



# New Mexico

Office of Superintendent of Insurance

## Licensing Information Handbook

Effective as of April 29, 2022

**Register online at**

**<https://www.prometric.com/new-mexico/insurance>**

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**Providing License Examinations for the State of New Mexico**

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# Introduction

## A Message from the Department

This Handbook provides information about the examination and licensing process for individuals who wish to become licensed by The Office of Superintendent of Insurance ("OSI"). In addition to the information in this Handbook, you should also review the information on eligibility to hold a license on the OSI website: <https://www.osi.state.nm.us/>

The Handbook **does not** provide instructions pertaining to licensing business entities. For information about licensing a business entity, visit the Producer Licensing Bureau website at <https://www.osi.state.nm.us/>, e-mail the Producer Licensing Bureau at [agents.licensing@state.nm.us](mailto:agents.licensing@state.nm.us) or call the Producer Licensing Bureau at 505-827-4349

## At a Glance

This handbook provides information about the examination and licensing process for obtaining a resident insurance license. You should read this Licensing Handbook, including the examination content outlines, prior to taking an exam. If you are interested in applying for a nonresident license, you can apply online via NIPR at <http://www.nipr.com/>

### Overview of Licensing Process

 Follow these main steps if you are interested in obtaining an insurance license.

- 1 Read the information** on the Department's website for the type of license you desire to make sure you meet all of the requirements.  
<https://www.osi.state.nm.us/>
- 2 Review this handbook** to determine which exam(s) you need to pass, if any, for the type(s) of license you require. Prepare for your exam, using this bulletin and materials from other sources. The content outlines at the back of this guide are the basis for the exams.
- 3 Register and schedule** your exam. The easiest way to schedule is online at <https://www.prometric.com/new-mexico/insurance> . At this time to schedule any ProProctor exams you must call 800.868.6113 between 8 a.m. and 9 p.m. Eastern time Monday through Friday.
- 4 Bring the required identification** to the test center and take the exam(s). You will receive your results immediately after the exam.
- 5 You must pass your exam then** apply for your license at <http://www.nipr.com/>
- 6 If you do NOT pass the exam**, repeat steps 2 through 4. **PLEASE NOTE:** OSI permits a maximum of 4 attempts to pass an exam. If you do not pass an exam after 4 attempts, you must wait six-months after failing the fourth attempt before you are eligible to take that exam again.

**Note** Passing an exam does not guarantee that you will receive a license. If you take an exam unnecessarily or are found unqualified, neither the exam fee nor the license application fee will be refunded.

### To get answers not provided in this handbook

**Visit our Website:**

<https://www.prometric.com/new-mexico/insurance>

**Direct licensing-related questions to:**

**Office of Superintendent of Insurance**

Phone: 505-827-4349

E-mail: [agents.licensing@state.nm.us](mailto:agents.licensing@state.nm.us)

Website: <https://www.osi.state.nm.us/>

**Direct questions and requests for information about exams to:**

**Prometric**

7941 Corporate Drive

Nottingham, MD 21236

Phone: 800-813-6737

TDD User: 800.790.3926

Website: <https://www.prometric.com/new-mexico/insurance>

# New Mexico Licensing Requirements

New Mexico Insurance Code and New Mexico Administrative Code set forth the requirements for licensees, insurers and insurance products in the State of New Mexico. The New Mexico legislature may amend the statutes and the Office of Superintendent of Insurance may promulgate changes to administrative code or policies as necessary. Licensees must remain aware of changes in law, code and Department policies that affect their activities.

- For NM statutes select "Statutes & Rulemaking" from the "OSI" menu option on the OSI website at [www.osi.state.nm.us](http://www.osi.state.nm.us).
- For NM Administrative Code select "Statutes & Rulemaking" from the "OSI" menu option on the OSI website at [www.osi.state.nm.us](http://www.osi.state.nm.us)
- To receive Department regulatory bulletins and press releases, register online at <https://www.osi.state.nm.us/OSISubscription.aspx>.

## Types of Licenses

The Department grants licenses specifying one or more lines of license authority. Each license is only valid for the lines of license authority shown on the license.

Exam requirements do not apply to business entity licenses and they do not apply to most nonresidents. Most residents and some nonresident adjusters must complete exams as shown in the following table. Obtain additional license requirements from the Producer page of the Producer Licensing Bureau website (<https://www.osi.state.nm.us/>).

License Line	Exam Series
Life Insurance Producer	1825
Accident and Health or Sickness Insurance Producer	1826
Life, Accident and Health or Sickness Insurance Producer	1827
Property Insurance Producer	1828
Casualty Insurance Producer	1829
Property, and Casualty Insurance Producer	1831
Title	1833
Bail	1834
Personal Lines Insurance Producer	1838
Public Adjuster	1839
Independent or Staff Adjuster	1840
Vida	1842
Accidente y Salud o Enfermedad	1843
Vida, Accidente y Salud o Enfermedad	1841
Propiedad	1845
Siniestros	1846
Propiedad y Siniestros	1844
Seguros de Títulos	1850
Seguros de Fianza	1851
Lineas Personales	1847
Ajustador Publico	1848

Ajustador de Compania o Independiente	1849
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Consult the Producer page of the OSI Website (<https://www.osi.state.nm.us/>) for detailed application requirements.

### ***Moving to New Mexico***

If you hold a resident insurance license in another state and **are relocating to New Mexico**, you can request an exam waiver. To qualify for a license based on the Insurance Exam Waiver, an applicant must meet all of the following requirements:

- Become a resident of New Mexico
- Has held a valid resident license with the equivalent line(s) of authority prior to applying for a New Mexico license
- Submit a written request detailing the state where licensed, what exam was taken and when the licenses was issued
- Submit the license application and pay the appropriate fees within 90 days of becoming a resident of New Mexico
- Submit a copy of the fingerprint receipt. See Fingerprint Requirements

Please note that requirements are subject to change. Please contact OSI directly at 505-827-4349 for specific information that may apply at the time of your relocation.

### ***Nonresident Applicants Fees***

If you are seeking a **nonresident license**, please visit the NIPR website at <http://www.nipr.com/> for more information.

The following fees may apply to your license application:

- **Examination fee** charged by Prometric (\$75) for all exams – see the Exam Registration Form.
- **License fee**, paid to OSI with your license application, consisting of one or more of the following:

Prometric accepts payment by MasterCard, Visa, American Express, money order, company check, and cashier’s check. **Personal checks and cash are not accepted.** Prometric’s fees are not refundable or transferable.

OSI accepts payment by check or money order. If you apply online using a NIPR website, payment is accepted by credit card or electronic check. Please be aware that pursuant to NMSA 59A-6-1, the Department cannot refund or prorate fees.

**Note:** New Mexico license fees are subject to updates each biennial birth month. Obtain up-to-date fee information from the Producer Licensing Bureau website at <https://www.osi.state.nm.us/> or by contacting the Producer Licensing Bureau by email at [agents.licensing@state.nm.us](mailto:agents.licensing@state.nm.us), or by phone at 505-827-4349

# Scheduling Your Exam

## Exam Restrictions

**Note:** You will be eligible to take the exam up to four attempts to pass an exam for a line of authority. After the fourth unsuccessful attempt, you will be placed into a six month waiting period and not be able to retake the exam until the waiting period is over. NMSA 59A-11-6 (E)

New Mexico Office of Superintendent of Insurance and Prometric are pleased to announce the ability to schedule your New Mexico Insurance exams in two ways either in a physical test center or in a remotely proctored testing locations using Prometric's ProProctor application. **You may take the exam at any Prometric test center in the United States or in a remotely proctored location.**

**\*ProProctor** – ProProctor gives you greater flexibility to choose where to test, when to test and how to test. It is a reliable, convenient – yet secure – testing experience.

## Register and Schedule

For a ProProctor exam you must provide a computer (tablets prohibited) with a camera, microphone and an internet connection. To confirm your computer will allow you to test through ProProctor™ please perform a **system check** prior to scheduling your ProProctor exam.

You can reference our [User Guide](#) for additional technical and environmental requirements.

### ProProctor System Requirements

#### **Laptop/PC Power Source**

Please plug your device directly into a power source, unattached from a docking station.

#### **Screen Resolution**

1024 x 768 is the minimum resolution required

#### **Operating System**

Windows 7 or higher | MacOS 10.13 or higher

#### **Web Browser**

Current version of Google Chrome

#### **Internet Connection Speed**

0.5 mbps or greater

#### **Wi-Fi Connection**

Please position your device where you can receive the strongest signal. For the best experience, please use an ethernet cable to connect directly to the router.

## Online

### ***Register and schedule online—it saves time and it's easy!***

**You can easily register and schedule your exam online at any time using our Internet Registration Service by going to:**

1. <http://www.prometric.com/new-mexico/insurance>.
2. Click on **Create or Login to Your Account** to register. You can immediately schedule your exam once you create your account or log in later to schedule your exam.
3. If you choose to take your exam in a Test Center then click on **Schedule Test Center** and follow the prompts.
4. If you choose to take your exam in a Remotely Proctored location, then click on **Schedule Remote Proctor\*** and follow the prompts.

**Important Note:** Every candidate will need to create a new account, but those with existing profiles will need to use the Welcome email as a starting point. If a candidate creates a new profile without using that link, a duplicate profile will be created and could result in scheduling challenges.

#### **\*Remote Proctoring –**

ProProctor gives you greater flexibility to choose where to test, when to test and how to test. It is a reliable, convenient – yet secure – testing experience.

## By Fax or Mail

You may **fax** the completed Exam Registration Form found at the end of this handbook to Prometric to (877) 341-9469. You must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder's signature must be on the Form.

**OR**

You may **mail** the completed Exam Registration Form and the appropriate exam fee to the address on the form. When registering by mail, you may pay the exam fee by Visa, MasterCard or American Express, company check, cashier's check or money order. **Personal checks and cash are not accepted.** If paying by credit card, you must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder's signature must be on the Form.

## By Phone

If you are unable to schedule online, you may schedule the examination by calling (800) 813-6737 between 8 a.m. and 9 p.m. (Eastern Time), Monday through Friday, and between 10 a.m. and 3 p.m. (Eastern Time), Saturday and Sunday. Please have your exam information and credit card information for payment available.

### Reschedule and Cancellation

To reschedule your existing exam appointment, you must contact Prometric 48 hours prior to the exam appointment date in order to avoid a forfeiture of your examination fee. If you need to reschedule or confirm your appointment, please go to <https://www.prometric.com/new-mexico/insurance>.

After you cancel your exam, you must initiate a refund by going to <https://fs6.formsite.com/Prometric/form33/index.html> and completing the refund form. Completion of this form does not guarantee a refund.

Prometric will review refund requests and email decisions to you within 7-10 business days of receipt unless further research and/or documentation are required. Prometric reserves the right to request documentation to support any illness or emergency claim. Refund requests made via phone will not be accepted.

If you change or cancel your appointment without proper notice, you may forfeit your examination fee(s). Refund requests are reviewed on a case by case basis. There will be no refund for appointments that are cancelled less than 48 hours prior to scheduled exam without verification or documentation of illness or emergency.

### If Absent or Late for Your Appointment

If you miss your appointment, or arrive late and are not allowed to test, you will forfeit your exam fee(s).

**Holidays** Testing generally does not occur on federal holidays. Additional state holidays may be observed in the state where your schedule the exam appointment.

### Emergency Closings

Severe weather or an emergency could require canceling scheduled exams. If this occurs, Prometric will attempt to contact you by phone; however, you may check for testing site closures by checking our website at

<https://www.prometric.com/en-us/pages/siteclosure.aspx> or calling Prometric at (866) 370-3411. If the site is closed, the exam will be rescheduled without a rescheduling fee.

If a test center is open for testing and you choose not to appear for the appointment, you will forfeit the exam fees and must reschedule and pay another exam fee.

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## Testing Accommodations

**ADA Accommodation.** Reasonable testing accommodations are provided to allow candidates with documented disabilities recognized under the ADA an opportunity to demonstrate their skills and knowledge. Prometric makes every effort to provide reasonable testing accommodations that enable all test takers to take examinations. you require testing accommodations under the Americans with Disabilities Act (ADA), please complete and submit a Testing Accommodation Request Form online at <https://www.prometric.com/en-us/for-test-takers/prepare-for-test-day/pages/arrange-testing-accommodations.aspx>, or contact Prometric at (888) 226-9406 to obtain an Accommodation Request Form. Professional documentation of the disability must be submitted with the Accommodation Request Form to aid Prometric in determining the appropriate testing accommodations. Thirty days' advance notice is required for all testing arrangements. There is no additional charge for these accommodations.

**ESL Accommodation.** All examinations are given in English. If English is not your primary language, you may qualify for additional time for the test by requesting an ESL Authorization from Prometric. To request an ESL authorization, please submit:

- A personal letter requesting the authorization; and
- A letter from the English instructor or sponsoring company (on company letterhead), certifying that English is not your primary language.

Please fax documents to **800.347.9242** and allow **three (3) days** for processing. If your request is approved, Prometric may extend the time limit on your examination to time-and-one-half or 150% of the normal time limit. Prometric will inform you by mail whether your request for accommodation is approved. You should not schedule your exam until you have received the confirmation email. Exams scheduled before the ESL request has been approved will not include extra time.

## Test Centers

You may take the exam at any Prometric test center in the United States.

