requirements

- Employer's Liability
- Covered Employees
- Benefits Provided

- Policy Structure
 - Covered states
 - Other states coverage
- Deductibles

9.2 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

9.3 Premium computation

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts

9.4 Other sources of coverage

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

10.0 Other Coverages and Options

8% (4 items)

10.1 Umbrella/excess liability policies

- Personal
- Commercial
- Coverages
- Underlying Coverages
- Self-Insured Retention

10.2 Specialty liability insurance

- Errors and omissions
- Professional liability
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability
- Employee benefits liability

10.3 Surplus lines

- Definitions and markets
- Licensing requirements

10.4 Surety bonds

- Principal, obligee, surety
- Purpose and Type of Surety Bonds
 - Contract
 - Court
 - Public Official
 - Miscellaneous
 - License and permit
 - Judicial

10.5 Aviation insurance

- Aircraft hull
- Aircraft liability

10.6 Ocean marine insurance

- Protection and indemnity
- Major coverages

- Hull insurance
- Cargo insurance
- Freight insurance

- Perils

10.7 National Flood Insurance Program

- "Write your own" versus government

- Eligibility

- Coverages

- Limits

- Deductibles

10.8 Other policies

- Boatowners

- Personal watercraft

- Recreational vehicles

- Difference in conditions

10.9 Residual markets