

**Virginia Public Adjuster's Examination**  
**Series 11-08**  
**50 scored (5 pre-test) questions - 1-hour time limit**

**1.0 Insurance Regulation**

**7% (4 items)**

**1.1 Licensing**

Purpose

Process (38.2-1819)

Definitions

Public Adjuster (38.2-1845.1)

Public adjusting (38.2-1845.1)

Catastrophic disaster (38.2-1845.1)

Business Entity (38.2-1800.1)

Solicitation (38.2-1845.1)

Negotiation (38.2-1845.1)

Types of licensees

Nonresidents (38.2-1845)

Resident Public Adjuster (38.2-1845.2)

Business entities (38.2-1800.1(B), 1820, 1845.2(F))

Exemptions (38.2-1845.3)

Maintenance

Duration and termination (38.2-1825, 1845.17)

Address and/or name changes (38.2-1845.17(B))

Assumed names (38.2-1845.17(B))

Requirement to report felony convictions (38.2-1845.17(C))

Requirement to report crimes of moral turpitude, (38.2-1845.17(C))

Requirement to report any criminal offense involving dishonesty or breach of trust (38.2-1845.17(C))

Requirement to report other states actions (38.2-1826(C))

License renewal (38.2-1845.8)

General requirements/Financial Responsibility (38.2-1845.2(C) 3)

Continuing Education (38.2-1845.9)

**1.2 State regulation**

State Corporation Commission's general duties and powers (38.2-200)

General powers (38.2-200)

Rules and regulations, orders (38.2-223)

Investigations (38.2-515, 1317, 1845.22)

Penalties (38.2-218, 219)

Termination, suspension, or revocation (1845.11)

Hearings and judicial review (38.2-1845.11)

Insurer regulation

Unfair claims settlement practices (38.2-510)

Complaint record (38.2-511)

Agent regulation

Examinations (38.2-1845.4)

Refusal to issue a license; hearing; new application (38.2-1845.7)

Other Requirements

Fees (38.2-1845.14)

Written Contracts (38.2-1845.13)

Standards of conduct (38.2-1845.12)

Record retention (38.2-1845.15)

Requirement to report to the Commission (38.2-1845.17)

Information security program (38.2-1845.18)

Escrow or trust accounts (38.2-1845.16)

- Unfair trade practices
  - Misrepresentation (512)
  - False advertising (38.2-1845.23)
  - Defamation (38.2-504)
  - Boycott, coercion and intimidation (38.2-505)
  - Unfair discrimination (38.2-508)
  - Unfair settlement practices (38.2-517)
  - Blank forms (38.2-1804)
- Examination of books and records (38.2-515, 1845.22)
- Insurance information and privacy protection (38.2-600–620)

## **2.0 Insurance Basics**

**20% (10 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

### **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**

**25% (13 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

**3.3 Claims adjustment procedures**

- Subrogation procedures
- Alternative dispute resolution
  - Appraisal
  - Arbitration
  - Competitive estimates
  - Mediation

Negotiation

- 4.0 Dwelling Policy** **7% (4 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** **13% (6 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)** **10% (5 items)**
  - 6.1 Components of a commercial policy**
    - Common policy declarations
    - Common policy conditions
    - Interline endorsements
    - One or more coverage parts

## **6.2 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
- 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**

**13% (6 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

## **8.0 Other Coverages**

**5% (2 items)**

### **8.1 National Flood Insurance Program**

- "Write your own" versus government
- Eligibility

Coverage  
Limits  
Deductibles

**8.2 Inland marine**

Personal Articles floaters  
Nationwide Definition

**8.3 Other policies**

Difference in conditions  
Earthquake  
Mobile Homes  
Watercraft  
Farm Owners

**8.4 Additional Coverages and Exclusions**

Business Interruption  
Time Element  
Law and Ordinance exclusion  
Law and Ordinance coverage ( § 38.2-2124)  
Water backup through sewers and drains exclusion  
Water backup through sewers and drains coverage ( § 38.2-2120)  
Valuable Papers and Records  
Vandalism and Malicious Mischief