**Test center locations are subject to change. Be sure to verify the address of and directions to the test center before you leave for the exam. Go to <https://www.prometric.com/new-mexico/insurance> and click on "Check appointment availability" to confirm the address and get directions.**

### Test Centers most convenient in New Mexico include:

New Mexico Test Centers		
<b>Albuquerque, NM</b> 8801 Jefferson Street Building A Suite 101 Albuquerque, NM 87113	<b>Farmington, NM</b> 4601 College Blvd. Info Tech Bldg Room 7120 Farmington, NM 87402	
<b>Las Cruces, NM</b> 3291 Del Ray Blvd. Suite D Las Cruces, NM 88012	<b>Roswell, NM</b> 52 University Blvd. RM 210 Roswell, NM 88203	
<b>Santa Fe, NM</b> 720 St. Michael's Drive Suite #2A Santa Fe, NM 87505		
Additional Test Centers Near New Mexico		
<b>Odessa, TX</b> 4901 East University Mesa Bldg Room 1154 University of TX Prem Basin Odessa, TX 79762	<b>Lubbock, TX</b> 4601 South Loop 289 Suite 22 Lubbock, TX 79424	<b>El Paso, TX</b> 8550 Boeing Drive Suite 200 El Paso, TX 79925
<b>Colorado Springs, CO</b> 2790 N. Academy Blvd. Suite 317 Colorado Springs, CO 80917	<b>Tempe, AZ</b> 1275 West Washington Street Suite 110 Tempe, AZ 85281	<b>Phoenix, AZ</b> 1951 West Camelback Rd #120 Camel West Plaza Phoenix, AZ 85015

# Preparing for Your Exam

Being well prepared can help you pass the exam and save time and possibly money spent retaking it. This section offers:

- An overview of the exam content outlines.
- Information about study materials.
- An explanation of how to take a practice exam.

## Content Outlines Overview

The license exam for each type of license consists of questions that test knowledge of topical areas listed in the content outline for that exam. An overview of each exam content outline appears at the end of this handbook.

**Note:** Do not schedule the exam until you are familiar with all subject areas in the applicable content outline.

## Study Materials

OSI does not provide study materials, cannot recommend any supplier for study materials and does not evaluate the quality of any training course or study material. You are free to use the materials of your choice to prepare for the exam. Different publishers provide materials to assist you in preparing for insurance licensing exams. These materials take different approaches and you should choose one that meets your needs.

**Neither OSI nor Prometric reviews or approves these study materials.**

**General recommendations.** You may obtain recommendations for study materials and pre-licensing study courses from insurance companies, the company or agency you plan to work for, or local insurance and agents' associations.

### New Mexico statutes

You can also access New Mexico statutes and insurance regulations at <https://www.osi.state.nm.us/MiscPages/insrulemakingandstatutes.aspx>

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***Practice Exams***

To take a practice exam, select or copy link below to your browser:

<https://www.prometric.com/en-us/clients/insurance/Pages/practice-exam.aspx>

While practice exams contain general, non-state specific insurance questions, they are created in the same format and use the same question types as the actual licensure exams. Practice exams are designed to help you become familiar with the computer-based testing process.

During the practice exam, you will get immediate feedback to correct and incorrect responses as well as overall feedback at the end of the session just as you would during the actual exam. Practice exams are available for:

- (LIPA) Life Insurance Producer/Consultant Practice Exam in English only
- (HIPA) Health Insurance Producer/Consultant Practice Exam in English only
- (PIPA) Property & Casualty Insurance Producer Practice Exam in English only

There is **no cost** to take Prometric Practice Exams!

# Taking Your Exam

Knowing what to expect when taking the exam may help you prepare for it. This section contains:

- An overview of the testing process.
- Regulations that will be enforced at the testing center.
- Information about the types of questions on the exam.
- A guide to understanding the exam results.
- Information about appeals.

## The Testing Process

The exam will be administered by computer; you are not required to have any computer experience or typing skills to take the exam.

**Arrival.** You should arrive at least **30 minutes before** the scheduled exam appointment. This allows time for you to sign in and for staff to verify your identification and complete all security checks.

**Identification Required.** You must present one valid (non-expired) form of identification before taking the test. The identification document **must**:

- Be government-issued (e.g., driver's license, state-issued identification card, passport, or military identification card).
- Contain **both** a current photo and signature (if not you must present two identification cards: one with your photo and one with your signature).
- Exactly match the name used to register for the exam (including designations such as "Jr." and "III").

**Important** Failure to provide appropriate identification at the time of the exam is considered a missed appointment. As a result, you will be required to pay another **full examination fee** before making another appointment. If you cannot provide the identification listed above, contact Prometric **before** scheduling the appointment to arrange an alternative way to meet this requirement.

## Test Center Regulations

**Copyrighted Questions.** All test questions are the property of Prometric LLC and are protected by copyright. Federal law provides severe civil and criminal penalties for the unauthorized reproduction, distribution, or exhibition of copyrighted materials.

To ensure that all candidates are tested under similar conditions, the following regulations and procedures will be enforced at each test center. The Remote Proctor (RP) and/or Security Agent (SA) is authorized to dismiss you from the test session for a violation of any of the Testing Regulations, including exhibiting abusive behavior towards the RP or SA. If you are found to have violated any of the regulations during your exam, the RP is required to notify Prometric and your test sponsor.

- 1 All exams are continuously monitored by video and audio recording.
- 2 You must present valid (unexpired) and acceptable ID(s) in order to take your test. (See "Identification required" in the previous section).
- 3 Unauthorized personal items may not be accessible while testing. Such items include, but are not limited to: outerwear, hats, food, drinks, purses, bags or briefcases, notebooks, watches, cell phones, electronic devices, or wearable technology.
- 4 Eating, drinking, smoking, and chewing gum are prohibited during the exam.

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- 5** You will be required empty and turn all pockets inside-out and raise shirt sleeves above your wrists prior to starting your exam.
- 6** If you are wearing eyeglasses, you will be required to remove them for visual inspection to ensure they don't contain a recording device.
- 7** You must also show your ID to the Test Center Administrator (TCA) and go through the security checks after any break in testing.
- 8** You are **prohibited** from communicating, publishing, reproducing, or transmitting any part of your test, in any form or by any means, verbal or written, for any purpose.
- 9** Written notes, published materials and other testing aids are strictly prohibited.
- 10** Light clothing items removed for comfort such as sweaters, suit jackets, scarves, etc., must be hung on the examinee's chair, not placed in laps or on the workstation desktop. Outerwear such as heavy coats, parkas, rain coats, etc., is not permitted in the immediate testing area.
- 11** Changing location while testing, turning off lighting or audio, speaking to or receiving aid from other individuals is strictly prohibited.
- 12** You are not allowed to use any electronic device or phone during breaks.
- 13** Candidates are required to be professional, civil and respectful at all times while testing.

**Note** Failure to follow any of these security procedures may result in the disqualification of the examination. Prometric reserves the right to audio and videotape any examination session.

***Personal Items***

You are required to clear your testing area of personal items. Note the following:

- Electronic equipment—cameras, tape recorders, cell phones, PDAs, pagers, etc.—is not permitted in the testing area.
- Other personal items—briefcases, backpacks, etc.—are not permitted in the testing area.

***Misconduct or Disruptive Behavior***

Candidates who engage in any kind of misconduct or disruptive or offensive behavior may be dismissed from the examination. Examples are: giving or receiving help, sharing supplies, taking part in an act of impersonation, removing test materials or notes from the testing room, and/or using rude or offensive language and behavior that delays or interrupts testing.

**Please note:** Test center administrators are not allowed to answer any questions pertaining to the exam content. If you do not understand a question on the examination, you should answer the question to the best of your ability.

**Question Types**

The examination contains four-option multiple-choice questions. These questions are designed to be as clear and concise as possible while testing knowledge and comprehension of insurance concepts as well as the application of the insurance concepts. The design of the exam ensures that those who possess the required knowledge of the specific insurance line of authority being tested should perform well on the examination for which they prepared.

**Question Formats.**

Three different multiple-choice formats are used. Each format is shown in the following examples. An asterisk (\*) indicates the correct answer in each sample question.

Which one of the following is a type of health insurance policy designed to replace the wages of an insured that is unable to work due to an accident or sickness?

- \* 1. Disability Income Insurance Policy
- 2. Employer-Sponsored Group Major Medical Policy
- 3. Hospital Expense Insurance Policy
- 4. Special Risk Policy

**Format 1— Direct Question**

Benefits under workers' compensation insurance are payable:

- 1. For bodily injury that is accidental or intentional
- \* 2. Regardless of the liability of the employer
- 3. Unless safety rules are violated
- 4. Up to a maximum of 30 percent of weekly wages

**Format 2— Incomplete Sentence**

A life insurance policy may include provisions that do all of the following EXCEPT:

- 1. Restrict coverage if death is caused by suicide
- 2. Require evidence of insurability to reinstate coverage
- \* 3. Extend the contestable period beyond two years
- 4. Adjust proceeds if the insured's age is misstated on the application

**Format 3—All of the following except**

The examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions **will not** be counted for or against you in the final examination score.

**Experimental Questions**

You will be helping us help future test takers by completing 5 experimental test questions in your exam. We plan to use the experimental questions on future exams based on your performance.

The questions will:

- be randomly distributed within your test
- will not be counted in your final score
- time spent on the question will not be deducted from your test time

## ***Your Exam Results***

At the end of the exam, you will see a completion notice on screen. A copy of your score report will be emailed to the email address you provided at the time of scheduling. The report indicates the overall score and grade, including the numerical percentage of questions answered correctly and whether you passed or failed. To achieve a passing score on the examination, you must receive a 70% or higher on the examination.

The report also displays the correct percentage in each major section of the exam, as defined by the exam content outline. These section scores are shown to guide you, or your employer and/or trainer, about areas requiring additional preparation for retesting if you do not pass the exam. Even after you pass, you may want to focus on these areas as you begin to provide insurance products and services to the public.

**Duplicate score reports**, please use our electronic score report portal to download or print duplicate copies of your candidate score report when or as needed. Please visit <https://scorereports.prometric.com>. You will be required to enter the confirmation number of your exam and your last name to complete this task.

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## ***Appeals Process***

Our goal is to provide a quality exam and a pleasant testing experience for every candidate. If you would like to submit an appeal concerning examination content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal by visiting <http://www.prometric.com/contactus>.

Once the form has been submitted, you will receive an email response within 20 days indicating whether your appeal has been approved.

## Apply for Your License

Once you have passed your license exam, you can apply online at <http://www.nipr.com>. The Section must receive all required application materials, including the correct nonrefundable license fees, **within one year** after you pass the exam.

**NOTE: The Producer Licensing Bureau no longer accepts documents by fax.**

### ***Submit Your Application***

- You must submit **license applications** through the NIPR electronic licensing system (<http://www.nipr.com/>)
- If you answer "Yes" to a background question on the application, **submit your written statement accompanied by corresponding official court documents** (printouts from a court's web site are not acceptable):
  - as part of your NIPR electronic license application (using the Attachments Warehouse)

### **Business Name**

When conducting insurance business, New Mexico law requires that you use your legal business name.

## **New Mexico Office of the Superintendent of Insurance Application Review Process**

It is your responsibility to ensure that you have completed the license application and other supporting documents fully, properly and accurately. If your application is incomplete, the Department will reject the application, delaying the licensing decision.

After receiving your application, the Department has up to 10 days to determine whether it contains all required information and is therefore "administratively complete. These timeframes are the outer limits by which the Department must grant or deny a license application. The Department processes most license applications within 10 days. The Department is usually able to process applications submitted electronically faster than applications submitted on paper.

After reviewing your application, the Department will either issue or deny the license. If the Department denies your application, the Department will send you a notice that describes the denial reason and your appeal rights.

The Department may deny a license for any cause listed in NMSA § 59A-11-14. If your application contains inaccurate or untruthful responses, or material omissions, the Department may deny the license and prevent you from being licensed in the future. If the Department issues a license and later discovers that the application was incomplete or contained erroneous, untruthful or materially incomplete information, the Department may fine you or revoke your license.

### **License Expiration**

When the OSI issues a New Mexico insurance license to someone who does not already hold a license, the initial license term is between 13-24 months and will expire on the licensee birth month. Future renewals will be a full two-year term expiring on the last day of the licensee birth month.

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## ***Maintaining Your License***

Insurance professionals are responsible for complying with OSI insurance laws and rules, including but not limited to timely reporting changes of address and timely renewing insurance licenses.

### **NIPR: National Insurance Producer Registry**

You can use the NIPR's website, at <http://www.nipr.com/> to report changes of email, address and telephone information at no charge.

### **License Renewal**

An insurance professional may renew a license up to 90 days before the date the license expires. The licensee is solely responsible for renewing the license before its expiration. OSI may or may not remind the licensee of the need to renew a license.

You can use **NIPR** (<http://www.nipr.com/>) to renew your license online,

More detailed information on license renewals can be found on the Department's website at: [www.osi.state.nm.us](http://www.osi.state.nm.us)

### **Insurance Continuing Education**

The insurance continuing education requirements that you must satisfy depend upon the type of license you hold, when the license was issued and when the license expires. Specific requirements for each type of license can be found at: [www.osi.state.nm.us](http://www.osi.state.nm.us)

**Insurance continuing education applies to insurance producers**, adjusters, bail bond agents, solicitors and limited surety,

**Nonresidents who do not have an insurance continuing education requirement.** A nonresident would only be required to complete insurance continuing education if the resident state did not have a continuing education requirement or if New Mexico is the designated home state.

**Individuals who only hold a limited-line do not have an insurance continuing education requirement.**

**NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE**

**Long-term care training** an accident and health or sickness insurance producer (resident or nonresident) who wants to sell, solicit or negotiate long-term care insurance must complete eight hours of approved long-term care training (LTCT) A resident licensee can apply hours of LTCT toward satisfying New Mexico CE requirement. Nonresidents can satisfy the LTCT requirement if they completed substantially similar courses in another state.

# Exam Content Outlines

The following outlines give an overview of the content of each of the New Mexico insurance examinations. Each examination will include questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section of the examination.

For example, 10 percent means that 10 questions will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

An outline that includes more descriptive subsections for your exam is available online at [www.prometric.com/newmexico/insurance](http://www.prometric.com/newmexico/insurance).

**New Mexico Examination for Life Insurance Series 18-25**  
**100 questions – 2-hour time limit**  
**Effective April 30, 2019**

**1.0 Insurance Regulation 10%**

**1.1 Licensing**

- Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)
- Types of licensees (Reg 13.4.2.7, .11)
  - Insurance Producer (59A-12-2)
  - Brokers (59A-12-3)
  - Consultants (59A-11A-1-8)
  - Nonresident (59A-12-25) (59A-11-24)
  - Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)
- Maintenance and duration
  - Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)
  - Address change (59A-12-17) (59A-11-24)
  - Continuing education (59A-12-26; Reg 13.4.7.9, .12)
- Disciplinary actions
  - Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)
  - Cease and desist orders (59A-16-27)

**1.2 State regulation**

- Penalties and fines (59A-1-18, 59A-11-17, 21)
- Superintendent's general duties and powers (59A-2-8-10)
- Company regulation
  - Certificate of authority (59A-5-10)
  - Unfair claim settlement practices (59A-16-20)
  - Complaint record (59A-16-22)
  - Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)
  - Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)
- Insurance Producer regulation
  - Shared commissions (59A-12-24)
  - Fiduciary duties (59A-12-22)
  - Prohibited premiums or charges (59A-16-24)
- Unfair trade practices
  - Misrepresentation (59A-16-4, 23)
  - False advertising (59A-16-4, 5)
  - Twisting (59A-16-6)
  - Defamation (59A-16-10)
  - Unfair discrimination (59A-16-12, 13, 17(D))

- Rebating (59A-16-16-18)
- Boycott, coercion, or intimidation (59A-16-19)
- Examination of books and records (59A-4-3, 4)
- Insurance Fraud Act (59A-16C-1-16)
- Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)
- 1.3 Federal regulation**
  - Fair Credit Reporting Act (15 USC 1681-1681d)
  - Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 10% (10 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
  - Reinsurance

**2.2 Insurers**

- Types of insurers

Stock companies	Representations/misrepresentations	Solicitation and sales presentations
Mutual companies	Warranties	Advertising
Fraternal benefit societies	Concealment	Prohibited advertising of Life and Health Insurance Guaranty Association (59A-42-13(E))
Risk retention groups	Fraud	Illustrations (Reg 13.9.14.10-.31)
Private versus government insurers	Waiver and estoppel	Policy summary (Reg 13.9.5.8, .9)
Authorized versus unauthorized insurers	<b>3.0 Life Insurance Basics 21% (21 Items)</b>	Buyer's guide (Reg 13.9.5.9, .14)
Domestic, foreign and alien insurers	<b>3.1 Insurable interest (59A-18-4, 5, 7, 8)</b>	Replacement (Reg 13.9.6.5-.15)
Financial status (independent rating service)	<b>3.2 Personal uses of life insurance</b>	Use and disclosure of insurance information
Marketing (distribution) systems	Survivor protection	Field underwriting
<b>2.3 Insurance Producers and general rules of agency</b>	Estate creation	Notice of information practices
Insurer as principal	Cash accumulation	Application procedures
Insurance Producer/insurer relationship	Liquidity	Delivery
Authority and powers of Insurance Producers	Estate conservation	Policy review
Express	<b>3.3 Determining amount of personal life insurance</b>	Effective date of coverage
Implied	Human life value approach	Premium collection
Apparent	Needs approach	Statement of good health
Responsibilities to the applicant/insured	Types of information gathered	<b>3.8 Individual underwriting by the insurer</b>
<b>2.4 Contracts</b>	Determining lump-sum needs	Information sources and regulation
Elements of a legal contract	Planning for income needs	Application
Offer and acceptance	<b>3.4 Business uses of life insurance including key person</b>	Insurance Producer report
Consideration	<b>3.5 Classes of life insurance policies</b>	Attending physician statement
Competent parties	Group versus individual	Investigative consumer (inspection) report
Legal purpose	Permanent versus term	Medical Information Bureau (MIB)
Distinct characteristics of an insurance contract	Participating versus nonparticipating	Medical examinations and lab tests
Contract of adhesion	Fixed versus variable life insurance and annuities	Selection criteria and unfair discrimination (59A-16-11)
Personal contract	Regulation of variable products (SEC, FINRA and New Mexico) (59A-20-30; Reg 13.9.8.38)	Classification of risks
Unilateral contract	<b>3.6 Premiums</b>	Preferred
Conditional contract	Factors in premium determination	Standard
Legal interpretations affecting contracts	Mortality	Substandard
Ambiguities in a contract of adhesion	Interest	
Reasonable expectations	Expense	
Indemnity	Premium payment mode	
Utmost good faith	<b>3.7 Insurance Producer responsibilities</b>	

**4.0 Life Insurance Policies 19% (19 Items)**

**4.1 Term life insurance**

- Level term
  - Annual renewable term
  - Level premium term
- Decreasing term

**4.2 Whole life insurance**

- Limited payment
- Single premium
- Modified premium

**4.3 Flexible premium policies**

- Adjustable life
- Universal life

**4.4 Specialized policies**

- Joint life (first-to-die)
- Survivorship life (second-to-die)
- Juvenile life

**4.5 Group life insurance**

- Characteristics of group plans
- Types of plan sponsors (59A-21-4-8)
- Group underwriting requirements
- Conversion to individual policy (59A-21-19-22)
- Continuation of coverage (59A-21-23)

**4.6 Credit life insurance (individual versus group)**

**5.0 Life Insurance Policy Provisions, Options and Riders 21% (21 Items)**

**5.1 Individual standard provisions**

- Ownership
- Assignment
- Entire contract (59A-20-6)
- Modifications
- Right to examine (free look)
- Payment of premiums (59A-20-13)
- Grace period (59A-20-4)
- Reinstatement (59A-20-12, 16)

Incontestability (59A-20-5)

Misstatement of age (59A-20-7)

Exclusions (59A-20-25)

Settlement of death benefit (59A-20-14)

Prohibited provisions including backdating (59A-20-26)

**5.2 Beneficiaries**

- Designation options
  - Individuals
  - Classes
  - Estates
  - Minors
  - Trusts

Succession

Revocable versus irrevocable

Common disaster clause

Spendthrift clause

**5.3 Settlement options**

- Cash payment
- Interest only
- Fixed-period installments
- Fixed-amount installments
- Life income
  - Single life
  - Joint and survivor

**5.4 Nonforfeiture options**

- Cash surrender value
- Extended term
- Reduced paid-up insurance

**5.5 Policy loan and withdrawal options**

- Cash loans
- Automatic premium loans
- Withdrawals or partial surrenders

**5.6 Dividend options**

- Cash payment
- Reduction of premium payments
- Accumulation at interest
- One-year term option
- Paid-up additions

**5.7 Disability riders**

- Waiver of premium
- Disability income benefit
- Payor benefit life/disability (juvenile insurance)

**5.8 Accelerated (living) benefit provision/rider**

- Conditions for payment
- Effect on death benefit

**5.9 Riders covering additional insureds**

- Spouse/other-insured term rider
- Children's term rider
- Family term rider

**5.10 Riders affecting the death benefit amount**

- Accidental death
- Guaranteed insurability
- Cost of living
- Return of premium

**6.0 Annuities 14% (14 Items)**

**6.1 Annuity principles and concepts**

- Accumulation period versus annuity period
- Owner, annuitant and beneficiary
- Insurance aspects of annuities

**6.2 Immediate versus deferred annuities**

- Single premium immediate annuities (SPIAs)
- Deferred annuities
  - Premium payment options
  - Nonforfeiture
  - Surrender charges
  - Death benefits

**6.3 Annuity (benefit) payment options**

- Life contingency options
  - Pure life versus life with guaranteed minimum
  - Single life versus multiple life
- Annuities certain (types)

**6.4 Annuity products**

Fixed annuities  
 General account assets  
 Interest rate guarantees (minimum versus current)  
 Level benefit payment amount  
 Equity indexed annuities

**6.5 Uses of annuities**

Lump-sum settlements  
 Qualified retirement plans including group and individual annuities  
 Personal uses  
 Individual retirement accounts (IRAs)  
 Tax-deferred growth  
 Retirement income  
 Education funds

**7.0 Federal Tax Considerations for Life Insurance and Annuities 4% (4 Items)**

**7.1 Taxation of personal life insurance**

Amounts available to policyowner  
 Cash value increases  
 Dividends  
 Policy loans  
 Surrenders  
 Amounts received by beneficiary  
 General rule and exceptions  
 Settlement options  
 Values included in insured's estate

**7.2 Modified endowment contracts (MECs)**

Modified endowment versus life insurance  
 Seven-pay test  
 Distributions

**7.3 Taxation of non-qualified annuities**

Individually-owned  
 Accumulation phase (tax issues related to withdrawals)

Annuity phase and the exclusion ratio  
 Distributions at death

Corporate-owned

**7.4 Taxation of individual retirement accounts (IRAs)**

Traditional IRAs  
 Contributions and deductible amounts  
 Premature distributions (including taxation issues)  
 Annuity phase benefit payments  
 Values included in the annuitant's estate  
 Amounts received by beneficiary

Roth IRAs

Contributions and limits  
 Distributions

**7.5 Rollovers and transfers (IRAs and qualified plans)**

**7.6 Section 1035 exchanges**

**8.0 Qualified Plans 1% (1 Item)**

**8.1 General requirements**

**8.2 Federal tax considerations**

Tax advantages for employers and employees  
 Taxation of distributions (age-related)

**8.3 Plan types, characteristics and purchasers**

Simplified employee pensions (SEPs)  
 Self-employed plans (HR 10 or Keogh plans)  
 Profit-sharing and 401(k) plans  
 SIMPLE plans  
 403(b) tax-sheltered annuities (TSAs)

**New Mexico Examination for Accident and Health or Sickness Insurance Producer Series 18-26**

**100 questions – Two-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 10% (10 Items)**

**1.1 Licensing**

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Types of licensees (Reg 13.4.2.7, .11)

Insurance Producers (59A-12-2)

Brokers (59A-12-3)

Consultants (59A-11A-1-8)

Nonresident (59A-12-25) (59A-11-24)

Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)

Maintenance and duration

Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)

Address change (59A-12-17) (59A-11-24)

Continuing education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary actions

Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)

Company regulation

Certificate of authority (59A-5-10)

Unfair claim settlement practices (59A-16-20)

Complaint record (59A-16-22)

Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)

Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer regulation

Shared commissions (59A-12-24)

Fiduciary duties (59A-12-22)

Prohibited premiums or charges (59A-16-24)

Unfair trade practices

Misrepresentation (59A-16-4, 23)

False advertising (59A-16-4, 5)

Twisting (59A-16-6)

Defamation (59A-16-10)

Unfair discrimination (59A-16-12, 13, 17(D))

Rebating (59A-16-16-18)

Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 10% (10 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

Reinsurance

**2.2 Insurers**

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Risk retention groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating service)

Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

Insurer as principal

Insurance Producer/insurer relationship

Authority and powers of Insurance 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

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 Health Insurance Basics 13% (13 Items)**

**3.1 Definitions of perils**

Accidental injury

Sickness

**3.2 Principal types of losses and benefits**

Loss of income from disability

Medical expense

Dental expense

Long-term care expense

**3.3 Classes of health insurance policies**

Individual versus group

Private versus government

Limited versus comprehensive

**3.4 Limited policies**

Limited perils and amounts

Required notice to insured

Types of limited policies

Accident-only

Specified (dread) disease

Hospital indemnity (income)  
 Credit disability  
 Blanket insurance (teams, passengers, other)  
 Prescription drugs  
 Vision care

**3.5 Common exclusions from coverage**

**3.6 Insurance Producer responsibilities in individual health insurance**

Marketing requirements  
 Advertising (Reg 13.10.4.6-.23)  
 Prohibited advertising of Life and Health Insurance Guaranty Association (59A-42-13(E))  
 Sales presentations  
 Field underwriting  
 Nature and purpose  
 Disclosure of information about individuals  
 Application procedures  
 Requirements at delivery of policy  
 Common situations for errors/omissions

**3.7 Individual underwriting by the insurer**

Underwriting criteria  
 Sources of underwriting information  
 Application  
 Insurance Producer report  
 Attending physician statement  
 Investigative consumer (inspection) report  
 Medical Information Bureau (MIB)  
 Medical examinations and lab tests (including HIV consent) (RL 24-21-2(c))  
 Unfair discrimination (59A-16-11, 12.1, 13.2)

Genetic testing (RL 24-21-3-5)  
 Classification of risks  
 Preferred  
 Standard  
 Substandard

**3.8 Considerations in replacing health insurance**

Pre-existing conditions  
 Benefits, limitations and exclusions  
 Underwriting requirements  
 Insurance Producer liability for errors and omissions

**4.0 Individual Health Insurance Policy General Provisions 12% (12 Items)**

**4.1 Required provisions**

Entire contract; changes (59A-22-4)  
 Time limit on certain defenses; pre-existing condition exclusions (59A-22-5)  
 Grace period (59A-22-6)  
 Reinstatement (59A-22-7)  
 Claim procedures (59A-22-8-12)  
 Physical examinations and autopsy (59A-22-13)  
 Legal actions (59A-22-14)  
 Change of beneficiary (59A-22-15)

**4.2 Optional provisions**

Change of occupation (59A-22-17)  
 Misstatement of age (59A-22-18)  
 Other insurance with same insurer (59A-22-19)  
 Other insurance with different insurer  
 Expense-incurred benefits (59A-22-20)  
 Other benefits (59A-22-21)  
 Unpaid premium (59A-22-23)  
 Cancellation (59A-22-24)  
 Conformity with state statutes (59A-22-25)

**4.3 Other general provisions**

Insuring clause  
 Consideration clause  
 Renewability clause  
 Noncancelable  
 Guaranteed renewable  
 Conditionally renewable  
 Renewable at option of insurer  
 Nonrenewable (cancelable, term)

**5.0 Disability Income and Related Insurance 9% (9 Items)**

**5.1 Qualifying for disability benefits**

Inability to perform duties  
 Own occupation  
 Any occupation  
 Pure loss of income (income replacement contracts)  
 Presumptive disability  
 Requirement to be under physician care

**5.2 Individual disability income insurance**

Basic total disability plan  
 Income benefits (monthly indemnity)  
 Elimination and benefit periods  
 Waiver of premium feature  
 Coordination with social insurance and workers compensation benefits  
 Additional monthly benefit (AMB)  
 Social insurance supplement (SIS)  
 Occupational versus nonoccupational coverage  
 At-work benefits  
 Partial disability benefit  
 Residual disability benefit  
 Other provisions affecting income benefits

- Cost of living adjustment (COLA) rider
- Future increase option (FIO) rider
- Loss-of-time benefit adjustment (59A-22-22)
- Other cash benefits
- Accidental death and dismemberment
- Rehabilitation benefit
- Medical reimbursement benefit (nondisabling injury)
- Refund provisions
- Return of premium
- Cash surrender value
- Exclusions
- 5.3 Unique aspects of individual disability underwriting**
- Occupational considerations
- Benefit limits
- Policy issuance alternatives
- 5.4 Group disability income insurance**
- Group versus individual plans
- Short-term disability (STD)
- Long-term disability (LTD)
- 5.5 Business disability insurance**
- Key person disability income
- Disability buy-sell policy
- 5.6 Social Security disability**
- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits
- 5.7 Workers compensation**
- Eligibility
- Benefits
- 6.0 Medical Plans 15% (15 Items)**
- 6.1 Medical plan concepts**

- Fee-for-service basis versus prepaid basis vs. expense basis
- Expense based basis versus indemnity
- Specified coverages versus comprehensive care
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants
- Qualified Health Plans
- EPOs
- HDHPs
- 6.2 Types of providers and plans**
- Limited Benefits Insurance
- Indemnity plan features
- Excepted Benefits Plans
- Hospital Indemnity Insurance
- Accident only insurance
- Specified Disease
- Major medical insurance (comprehensive coverage)
- Characteristics
- Participating vs Non-Participating providers
- Deductibles, Copay and Coinsurance
- Emergency care
- Preventive Care Services
- Common limitations
- Provisions affecting cost to insured
- Qualified Health Plans (QHPs)
- General characteristics
- EHBs
- CSR and APTCs
- Special Enrollment
- Periods

- Preventive Care
- Maximum out of Pocket,
- Open Enrollment
- Preexisting
- Exclusions
- Health maintenance organizations (HMOs)
- General characteristics
- Primary care physician versus referral (specialty) physician
- Hospital services
- Other basic services
- Preferred provider organizations (PPOs)
- General characteristics
- Open panel or closed panel
- Types of parties to the provider contract
- Point-of-service (POS) plans
- Nature and purpose
- PCP referral (gatekeeper PPO)
- HDHP plans
- Features and purpose
- Exclusive Provider Organization Plans
- Features and purpose
- 6.3 Cost containment in health care delivery**
- Cost-saving services
- Preventive care
- Hospital outpatient benefits
- Alternatives to hospital services
- Utilization management
- Prospective review
- Concurrent review
- Grievance procedures
- Network Adequacy
- 6.4 New Mexico eligibility requirements and benefit offers (individual and group)**
- Dependent child age limit



Continued coverage of handicapped children (59A-22-33)  
 Newborn child coverage (59A-22-34)  
 Adopted child coverage (59A-22-34.1)  
 Child enrollment; noncustodial parents (59A-22-34.2)  
 Home health care coverage (59A-22-36)  
 Managed Health Care Rule (Reg 13.10.13.8-.12)  
 Mental health parity (59A-23E-18)  
 Women's health care benefits  
 Patient Protection Act (59A-57-3)

**6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements**

Eligibility  
 Guaranteed issue  
 Pre-existing conditions  
 Creditable coverage  
 Renewability

**6.6 Medical savings accounts (MSAs), Flexible savings accounts (FSAs), Health savings accounts (HSAs), Health reimbursement accounts (HRAs)**

Definition  
 Eligibility  
 Contribution limits

**7.0 Group Health Insurance 13% (13 Items)**

**7.1 Characteristics of group insurance**

Group contract  
 Certificate of coverage  
 Experience rating versus community rating

**7.2 Types of eligible groups**

Employment-related groups  
 Individual employer groups  
 Multiple-Employer Trusts (METs) or

Welfare Arrangements (MEWAs)  
 Associations (alumni, professional, other)  
 Customer groups (depositors, creditor-debtor, other)

**7.3 Marketing considerations**

Advertising  
 Regulatory jurisdiction/place of delivery

**7.4 Employer group health insurance**

Insurer underwriting criteria  
 Characteristics of group  
 Plan design factors  
 Persistency factors  
 Administrative capability  
 Eligibility for insurance  
 Annual open enrollment  
 Employee eligibility  
 Dependent eligibility

Coordination of benefits provision  
 Subrogation  
 Change of insurance companies or loss of coverage  
 Coinsurance and deductible carryover  
 No-loss no-gain  
 Events that terminate coverage  
 Extension of benefits (Reg 13.10.5.10)  
 Continuation of coverage under COBRA and New Mexico specific rules (59A-18-16)  
 Conversion privilege (59A-18-16)

**7.5 Small employer medical plans**

Definition of small employer (59A-23C-3(N))

Rate and renewability (59A-23C-6)  
 Pre-existing condition exclusion (59A-23C-7.1)

**8.0 Dental Insurance 3% (3 Items)**

**8.1 Types of dental treatment**

Diagnostic and preventive  
 Restorative  
 Oral surgery  
 Endodontics  
 Periodontics  
 Prosthodontics  
 Orthodontics

**8.2 Dental plan types**

**Indemnity plan features**

**Indemnity vs. expense based plans**

Choice of providers  
 Scheduled versus nonscheduled plans  
 Benefit categories  
 Diagnostic/preventive services  
 Basic services  
 Major services

Deductibles and coinsurance

Combination plans

Exclusions

Limitations

Predetermination of benefits

**8.3 Employer group dental expense**

Integrated deductibles versus stand-alone plans  
 Minimizing adverse selection

**9.0 Insurance for Senior Citizens and Special Needs Individuals 12% (12 Items)**

**9.1 Medicare**

Nature, financing and administration  
 Part A — Hospital insurance  
 Individual eligibility requirements

- Enrollment
- Coverages and cost-sharing amounts
- Part B — Medical insurance
  - Individual eligibility requirements
  - Enrollment
  - Coverages and cost-sharing amounts
  - Exclusions
  - Claims terminology and other key terms
- Part C — Medicare Advantage
- Part D — Prescription Drug Insurance
- 9.2 Medicare supplements** (Reg 13.10.8.6-.78)
  - Purpose
  - Open enrollment
  - Standardized Medicare supplement plans
    - Core benefits
    - Additional benefits
  - New Mexico regulations and required provisions
    - Advertising
    - Standards for marketing
    - Permitted compensation arrangements
    - Suitability for recommended purchase
    - Required disclosure provisions
    - Outline of coverage (59A-24A-9)
    - Right to return (free look) (59A-24A-10)
    - Replacement
    - Benefit standards
    - Pre-existing conditions (59A-24A-4(B))
    - Guaranteed issue
    - Prohibited provisions (59A-24A-4)
  - Medicare SELECT (Reg 13.10.8.26)

- 9.3 Other options for individuals with Medicare**
  - Employer group health plans
    - Disabled employees
    - Employees with kidney failure
    - Individuals age 65 and older
  - Medicaid
    - Eligibility
    - Benefits
- 9.4 Long-term care (LTC) insurance**
  - Eligibility for benefits
  - Levels of care
    - Skilled care
    - Intermediate care
    - Custodial care
    - Home health care
    - Adult day care
    - Respite care
  - Benefit periods
  - Benefit amounts
  - Optional benefits
    - Guarantee of insurability
    - Return of premium
  - Qualified LTC plans
  - Exclusions
  - Underwriting considerations
  - New Mexico regulations and required provisions
    - Advertising (59A-23A-11; Reg 13.10.15.36)
    - Standards for marketing (Reg 13.10.15.36, .49-.53)
    - Prohibited marketing practices (Reg 13.10.15.38)
    - Suitability of recommended purchase (Reg 13.10.15.40, .52)
    - Required disclosure provisions (Reg

- 13.10.15.19, .50-.53)
- Outline of coverage (Reg 13.10.15.45, .46)
- Shoppers guide (Reg 13.10.15.47)
- Right to return (free look) (59A-23A-6(E))
- Replacement (Reg 13.10.15.25, .42)
- Policy standards (59A-23A-6)
- Benefit triggers (Reg 13.10.15.44)
- Pre-existing conditions (59A-23A-7)
- Inflation protection (Reg 13.10.15.24)
- Nonforfeiture benefit offer (Reg 13.10.15.43)
- Unintentional lapse (Reg 13.10.15.17)
- Penalties (Reg 13.10.15.48)
- 9.5 New Mexico Medical Insurance Pool and Health Insurance Alliance** (59A-54; Reg 13.10.10.1-.24; Bul 2008-006)
  - Eligibility
  - Coverages and limits
  - Exclusions
  - Deductibles and coinsurance

**10.0 Federal Tax Considerations for Health Insurance 3% (3 Items)**

- 10.1 Personally-owned health insurance**
  - Disability income insurance
  - Medical expense insurance
  - Long-term care insurance
- 10.2 Employer group health insurance**
  - Disability income (STD, LTD)
  - Medical and dental expense
  - Long-term care insurance
  - Accidental death and dismemberment

**10.3 Medical expense coverage for sole proprietors and partners**

**10.4 Business disability insurance**

Key person disability income  
Buy-sell policy

**10.5 Medical savings accounts (MSAs), Flexible spending accounts (FSAs), Health savings accounts (HSAs), Health reimbursement accounts (HRAs)**

**New Mexico Examination for Life, Accident and Health or Sickness Insurance Producer Series 18-27**

**150 questions – 2.5-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 5% (8 Items)**

**1.1 Licensing**

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)  
Types of licensees (Reg 13.4.2.7, .11)  
Insurance Producers (59A-12-2)  
Brokers (59A-12-3)  
Consultants (59A-11A-1-8)  
Nonresident (59A-12-25) (59A-11-24)  
Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)  
Maintenance and duration  
Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)  
Address change (59A-12-17) (59A-11-24)  
Continuing education (59A-12-26; Reg 13.4.7.9, .12)  
Disciplinary actions

Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)  
Cease and desist orders (59A-16-27)  
Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)  
Company regulation  
Certificate of authority (59A-5-10)  
Unfair claim settlement practices (59A-16-20)  
Complaint record (59A-16-22)  
Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)  
Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)  
Insurance Producer regulation  
Shared commissions (59A-12-24)  
Fiduciary duties (59A-12-22)  
Prohibited premiums or charges (59A-16-24)  
Unfair trade practices  
Misrepresentation (59A-16-4, 23)  
False advertising (59A-16-4, 5)  
Twisting (59A-16-6)  
Defamation (59A-16-10)  
Unfair discrimination (59A-16-12, 13, 17(D))  
Rebating (59A-16-16-18)  
Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)  
Insurance Fraud Act (59A-16C-1-16)  
Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)  
Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 5% (8 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  
Reinsurance

**2.2 Insurers**

Types of insurers  
Stock companies  
Mutual companies  
Fraternal benefit societies  
Risk retention groups  
Private versus government insurers  
Authorized versus unauthorized insurers  
Domestic, foreign and alien insurers  
Financial status (independent rating service)  
Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

- Insurer as principal
- Insurance Producer/insurer relationship
- Authority and powers of Insurance 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
  - 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 Life Insurance Basics 10% (15 Items)**

**3.1 Insurable interest (59A-18-4, 5, 7, 8)**

**3.2 Personal uses of life insurance**

- Survivor protection
- Estate creation
- Cash accumulation

- Liquidity
- Estate conservation

**3.3 Determining amount of personal life insurance**

- Human life value approach
- Needs approach
  - Types of information gathered
  - Determining lump-sum needs
  - Planning for income needs

**3.4 Business uses of life insurance including key person**

**3.5 Classes of life insurance policies**

- Group versus individual
- Permanent versus term
- Participating versus nonparticipating
- Fixed versus variable life insurance and annuities
- Regulation of variable products (SEC, FINRA and New Mexico) (59A-20-30; Reg 13.9.8.38)

**3.6 Premiums**

- Factors in premium determination
  - Mortality
  - Interest
  - Expense
- Premium payment mode

**3.7 Insurance Producer responsibilities**

- Solicitation and sales presentations
  - Advertising
    - Prohibited advertising of Life and Health Insurance Guaranty Association (59A-42-13(E))
    - Illustrations (Reg 13.9.14.10-.31)
    - Policy summary (Reg 13.9.5.8, .9)
    - Buyer's guide (Reg 13.9.5.9, .14)
    - Replacement (Reg 13.9.6.5-.15)

- Use and disclosure of insurance information

Field underwriting

- Notice of information practices
- Application procedures
- Delivery
  - Policy review
  - Effective date of coverage
  - Premium collection
  - Statement of good health

**3.8 Individual underwriting by the insurer**

- Information sources and regulation
  - Application
  - Insurance Producer report
  - Attending physician statement
  - Investigative consumer (inspection) report
  - Medical Information Bureau (MIB)
  - Medical examinations and lab tests
- Selection criteria and unfair discrimination (59A-16-11)
- Classification of risks
  - Preferred
  - Standard
  - Substandard

**4.0 Life Insurance Policies 11% (16 Items)**

**4.1 Term life insurance**

- Level term
  - Annual renewable term
  - Level premium term
- Decreasing term

**4.2 Whole life insurance**

- Limited payment
- Single premium
- Modified premium

**4.3 Flexible premium policies**

Adjustable life

Universal life

**4.4 Specialized policies**

Joint life (first-to-die)

Survivorship life (second-to-die)

Juvenile life

**4.5 Group life insurance**

Characteristics of group plans

Types of plan sponsors (59A-21-4-8)

Group underwriting requirements

Conversion to individual policy (59A-21-19-22)

Continuation of coverage (59A-21-23)

**4.6 Credit life insurance (individual versus group)**

**5.0 Life Insurance Policy Provisions, Options and Riders 12% (18 Items)**

**5.1 Individual standard provisions**

Ownership

Assignment

Entire contract (59A-20-6)

Modifications

Right to examine (free look)

Payment of premiums (59A-20-13)

Grace period (59A-20-4)

Reinstatement (59A-20-12, 16)

Incontestability (59A-20-5)

Misstatement of age (59A-20-7)

Exclusions (59A-20-25)

Settlement of death benefit (59A-20-14)

Prohibited provisions including backdating (59A-20-26)

**5.2 Beneficiaries**

Designation options

Individuals

Classes

Estates

Minors

Trusts

Succession

Revocable versus irrevocable

Common disaster clause

Spendthrift clause

**5.3 Settlement options**

Cash payment

Interest only

Fixed-period installments

Fixed-amount installments

Life income

Single life

Joint and survivor

**5.4 Nonforfeiture options**

Cash surrender value

Extended term

Reduced paid-up insurance

**5.5 Policy loan and withdrawal options**

Cash loans

Automatic premium loans

Withdrawals or partial surrenders

**5.6 Dividend options**

Cash payment

Reduction of premium payments

Accumulation at interest

One-year term option

Paid-up additions

**5.7 Disability riders**

Waiver of premium

Disability income benefit

Payor benefit life/disability (juvenile insurance)

**5.8 Accelerated (living) benefit provision/rider**

Conditions for payment

Effect on death benefit

**5.9 Riders covering additional insureds**

Spouse/other-insured term rider

Children's term rider

Family term rider

**5.10 Riders affecting the death benefit amount**

Accidental death

Guaranteed insurability

Cost of living

Return of premium

**6.0 Annuities 8% (11 Items)**

**6.1 Annuity principles and concepts**

Accumulation period versus annuity period

Owner, annuitant and beneficiary

Insurance aspects of annuities

**6.2 Immediate versus deferred annuities**

Single premium immediate annuities (SPIAs)

Deferred annuities

Premium payment options

Nonforfeiture

Surrender charges

Death benefits

**6.3 Annuity (benefit) payment options**

Life contingency options

Pure life versus life with guaranteed minimum

Single life versus multiple life

Annuities certain (types)

**6.4 Annuity products**

Fixed annuities

General account assets

Interest rate guarantees (minimum versus current)

Level benefit payment amount

Equity indexed annuities

**6.5 Uses of annuities**

Lump-sum settlements

Qualified retirement plans including group and individual annuities

Personal uses  
 Individual retirement accounts (IRAs)  
 Tax-deferred growth  
 Retirement income  
 Education funds

**7.0 Federal Tax Considerations for Life Insurance and Annuities 3% (4 Items)**

**7.1 Taxation of personal life insurance**

Amounts available to policyowner  
 Cash value increases  
 Dividends  
 Policy loans  
 Surrenders  
 Amounts received by beneficiary  
 General rule and exceptions  
 Settlement options  
 Values included in insured's estate

**7.2 Modified endowment contracts (MECs)**

Modified endowment versus life insurance  
 Seven-pay test  
 Distributions

**7.3 Taxation of non-qualified annuities**

Individually-owned  
 Accumulation phase (tax issues related to withdrawals)  
 Annuity phase and the exclusion ratio  
 Distributions at death  
 Corporate-owned

**7.4 Taxation of individual retirement accounts (IRAs)**

Traditional IRAs  
 Contributions and deductible amounts  
 Premature distributions (including taxation issues)  
 Annuity phase benefit payments

Values included in the annuitant's estate  
 Amounts received by beneficiary

Roth IRAs  
 Contributions and limits  
 Distributions

**7.5 Rollovers and transfers (IRAs and qualified plans)**

**7.6 Section 1035 exchanges**

**8.0 Qualified Plans 1% (1 Items)**

**8.1 General requirements**

**8.2 Federal tax considerations**

Tax advantages for employers and employees  
 Taxation of distributions (age-related)

**8.3 Plan types, characteristics and purchasers**

Simplified employee pensions (SEPs)  
 Self-employed plans (HR 10 or Keogh plans)  
 Profit-sharing and 401(k) plans  
 SIMPLE plans  
 403(b) tax-sheltered annuities (TSAs)

**9.0 Health Insurance Basics 7% (11 Items)**

**9.1 Definitions of perils**

Accidental injury  
 Sickness

**9.2 Principal types of losses and benefits**

Loss of income from disability  
 Medical expense  
 Dental expense  
 Long-term care expense

**9.3 Classes of health insurance policies**

Individual versus group  
 Private versus government  
 Limited versus comprehensive

**9.4 Limited policies**

Limited perils and amounts  
 Required notice to insured  
 Types of limited policies  
 Accident-only  
 Specified (dread) disease  
 Hospital indemnity (income)  
 Credit disability  
 Blanket insurance (teams, passengers, other)  
 Prescription drugs  
 Vision care

**9.5 Common exclusions from coverage**

**9.6 Insurance Producer responsibilities in individual health insurance**

Marketing requirements  
 Advertising (Reg 13.10.4.6-.23)  
 Prohibited advertising of Life and Health Insurance Guaranty Association (59A-42-13(E))  
 Sales presentations  
 Field underwriting  
 Nature and purpose  
 Disclosure of information about individuals  
 Application procedures  
 Requirements at delivery of policy  
 Common situations for errors/omissions

**9.7 Individual underwriting by the insurer**

Underwriting criteria  
 Sources of underwriting information  
 Application  
 Insurance Producer report  
 Attending physician statement  
 Investigative consumer (inspection) report

<p>Medical Information Bureau (MIB)</p> <p>Medical examinations and lab tests (including HIV consent) (RL 24-21-2(c))</p> <p>Unfair discrimination (59A-16-11, 12.1, 13.2)</p> <p>Genetic testing (RL 24-21-3-5)</p> <p>Classification of risks</p> <p>    Preferred</p> <p>    Standard</p> <p>    Substandard</p> <p><b>9.8 Considerations in replacing health insurance</b></p> <p>Pre-existing conditions</p> <p>Benefits, limitations and exclusions</p> <p>Underwriting requirements</p> <p>Insurance Producer liability for errors and omissions</p>	<p>Expense-incurred benefits (59A-22-20)</p> <p>Other benefits (59A-22-21)</p> <p>Unpaid premium (59A-22-23)</p> <p>Cancellation (59A-22-24)</p> <p>Conformity with state statutes (59A-22-25)</p> <p><b>10.3 Other general provisions</b></p> <p>Insuring clause</p> <p>Consideration clause</p> <p>Renewability clause</p> <p>    Noncancelable</p> <p>    Guaranteed renewable</p> <p>    Conditionally renewable</p> <p>    Renewable at option of insurer</p> <p>    Nonrenewable (cancelable, term)</p>	<p>Occupational versus nonoccupational coverage</p> <p>At-work benefits</p> <p>    Partial disability benefit</p> <p>    Residual disability benefit</p> <p>Other provisions affecting income benefits</p> <p>    Cost of living adjustment (COLA) rider</p> <p>    Future increase option (FIO) rider</p> <p>    Loss-of-time benefit adjustment (59A-22-22)</p> <p>Other cash benefits</p> <p>    Accidental death and dismemberment</p> <p>    Rehabilitation benefit</p> <p>    Medical reimbursement benefit (nondisabling injury)</p> <p>Refund provisions</p> <p>    Return of premium</p> <p>    Cash surrender value</p> <p>Exclusions</p> <p><b>11.3 Unique aspects of individual disability underwriting</b></p> <p>Occupational considerations</p> <p>Benefit limits</p> <p>Policy issuance alternatives</p> <p><b>11.4 Group disability income insurance</b></p> <p>Group versus individual plans</p> <p>    Short-term disability (STD)</p> <p>    Long-term disability (LTD)</p> <p><b>11.5 Business disability insurance</b></p> <p>Key person disability income</p> <p>Disability buy-sell policy</p> <p><b>11.6 Social Security disability</b></p> <p>Qualification for disability benefits</p> <p>Definition of disability</p>
<p><b>10.0 Individual Health Insurance Policy General Provisions 7% (11 Items)</b></p> <p><b>10.1 Required provisions</b></p> <p>Entire contract; changes (59A-22-4)</p> <p>Time limit on certain defenses; pre-existing condition exclusions (59A-22-5)</p> <p>Grace period (59A-22-6)</p> <p>Reinstatement (59A-22-7)</p> <p>Claim procedures (59A-22-8-12)</p> <p>Physical examinations and autopsy (59A-22-13)</p> <p>Legal actions (59A-22-14)</p> <p>Change of beneficiary (59A-22-15)</p> <p><b>10.2 Optional provisions</b></p> <p>Change of occupation (59A-22-17)</p> <p>Misstatement of age (59A-22-18)</p> <p>Other insurance with same insurer (59A-22-19)</p> <p>Other insurance with different insurer</p>	<p><b>11.0 Disability Income and Related Insurance 5% (8 Items)</b></p> <p><b>11.1 Qualifying for disability benefits</b></p> <p>Inability to perform duties</p> <p>    Own occupation</p> <p>    Any occupation</p> <p>Pure loss of income (income replacement contracts)</p> <p>Presumptive disability</p> <p>Requirement to be under physician care</p> <p><b>11.2 Individual disability income insurance</b></p> <p>Basic total disability plan</p> <p>    Income benefits (monthly indemnity)</p> <p>    Elimination and benefit periods</p> <p>    Waiver of premium feature</p> <p>Coordination with social insurance and workers compensation benefits</p> <p>    Additional monthly benefit (AMB)</p> <p>    Social insurance supplement (SIS)</p>	

- Waiting period
- Disability income benefits
- 11.7 Workers compensation**
- Eligibility
- Benefits
- 12.0 Medical Plans 9% (14 Items)**
- 12.1 Medical plan concepts**
- Fee-for-service basis versus prepaid basis vs. expense basis
- Expense based basis versus indemnity
- Specified coverages versus comprehensive care
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants
- Qualified Health Plans
- EPOs
- HDHPs
- 12.2 Types of providers and plans**
- Limited Benefits Insurance
  - Indemnity plan features
  - Excepted Benefits Plans
  - Hospital Indemnity Insurance
  - Accident only insurance
  - Specified Disease
- Major medical insurance (Comprehensive Insurance)
  - Characteristics
  - Participating vs Non-Participating providers
  - Deductibles, Copay and Coinsurance
  - Emergency care
  - Preventive Care Services
  - Common limitations
  - Provisions affecting cost to insured

- Qualified Health Plans (QHPs)
  - General characteristics
- EHBs
  - CSR and APTCs
  - Special Enrollment Periods
  - Preventive Care Services
  - Maximum out of Pocket, Open Enrollment Period
  - Preexisting Exclusions
- Health maintenance organizations (HMOs)
  - General characteristics
  - Primary care physician versus referral (specialty) physician
  - Emergency care
  - Hospital services
  - Other basic services
- Preferred provider organizations (PPOs)
  - General characteristics
  - Open panel or closed panel
  - Types of parties to the provider contract
- Point-of-service (POS) plans
  - Nature and purpose
  - PCP referral (gatekeeper PPO)
  - HDHP plans
  - Features and purpose
  - Exclusive Provider Organization Plans
  - Features and purpose
  - Indemnity plan features
- 12.3 Cost containment in health care delivery**
- Cost-saving services
  - Preventive care
  - Hospital outpatient benefits
  - Alternatives to hospital services
- Utilization management
  - Prospective review
  - Concurrent review
  - Grievance procedures

- Network Adequacy
- 12.4 New Mexico eligibility requirements and benefit offers (individual and group)**
- Dependent child age limit (59A-22-2(C))
- Continued coverage of handicapped children (59A-22-33)
- Newborn child coverage (59A-22-34)
- Adopted child coverage (59A-22-34.1)
- Child enrollment; noncustodial parents (59A-22-34.2)
- Home health care coverage (59A-22-36)
- Managed Health Care Rule (Reg 13.10.13.8-.12)
- Mental health parity (59A-23E-18)
- Women's health care benefits
- Patient Protection Act (59A-57-3)
- 12.5 HIPAA (Health Insurance Portability and Accountability Act) requirements**
- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability
- 12.6 Medical savings accounts (MSAs), Flexible savings accounts (FSAs), Health savings accounts (HSAs), Health reimbursement accounts (HRAs)**
- Definition
- Eligibility
- Contribution limits
- 13.0 Group Health Insurance 6% (9 Items)**
- 13.1 Characteristics of group insurance**
- Group contract
- Certificate of coverage
- Experience rating versus community rating

**13.2 Types of eligible groups**

- Employment-related groups
  - Individual employer groups
  - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- Associations (alumni, professional, other)

- Customer groups (depositors, creditor-debtor, other)

**13.3 Marketing considerations**

- Advertising
- Regulatory jurisdiction/place of delivery

**13.4 Employer group health insurance**

- Insurer underwriting criteria
  - Characteristics of group
  - Plan design factors
  - Persistency factors
  - Administrative capability
- Eligibility for insurance
  - Annual open enrollment
  - Employee eligibility
  - Dependent eligibility
- Coordination of benefits provision
- Subrogation
- Change of insurance companies or loss of coverage
- Coinsurance and deductible carryover
- No-loss no-gain
- Events that terminate coverage
- Extension of benefits (Reg 13.10.5.10)
- Continuation of coverage under COBRA and New Mexico specific rules (59A-18-16)

Conversion privilege (59A-18-16)

**13.5 Small employer medical plans**

- Definition of small employer (59A-23C-3(N))
- Rate and renewability (59A-23C-6)
- Pre-existing condition exclusion (59A-23C-7.1)

**14.0 Dental Insurance 2% (3 Items)**

**14.1 Types of dental treatment**

- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics
- Periodontics
- Prosthodontics
- Orthodontics

**14.2 Dental plan types**

**Indemnity plan features**

**Indemnity vs. expense based plans**

- Choice of providers
- Scheduled versus nonscheduled plans
- Benefit categories
  - Diagnostic/preventive services
  - Basic services
  - Major services
- Deductibles and coinsurance
- Combination plans
- Exclusions
- Limitations
- Predetermination of benefits

**14.3 Employer group dental expense**

- Integrated deductibles versus stand-alone plans
- Minimizing adverse selection

**15.0 Insurance for Senior Citizens and Special Needs Individuals 6% (9 Items)**

**15.1 Medicare**

- Nature, financing and administration
- Part A — Hospital insurance
  - Individual eligibility requirements
  - Enrollment
  - Coverages and cost-sharing amounts
- Part B — Medical insurance
  - Individual eligibility requirements
  - Enrollment
  - Coverages and cost-sharing amounts
  - Exclusions
  - Claims terminology and other key terms
- Part C — Medicare Advantage
- Part D — Prescription Drug Insurance

**15.2 Medicare supplements (Reg 13.10.8.6-.78)**

- Purpose
- Open enrollment
- Standardized Medicare supplement plans
  - Core benefits
  - Additional benefits
- New Mexico regulations and required provisions
  - Advertising
  - Standards for marketing
  - Permitted compensation arrangements
  - Suitability for recommended purchase
  - Required disclosure provisions
- Outline of coverage (59A-24A-9)
- Right to return (free look) (59A-24A-10)
- Replacement
- Benefit standards
- Pre-existing conditions (59A-24A-4(B))
- Guaranteed issue

Prohibited provisions (59A-24A-4)

Medicare SELECT (Reg 13.10.8.26)

**15.3 Other options for individuals with Medicare**

Employer group health plans

- Disabled employees
- Employees with kidney failure
- Individuals age 65 and older

Medicaid

- Eligibility
- Benefits

**15.4 Long-term care (LTC) insurance**

Eligibility for benefits

Levels of care

- Skilled care
- Intermediate care
- Custodial care
- Home health care
- Adult day care
- Respite care

Benefit periods

Benefit amounts

Optional benefits

- Guarantee of insurability
- Return of premium

Qualified LTC plans

Exclusions

Underwriting considerations

New Mexico regulations and required provisions

- Advertising (59A-23A-11; Reg 13.10.15.36)
- Standards for marketing (Reg 13.10.15.36, .49-.53)
- Prohibited marketing practices (Reg 13.10.15.38)
- Suitability of recommended

purchase (Reg 13.10.15.40, .52)

Required disclosure provisions (Reg 13.10.15.19, .50-.53)

Outline of coverage (Reg 13.10.15.45, .46)

Shoppers guide (Reg 13.10.15.47)

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Unintentional lapse (Reg 13.10.15.17)

Penalties (Reg 13.10.15.48)

**15.5 New Mexico Medical Insurance Pool and Health Insurance Alliance** (59A-54; Reg 13.10.10.1-.24; Bul 2008-006)

Eligibility

Coverages and limits

Exclusions

Deductibles and coinsurance

**16.0 Federal Tax Considerations for Health Insurance 3% (4 Items)**

**16.1 Personally-owned health insurance**

Disability income insurance

Medical expense insurance

Long-term care insurance

**16.2 Employer group health insurance**

Disability income (STD, LTD)

Medical and dental expense

Long-term care insurance

Accidental death and dismemberment

**16.3 Medical expense coverage for sole proprietors and partners**

**16.4 Business disability insurance**

Key person disability income

Buy-sell policy

**16.5 Medical savings accounts (MSAs), Flexible spending accounts (FSAs), Health savings accounts (HSAs), Health reimbursement accounts (HRAs)**

**New Mexico Examination for Property Insurance Producer Series 18-28**

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**100 questions – Two-hour time limit**

**1.0 Insurance Regulation 6% (6 Items)**

**1.1 Licensing**

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Types of licensees (Reg 13.4.2.7, .11)

- Insurance Producers (59A-12-2)
- Brokers (59A-12-3)
- Consultants (59A-11A-1-8)
- Nonresident (59A-12-25) (59A-11-24)
- Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)

Maintenance and duration

- Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)
- Address change (59A-12-17) (59A-11-24)
- Continuing education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary actions  
 Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)  
 Cease and desist orders (59A-16-27)  
 Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)  
 Company regulation  
 Certificate of authority (59A-5-10)  
 Unfair claim settlement practices (59A-16-20)  
 Complaint record (59A-16-22)  
 Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)  
 Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)  
 Insurance Producer regulation  
 Shared commissions (59A-12-24)  
 Fiduciary duties (59A-12-22)  
 Prohibited premiums or charges (59A-16-24)  
 Unfair trade practices  
 Misrepresentation (59A-16-4, 23)  
 False advertising (59A-16-4, 5)  
 Twisting (59A-16-6)  
 Defamation (59A-16-10)  
 Unfair discrimination (59A-16-12, 13, 17(D))  
 Rebating (59A-16-16-18)  
 Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)  
 Insurance Fraud Act (59A-16C-1-16)  
 Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)  
 Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 13% (13 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  
 Reinsurance

**2.2 Insurers**

Types of insurers  
 Stock companies  
 Mutual companies  
 Fraternal benefit societies  
 Risk retention groups  
 Private versus government insurers  
 Authorized versus unauthorized insurers  
 Domestic, foreign and alien insurers  
 Financial status (independent rating service)  
 Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

Insurer as principal  
 Insurance Producer/insurer relationship  
 Authority and powers of Insurance 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  
 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 Insurance Basics 18% (18 Items)**

**3.1 Principles and concepts**

Insurable interest  
 Underwriting  
 Function  
 Loss ratio  
 Rates  
 Types

- Components
- 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
  - Replacement cost
  - Market value
  - Agreed value
  - Stated amount
  - Valued policy

**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
- Policy limits
- Restoration/nonreduction of limits

- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
  - Duties after loss
  - Abandonment
- Insurer provisions
  - Liberalization
  - Subrogation
  - Salvage
  - Claim settlement options
- Third-party provisions
  - Standard mortgage clause
  - Loss payable clause

**3.4 New Mexico laws, regulations and required provisions**

- New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)
- Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)
- Binders (59A-18-22)
- Arbitration (RL 44-7A-7)
- Loss payment (59A-16-21)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

**4.0 Dwelling Policy 7% (7 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 — New Mexico (DP 01 30)
- Automatic increase in insurance (DP 04 11)
- Dwelling under construction (DP 11 43)

**4.7 Personal liability supplement**

**5.0 Homeowners Policy 22% (22 Items)**

**5.1 Coverage forms**

- HO-2 through HO-6
- HO-8

**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 Perils insured against**

**5.5 Exclusions**

**5.6 Conditions**

**5.7 Selected endorsements**

- Special provisions — New Mexico (HO 01 30)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
- Permitted incidental occupancies (HO 04 42)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Personal property replacement cost (HO 04 90)
- Home day care (HO 04 97)

**6.0 Commercial Package Policy (CPP) 18% (18 Items)**

**6.1 Components of a commercial policy**

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

**6.2 Commercial property ('07)**

- 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 (CP 04 05)
  - Spoilage (CP 04 40)
  - Peak season limit of insurance (CP 12 30)
  - Value reporting form (CP 13 10)

**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

Transportation coverages

- Common carrier cargo liability
- Motor truck cargo forms
- Transit coverage forms

**6.4 Equipment breakdown ('08)**

- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsement
  - Actual cash value (EB 99 59)

**6.5 Farm coverage**

- Farm property coverages ('03)
  - 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

- Livestock coverage form
- Mobile agricultural machinery and equipment coverage form
- Causes of loss (basic, broad and special)
- Exclusions
- Additional coverages
- Limits of insurance
- Conditions
- Definitions

**7.0 Businessowners Policy — Property 10% (10 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 (BP 04 30)

**8.0 Other Coverages and Options 6% (6 Items)**

- 8.1 National Flood Insurance Program**
  - "Write your own" versus government
  - Eligibility
  - Coverage
  - Limits
  - Deductibles
- 8.2 Other policies**
  - Boatowners
  - Difference in conditions
- 8.3 FAIR plan act** (59A-29-1-7, 9; Reg 13.13.3.1-.11)

**New Mexico Examination for Casualty Insurance Series 18-29**

**100 questions – Two-hour time limit**  
**Effective April 30, 2019**

**1.0 Insurance Regulation 4% (4 Items)**

- 1.1 Licensing**
  - Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Types of licensees (Reg 13.4.2.7, .11)

- Insurance Producers (59A-12-2)
- Brokers (59A-12-3)
- Consultants (59A-11A-1-8)
- Nonresident (59A-12-25) (59A-11-24)
- Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)

Maintenance and duration

- Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)
- Address change (59A-12-17) (59A-11-24)
- Continuing education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary actions

- Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18, 19)
- Cease and desist orders (59A-16-27)
- Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)

Company regulation

- Certificate of authority (59A-5-10)
- Unfair claim settlement practices (59A-16-20)
- Complaint record (59A-16-22)
- Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)
- Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer regulation

- Shared commissions (59A-12-24)
- Fiduciary duties (59A-12-22)
- Prohibited premiums or charges (59A-16-24)

Unfair trade practices

- Misrepresentation (59A-16-4, 23)
- False advertising (59A-16-4, 5)
- Twisting (59A-16-6)
- Defamation (59A-16-10)
- Unfair discrimination (59A-16-12, 13, 17(D))
- Rebating (59A-16-16-18)
- Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 8% (8 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

Reinsurance

**2.2 Insurers**

Types of insurers

- Stock companies
- Mutual companies
- Fraternal benefit societies
- Risk retention groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating service)

Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

- Insurer as principal
- Insurance Producer/insurer relationship
- Authority and powers of Insurance 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
- 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  
 15% (15 Items)**

**3.1 Principles and concepts**

Insurable interest  
 Underwriting  
     Function  
     Loss ratio  
 Rates  
     Types  
     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  
     Abandonment  
 Insurer provisions  
     Liberalization  
     Subrogation  
     Duty to defend

**3.4 New Mexico laws, regulations and required provisions**

New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)  
 Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)  
 Binders (59A-18-22)  
 Arbitration (RL 44-7A-7)  
 Loss payment (59A-16-21)  
 Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

**4.0 Homeowners Policy 16%  
 (16 Items)**

**4.1 Coverage forms**

HO-2 through HO-6  
 HO-8

**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 — New Mexico (HO 01 30)  
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)  
 Permitted incidental occupancies (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 18% (18 Items)**

**5.1 Laws**

New Mexico Mandatory Financial Responsibility Act and required limits of liability (RL 66-5-201-239)  
 New Mexico Motor Vehicle Assigned Risks Law (59A-32-1-13)  
 Uninsured/underinsured motorist (RL 66-5-301; Reg 13.12.3.1-.17)  
     Definitions  
     Bodily injury  
     Property damage  
     Stacked and non-stacked  
     UM/UIM rejection  
     Required limits

Cancellation/nonrenewal  
(59A-17-7.1; 59A-18-29; Reg 13.8.4.8, .9)

Grounds

Notice

Aftermarket crash parts  
(RR 12.2.6.12)

**5.2 Personal ('05) auto policy**

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured motorist coverage

Coverage for damage to your auto

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Towing and labor costs (PP 03 03)

Limited Mexico coverage (PP 03 21)

Joint ownership coverage (PP 03 34)

**5.3 Commercial auto ('10)**

Commercial auto coverage forms

Business auto

Business auto physical damage

Garage

Coverage form sections

Covered autos

Liability coverage

Garagekeepers coverage

Physical damage coverage

Exclusions

Conditions

Definitions

Selected endorsements

Lessor — additional insured and loss payee (CA 20 01)

Mobile equipment (CA 20 15)

Auto medical payments coverage (CA 99 03)

Drive other car coverage (CA 99 10)

Individual named insured (CA 99 17)

**6.0 Commercial Package Policy (CPP) 15% (15 Items)**

**6.1 Components of a commercial policy**

Common policy declarations

Common policy conditions

One or more coverage parts

**6.2 Commercial general liability ('07)**

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

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

Guests' property

**6.4 Farm coverage**

Farm liability coverages ('06)

Coverage H — Bodily injury and property damage liability

Coverage I — Personal and advertising injury liability

Coverage J — Medical payments

Exclusions

Additional coverages  
Limits of insurance  
Conditions  
Definitions

**7.0 Businessowners Policy – Liability 10% (10 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 (BP 04 04)

**8.0 Workers Compensation Insurance 6% (6 Items)**

- 8.1 Workers compensation laws**
  - Types of laws
    - Monopolistic versus competitive
    - Compulsory versus elective
  - New Mexico Workers Compensation Act
    - Exclusive remedy (RL 52-1-6)
    - Covered injuries (RL 52-1-11, 12, 19, 28)
    - Occupational disease (RL 52-3-33)
    - Benefits provided (RL 52-1-20, 25, 25.1, 26, 26.1, 40-44, 46, 49)
  - Federal workers compensation laws
    - Federal Employers Liability Act (FELA) (45 USC 51-60)
    - US Longshore and Harbor Workers Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

**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
- Voluntary compensation endorsement

**8.3 Premium computation**

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

**8.4 Other sources of coverages**

- Assigned risk pool law (59A-33-1-15)
- Self-insured employers and employer groups (RL 52-1-4(A); 52-5-4.1; 52-6-1-25)

**9.0 Other Coverages and Options 8% (8 Items)**

**9.1 Umbrella/excess liability policies**

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

**9.2 Specialty liability insurance**

- Professional liability
- Errors and omissions
- Director 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 Boatowners**

**New Mexico Examination for Property and Casualty Insurance Series 18-31**

**150 questions – 2.5-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 3% (5 Items)**

**1.1 Licensing**

- Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)
- Types of licensees (Reg 13.4.2.7, .11)
  - Insurance Producers (59A-12-2)
  - Brokers (59A-12-3)
  - Consultants (59A-11A-1-8)
  - Nonresident (59A-12-25) (59A-11-24)
  - Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)
- Maintenance and duration
  - Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)
  - Address change (59A-12-17) (59A-11-24)
  - Continuing education (59A-12-26; Reg 13.4.7.9, .12)
- Disciplinary actions
  - Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18, 19)
  - Cease and desist orders (59A-16-27)
  - Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)

Company regulation

Certificate of authority (59A-5-10)

Unfair claim settlement practices (59A-16-20)

Complaint record (59A-16-22)

Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)

Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer regulation

Shared commissions (59A-12-24)

Fiduciary duties (59A-12-22)

Prohibited premiums or charges (59A-16-24)

Unfair trade practices

Misrepresentation (59A-16-4, 23)

False advertising (59A-16-4, 5)

Twisting (59A-16-6)

Defamation (59A-16-10)

Unfair discrimination (59A-16-12, 13, 17(D))

Rebating (59A-16-16-18)

Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 7% (11 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

Reinsurance

**2.2 Insurers**

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Risk retention groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating service)

Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

Insurer as principal

Insurance Producer/insurer relationship

Authority and powers of Insurance 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

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 13% (19 Items)**

**3.1 Principles and concepts**

Insurable interest

Underwriting

Function

Loss ratio

Rates

Types

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

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

    Replacement cost

    Market value

    Agreed value

    Stated amount

    Valued policy

**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

Restoration/nonreduction of limits

Coinurance

Vacancy or unoccupancy

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

**3.4 New Mexico laws, regulations and required provisions**

New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)

Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)

Binders (59A-18-22)

Arbitration (RL 44-7A-7)

Loss payment (59A-16-21)

Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

**4.0 Dwelling Policy 5% (7 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 — New Mexico (DP 01 30)

    Automatic increase in insurance (DP 04 11)

    Dwelling under construction (DP 11 43)

**4.7 Personal liability supplement**

**5.0 Homeowners Policy 17% (26 Items)**

**5.1 Coverage forms**

    HO-2 through HO-6

    HO-8

**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 Exclusions**

**5.7 Conditions**

**5.8 Selected endorsements**

Special provisions — New Mexico (HO 01 30)  
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)  
Permitted incidental occupancies (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)  
Business pursuits (HO 24 71)  
Watercraft (HO 24 75)  
Personal injury (HO 24 82)

**6.0 Auto Insurance 17% (26 Items)**

**6.1 Laws**

New Mexico Mandatory Financial Responsibility Act and required limits of liability (RL 66-5-201-239)  
New Mexico Motor Vehicle Assigned Risks Law (59A-32-1-13)  
Uninsured/underinsured motorist (RL 66-5-301; Reg 13.12.3.1-.17)  
Definitions  
Bodily injury  
Property damage  
Stacked and non-stacked  
UM/UIM rejection  
Required limits  
Cancellation/nonrenewal (59A-17-7.1; 59A-18-29; Reg 13.8.4.8, .9)  
Grounds

Notice

Aftermarket crash parts (RR 12.2.6.12)

**6.2 Personal ('05) auto policy**

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments coverage

Uninsured motorist coverage

Coverage for damage to your auto

Collision

Other than collision

Deductibles

Transportation expenses

Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Towing and labor costs (PP 03 03)

Limited Mexico coverage (PP 03 21)

Joint ownership coverage (PP 03 34)

**6.3 Commercial auto ('10)**

Commercial auto coverage forms

Business auto

Business auto physical damage

Garage

Coverage form sections

Covered autos

Liability coverage

Garagekeepers coverage

Physical damage coverage

Exclusions

Conditions

Definitions

Selected endorsements

Lessor — additional insured and loss payee (CA 20 01)

Mobile equipment (CA 20 15)

Auto medical payments coverage (CA 99 03)

Drive other car coverage (CA 99 10)

Individual named insured (CA 99 17)

**7.0 Commercial Package Policy (CPP) 16% (24 Items)**

**7.1 Components of a commercial policy**

Common policy declarations

Common policy conditions

One or more coverage parts

**7.2 Commercial general liability ('07)**

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

Premises and operations

- Products and completed operations
- Insured contract
- 7.3 Commercial property ('07)**
- 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 (CP 04 05)
  - Spoilage (CP 04 40)
  - Peak season limit of insurance (CP 12 30)
  - Value reporting form (CP 13 10)
- 7.4 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
  - Guests' property
- 7.5 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
- 7.6 Equipment breakdown ('08)**
- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsement
  - Actual cash value (EB 99 59)

- 7.7 Farm coverage**
- Farm property coverages ('03)
  - 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
- Farm liability coverages ('06)
  - Coverage H — Bodily injury and property damage liability
  - Coverage I — Personal and advertising injury liability
  - Coverage J — Medical payments
- Livestock coverage form
- Mobile agricultural machinery and equipment coverage form
- Causes of loss (basic, broad and special)
- Exclusions
- Additional coverages
- Limits of insurance
- Conditions
- Definitions

**8.0 Businessowners Policy 9% (13 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**

Hired auto and non-owned auto liability (BP 04 04)  
 Protective safeguards (BP 04 30)

**9.0 Workers Compensation Insurance 6% (9 Items)**

**9.1 Workers compensation laws**

Types of laws  
 Monopolistic versus competitive  
 Compulsory versus elective  
 New Mexico Workers Compensation Act  
 Exclusive remedy (RL 52-1-6)  
 Covered injuries (RL 52-1-11, 12, 19, 28)  
 Occupational disease (RL 52-3-33)  
 Benefits provided (RL 52-1-20, 25, 25.1, 26, 26.1, 40-44, 46, 49)  
 Federal workers compensation laws  
 Federal Employers Liability Act (FELA) (45 USC 51-60)  
 US Longshore and Harbor Workers Compensation Act (33 USC 904)  
 The Jones Act (46 USC 688)

**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  
 Voluntary compensation endorsement

**9.3 Premium computation**

Job classification — payroll and rates  
 Experience modification factor  
 Premium discounts

**9.4 Other sources of coverages**

Assigned risk pool law (59A-33-1-15)  
 Self-insured employers and employer groups (RL 52-1-4(A); 52-5-4.1; 52-6-1-25)

**10.0 Other Coverages and Options 7% (10 Items)**

**10.1 Umbrella/excess liability policies**

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

**10.2 Specialty liability insurance**

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

**10.3 Surplus lines**

Definitions and markets  
 Licensing requirements

**10.4 Surety bonds**

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

**10.5 National Flood Insurance Program**

"Write your own" versus government  
 Eligibility  
 Coverage  
 Limits  
 Deductibles

**10.6 Other policies**

Boatowners  
 Difference in conditions

**10.7 FAIR plan act** (59A-29-1-7, 9; Reg 13.13.3.1-.11)

**New Mexico Examination for Title Insurance Series 18-33**  
**50 questions – One-hour time limit**  
**Effective April 30, 2019**

**1.0 Insurance Regulation 12% (6 Items)**

**1.1 Licensing**

Requirements for licensure (59A-12-6, 12, 13)  
 Maintenance and duration  
 Expiration and renewal (59A-11-10, 11; Reg 13.4.2.13; Reg 13.4.2.27; Reg 13..4.2.28)  
 Continuing education (59A-12-26; Reg 13.4.7.9, .12)  
 Disciplinary actions  
 Suspension, revocation or refusal to renew (59A-11-8, 10, 14-16, 18)  
 Cease and desist orders (59A-16-27)  
 Penalties and fines (59A-1-18; 59A-11-17, 21; 59A-16-29)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8; 59A-30-4)  
 Insurer regulation

Rates (59A-30-6, 15; Reg 13.14.9.8-.11)

Forms (59A-30-5, 15); Reg 13.14.18.1-13

Examination of title required (59A-30-11)

Insurance Producer regulation

Gross negligence of Insurance Producer (Reg 13.14.3.8(A))

Disregard of written instructions (Reg 13.14.3.8(B))

Unfair trade practices and frauds (Reg 13.14.3.8(C))

Misrepresentation (59A-16-4, 23)

Illegal inducements (59A-12-11)

Charges to be made for all services (Reg 13.14.3.13)

Failure to act as fiduciary (59A-12-22; Reg 13.14.4.8)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

Reporting requirements, examination of books and records (59A-4-3, 4; Reg 13.14.16.8; Reg 13.14.17.8)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 4% (2 Items)**

**2.1 Insurance Producers and general rules of agency**

Insurer as principal

Insurance Producer/insurer relationship

Authority and powers of Insurance Producers

Express

Implied

Apparent

Responsibilities to the applicant/insured

**2.2 Contracts**

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

**3.0 Real Property 20% (10 Items)**

**3.1 Concepts, principles and practices**

Definition of real property

Types of real property

Title to real property

Marketable title

**3.2 Acquisition and transfer of real property**

Conveyances

Encumbrances

Adverse possession

Condemnation

Escheats

Abandonment

Judicial sales

Decedent's estates

Intestate

Testate

Trusts

Types of joint ownership

Tenants in common

Joint tenancy

Community property

Acknowledgments

Legal capacity of parties

Individuals

Corporations

General partnerships

Limited partnerships

Fictitious names

Trust agreements

Limited Liability Company (LLC)

**3.3 Legal descriptions**

Types of legal descriptions

Types of measurements used

Language of legal descriptions

**3.4 Escrow principles**

Escrow terminology

Fiduciary responsibilities of escrow Insurance Producers

**3.5 Recording**

Requirements to record

Presumptions

**4.0 Title Insurance 36% (18 Items)**

**4.1 Title insurance principles**

Risks covered by title insurance

Risk of error in public records

Hidden off-record title risks

Risk of omission and commission by Insurance Producer

Entities that can be insured; need for insurance

Individual

Commercial

Interests that can be insured

Fee simple estate

Estate in common

Leasehold estate

Life estate

Easements

Title insurance forms

Promulgated forms (Reg 13.14.8.10; 13.14.18.8)

Commitments

Owner's policy

Loan policy

Leasehold policies

Replacement policy

Title insurance policy structure and provisions

Insuring provisions

Schedule A

Schedule B — exceptions from coverage

Exclusions from coverage  
 Conditions and stipulations  
 Endorsements  
 Title Insurance General Rate Provisions  
 Inclusive  
 Payments of premium to others  
 Rebates and unauthorized discounts  
 Reissue Owner's or leasehold rates  
 Refinance  
 Endorsements

**4.2 Title searching techniques**

Hard copy index  
 Computer index  
 Chain sheet

**5.0 Title Exceptions and Procedures for Clearing Title 28% (14 Items)**

**5.1 Principles and concepts**

General exceptions  
 Voluntary and involuntary liens  
 Federal liens  
 Mortgage  
 Deed of trust  
 Judgments  
 Taxes and assessments  
 Recent surveys  
 Condominiums  
 Water rights  
 Mineral rights  
 Equitable interests  
 Executions  
 Covenants  
 Conditions  
 Restrictions  
 Access

**5.2 Special problem areas and concerns**

Acknowledgments  
 Mechanic's lien  
 Bankruptcy

Probate  
 Good faith  
 Foreclosure  
 Claims against the title  
 Lis pendens  
 Tribal Land Access

**5.3 Principles of clearing title**

Releases  
 Assignments  
 Subordinations  
 Affidavits  
 Quiet Title

**5.4 Settlement or closing procedures**

Real Estate Settlement Procedures Act (RESPA) Sections 8 & 9  
 Insured closing protection  
 Available funds  
 Interest bearing trust account  
 Requirements  
 Books & Records  
 Accounting Procedures  
 Agreed-Upon Procedures Review  
 Escrow Compliance

**New Mexico Examination for Bail Bonds Series 18-34**

**50 questions – One-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 16% (8 Items)**

**1.1 Licensing**

Superintendent's general duties and powers (59A-2-8)  
 Process (59A-51-5; Reg 13.20.2.8, .9)  
 Persons to be licensed (59A-51-2, 3)  
 Types of licensees  
 Bail bondsman (59A-51-2(A))

Limited surety Producer (59A-51-2(C))  
 Property bondsman (59A-51-2(D))  
 Requirements (59A-51-4, 4.1)  
 Surety bond (59A-51-8)  
 Solicitor appointment (59A-51-5(C), 12)  
 Maintenance and duration  
 Expiration and renewal (59A-11-10, 11; 59A-51-10)  
 Termination of business (59A-51-11(B))  
 Address change (59A-12-17) (59A-11-24)  
 Continuing education (59A-12-26; Reg 13.4.7.9, .12)

**Disciplinary actions**

Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)  
 Cease and desist order (59A-16-27)  
 Penalty for violations (59A-51-16, 17, 18)

**1.2 Bondsman regulation**

Place of business (59A-51-13; Reg 13.20.2.18)  
 Operate under one name (59A-51-13)  
 Record maintenance and examination (Reg 13.20.2.22)  
 Financial statement (59A-51-10(B))  
 List of forfeitures (Reg 13.20.2.22)  
 Prohibited conduct  
 Practice of law (59A-51-13(A)(5))  
 Referral to attorney (59A-51-13(A)(1))  
 Signing bond in blank (59A-51-13(D))  
 Unfair and prohibited practices  
 Twisting (59A-16-6)

Falsification, omission of records; misleading financial statements (59A-16-8)

Unfair discrimination, rebates; other coverages (59A-16-12, 13, 17)

Monopolistic practices (59A-16-19)

False applications, claims, proofs of loss (59A-16-23)

Knowledge of insurer of prohibited acts (59A-16-25)

Penalties (59A-16-29)

Misrepresentation (59A-16-4; 59A-51-14(A)(2))

False advertising (59A-16-5)

Defamation (59A-16-10)

Boycott, coercion or intimidation (59A-16-19)

Charges and refunds (59A-51-13)

Extra territorial fees (59A-51-13)

Compensation (Reg 13.20.2.18)

Other provisions applicable (59A-51-19)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**2.0 The Legal Framework 39% (20 Items)**

**2.1 Court jurisdictions**

Original jurisdiction

- Territorial
- Judicial
- Personal

Appellate jurisdiction

**2.2 Definitions (31-1-2)**

Acquit

Adjudicate

Capital offense

Conviction

Custody

Defendant

Disposition

Extradition

Felony

Fugitive

Hearing

Incarceration

Indictment

Misdemeanor

Recognizance

Revoke

Suspend

Warrant

Writ

**2.3 Parties to a surety bond**

Principal

- Indemnitor for principal
- Indemnity agreement

Obligee

Surety

**3.0 Bail Bond Principles and Practices (Supreme Court Rules and Criminal Forms, Article 3 - Bail, Article 4 - Provisions) 45% (22 Items)**

**3.1 Duties of bail agent**

Approval (Reg 13.20.2.23)

Premium receipt (Reg 13.20.2.18)

Power of attorney

Collateral and trust obligations (Reg 13.20.2.21)

**3.2 Procedure**

Application for bond (Surety/defendant contract)

Collateral security

Surety contract

Posting the bond

Informational notice

**3.3 Court procedures**

Court appearances

- Arraignment
- Trial
- Appeal

Conditions of bail

Prior to trial

Pending appeal

Failure to appear (31-3-2)

Revocation of bail

**3.4 Release provisions (Article 4)**

Cash only bond

Personal surety bond

Corporate surety bond

Personal recognizance

**3.5 Surrender of principal (defendant) (31-3-3)**

Discharge of bond

Return of premium

Return of collateral

**3.6 Bond forfeiture**

Motion

Notice to defendant and sureties (31-3-2)

Judgment

Dispersal of funds

Arrest after forfeiture

**New Mexico Examination for Crop Insurance Series 18-35**

**50 questions – 1-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 10% (5 Items)**

**1.1 Licensing**

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Types of licensees (Reg 13.4.2.7, .11)

- Insurance Producers (59A-12-2)
- Brokers (59A-12-3)
- Consultants (59A-11A-1-8)
- Nonresident (59A-12-25) (59A-11-24)
- Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)

Maintenance and duration

Expiration and renewal (59A-11-

10, 11; Reg 13.4.2.17, .18)

Address change (59A-12-17) (59A-11-24)

Continuing education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary actions

Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)

Company regulation

Certificate of authority (59A-5-10)

Unfair claim settlement practices (59A-16-20)

Complaint record (59A-16-22)

Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)

Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer regulation

Shared commissions (59A-12-24)

Fiduciary duties (59A-12-22)

Prohibited premiums or charges (59A-16-24)

Controlled business (59A-12-8, 9)

Unfair trade practices

Misrepresentation (59A-16-4, 23)

False advertising (59A-16-4, 5)

Twisting (59A-16-6)

Defamation (59A-16-10)

Unfair discrimination (59A-16-12, 13, 17(D))

Rebating (59A-16-16-18)

Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 10% (5 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

Reinsurance

**2.2 Insurers**

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Risk retention groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating service)

Marketing (distribution) systems

**2.3 Insurance Producers and general rules of agency**

Insurer as principal

Insurance Producer/insurer relationship

Authority and powers of Insurance 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

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 Crop Insurance 34% (17 Items)**

- 3.1 Eligibility**
  - Insureds
  - Insurable crops
- 3.2 Application**
  - Binder
  - Declarations section
  - Required signatures
  - Required information
  - Provision for company rejection
- 3.3 Term of coverage**
  - Effective date
  - Inception of coverage
  - Expiration
  - Cancellation
- 3.4 Perils insured against**
- 3.5 Exclusions**
- 3.6 Limits of coverage**
  - Insurable value
  - Percentage plan
  - Deductibles
  - Reduction of insurance
- 3.7 Other provisions**
  - Replanting clause
  - Acreage variation
  - Transit extension
  - Fire department service charge
  - Pro rata liability clause
  - Fire coverage
  - Catastrophe loss award
  - Assignment
  - Subrogation
- 3.8 Claim settlement practices**
  - Notice of loss
  - Insured's duties after a loss
  - Appraisal/arbitration
- 3.9 Mandatory endorsements**
  - NCIS - 445 Tomatoes, Vegetable and Vine Crops

NCIS - 577 Tree Fruits, Grapes, Bush Fruits and Berries

**4.0 Federal Multi-Peril Crop Insurance Programs 46% (23 Items)**

- 4.1 Basic crop insurance**
  - Eligibility
    - Insureds
    - Insurable crops
  - Actuarial document books
  - Yield guarantee
    - Actual production history (APH)
    - Assigned yield
    - Transitional yield
  - Coverage level
  - Market price percentage
  - Covered causes of loss
  - Application
    - Basic unit
    - Administrative fee
    - Production records
    - Acreage reporting
    - Late planting agreement option
  - Disqualification of producer
  - Life of policy
    - Continuous
    - Cancellation
    - Termination
- 4.2 Multiple peril policy options**
  - Levels of coverage
  - Price election
  - Optional units
  - High-risk land exclusion
  - Hail/fire exclusion
  - Replant payments
  - Late planting coverage
  - Prevented planting coverage
  - Transfer of coverage
  - Assignment of indemnity
  - Subrogation
- 4.3 Other provisions**
  - Individual crop

- Small grain
- Coarse grain
- Duties after loss
  - Insured
  - Insurer
- 4.4 Additional programs**
  - Crop Revenue Coverage (CRC)
  - Income Protection (IP)
  - Revenue Assurance (RA)
  - Group Risk Plan (GRP)

**New Mexico Examination for Personal Lines Insurance Series 18-38**  
**150 questions 2.5-hour time limit**  
**Effective April 29, 2022**

**1.0 Insurance Regulation 20% (30 Items)**

- 1.1 Licensing**
  - Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)
  - Types of licensees (Reg 13.4.2.7, .11)
    - Insurance Producers (59A-12-2)
    - Brokers (59A-12-3)
    - Consultants (59A-11A-1-8)
    - Nonresident (59A-12-25)
    - Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)
  - Maintenance and duration
    - Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)
    - Address change (59A-12-17) (59A-11-24)
    - Continuing education (59A-12-26; Reg 13.4.7.9, .12)
  - Disciplinary actions
    - Suspension, revocation, or refusal to renew (59A-11-8, 10, 14-16, 18)

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

**1.2 State regulation**

Superintendent's general duties and powers (59A-2-8-10)

Company regulation

Certificate of authority (59A-5-10)

Unfair claim settlement practices (59A-16-20)

Complaint record (59A-16-22)

Appointment of Insurance Producer (59A-11-12; Reg 13.4.2.17)

Termination of Insurance Producer appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer regulation

Shared commissions (59A-12-24)

Fiduciary duties (59A-12-22)

Prohibited premiums or charges (59A-16-24)

Unfair trade practices

Misrepresentation (59A-16-4, 23)

False advertising (59A-16-4, 5)

Twisting (59A-16-6)

Defamation (59A-16-10)

Unfair discrimination (59A-16-12, 13, 17(D))

Rebating (59A-16-16-18)

Boycott, coercion, or intimidation (59A-16-19)

Examination of books and records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

**1.3 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**2.0 General Insurance 10% (15 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

Reinsurance

**2.2 Insurers**

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Lloyd's associations

Risk retention 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**

Insurer as principal

Producer/insurer relationship

Authority and powers of producers

Express

Implied

Apparent

**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 23% (35 Items)**

**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  
 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  
     Replacement cost  
     Functional replacement cost  
     Market value  
     Agreed value  
     Stated amount  
     Valued policy

**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  
 Limits of liability  
     Per occurrence (accident)  
     Per person  
     Split  
     Combined single  
 Restoration/nonreduction of limits  
 Coinsurance  
 Vacancy or unoccupancy  
 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

**3.4 New Mexico laws, regulations and required provisions**

New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)  
 Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)  
 Binders (59A-18-22)  
 Arbitration (RL 44-7A-7)  
 Loss payment (59A-16-21)

Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

**4.0 Dwelling Policy 6% (9 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 — New Mexico (DP 01 30)  
 Automatic increase in insurance (DP 04 11)  
 Dwelling under construction (DP 11 43)

**4.7 Personal liability supplement**

**5.0 Homeowners Policy 16% (24 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 Exclusions**

**5.7 Conditions**

**5.8 Selected endorsements**

Special provisions — New Mexico (HO 01 30)

Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27, HO 04 28)

Permitted incidental occupancies (HO 04 42)

Earthquake (HO 04 54)

Scheduled personal property (HO 04 61, HO 04 62)

Personal property replacement cost (HO 04 90)

Home day care (HO 04 97)

Business pursuits (HO 24 71)

Watercraft (HO 24 75)

Personal injury (HO 24 82)

**6.0 Auto Insurance 22% (33 Items)**

**6.1 Laws**

New Mexico Mandatory Financial Responsibility Act and required limits of liability (RL 66-5-201-239)

New Mexico Motor Vehicle Assigned Risks Law (59A-32-1-13)

Uninsured/underinsured motorist (RL 66-5-301; Reg 13.12.3.1-.17)

Definitions

Bodily injury

Property damage

Stacked and non-stacked

UM/UIM rejection

Required limits

Cancellation/non-renewal (59A-17-7.1; 59A-18-29; Reg 13.8.4.8, .9)

Grounds

Notice

Aftermarket crash parts (RR 12.2.6.12)

**6.2 Personal auto policy**

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 expenses

Exclusions

Duties after an accident or loss

General provisions

Selected endorsements

Towing and labor costs (PP 03 03)

Limited Mexico coverage (PP 03 21)

Joint ownership coverage (PP 03 34)

**7.0 Other Coverages and Options 3% (4 Items)**

**7.1 Personal umbrella policy**

**7.2 National Flood Insurance Program**

"Write your own" versus government

Eligibility

Coverage

Limits

Deductibles

**7.3 Other policies**

Boatowners

**New Mexico Examination for Public Adjuster Series 18-39**

**50 questions - 1-hour time limit**

**Effective April 30, 2019**

**1.0 Insurance Regulation 12% (6 Items)**

**1.1 Licensing requirements**

Qualifications (59A-11, 59A-12)

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Fees

**1.2 Maintenance and duration (NMSA 59A-11)**

Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)

Contract requirements

Records

Name and Address change (59A-12-17) (59A-11-24)

Reporting of actions

Emergency Adjusters (NMSA 59A-13-6)

**1.3 Disciplinary actions**

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

Suspension, revocation, or refusal to issue or renew (59A-11-8, 10, 14-16, 18)

**1.4 Claim settlement laws and regulations (59A-16-20)**

**1.5 Unfair and Prohibited Insurance Trade Practices**

**2.0 Insurance Basics 22% (11 Items)**

**2.1 Contract 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  
 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  
 Vacancy or unoccupancy  
 Assignment  
 Liberalization  
 Third-party provisions  
     Standard mortgage clause  
     Loss payable clause  
     No benefit to Bailee

**2.5 New Mexico laws, regulations and required provisions**

New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)  
 Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)  
 Binders (59A-18-22)  
 Arbitration (RL 44-7A-7)  
 Loss payment (59A-16-21)  
 Federal Terrorism Insurance Program (15 USC

6701; Public Law 107-297, 109-144, 110-160)

**3.0 Adjusting Losses 23% (12 Items)**

**3.1 Role of the adjuster**

Duties and responsibilities  
 Staff and independent adjuster versus public adjuster  
 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 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 — New Mexico (HO 01 30)
- Automatic increase in insurance (DP 04 11)
- Dwelling under construction (DP 11 43)

**5.0 Homeowners Policy 17% (8 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 Perils insured against**
- 5.5 Exclusions**
- 5.6 Conditions**
- 5.7 Selected endorsements**
  - Special provisions — New Mexico (HO 01 30)
  - Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
  - Permitted incidental occupancies (HO 04 42)
  - Earthquake (HO 04 54)
  - Scheduled personal property (HO 04 61)
  - Personal property replacement cost (HO 04 90)

- Home day care (HO 04 97)
- Business pursuits (HO 24 71)
- Watercraft (HO 24 75)
- Personal injury (HO 24 82)

**6.0 Commercial Package Policy (CPP) 8% (4 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 ('07)**
  - 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 (CP 04 05)
    - Spoilage coverage (CP 04 40)
    - Peak season limit of insurance (CP 12 30)
    - Value reporting form (CP 13 10)
- 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 8% (4 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 (BP 04 30)
  - Hired auto and non-owned auto liability (BP 04 04)

**New Mexico Examination for Independent / Staff Adjuster Series 18-40**

**50 questions – 1-hour time limit**  
**Effective April 30, 2019**

**1.0 Insurance Regulation 5% (2 Items)**

**1.1 Licensing requirements**

Qualifications (59A-11, 59A-12)

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Licensing exemptions

**1.2 Maintenance and duration**

Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)

Records

Continuing education requirements (59A-12-26; Reg 13.4.7.9, .12)

**1.3 Disciplinary actions**

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

Suspension, revocation, or refusal to issue or renew (59A-11-8, 10, 14-16, 18)

**1.4 Claim settlement laws and regulations**

**1.5 Federal regulation**

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

**1.6 Records Retention**

**2.0 Insurance Basics 20% (10 Items)**

**2.1 Contracts**

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Legal interpretations affecting contracts

Ambiguities in a contract of adhesion

Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations

Warranties

Concealment

Fraud

Waiver and estoppel

**2.2 Insurance principles and concepts**

Insurable interest

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

Causes of loss (perils)

Named peril versus special (open) perils

Direct loss

Consequential or indirect loss

Blanket versus specific insurance

Basic types of construction

Loss valuation

Actual cash value

Replacement cost

Functional replacement cost

Market value

Agreed value

Stated amount

**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

Contribution by equal shares

Limits of liability

Per occurrence (accident)

Per person

Aggregate — general versus products — completed operations

Split

Combined single

Restoration/nonreduction of limits

Coinurance

Vacancy or unoccupancy

Assignment

Insurer provisions

Liberalization

Duty to defend

Third-party provisions

Standard mortgage clause

Loss payable clause

No benefit to the Bailee

**2.5 New Mexico laws, regulations and required provisions**

New Mexico Property and Casualty Insurance

Guaranty Fund (59A-43-1-18)  
 Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)  
 Concealment, misrepresentation or fraud  
 Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

**3.0 Adjusting Losses 20% (10 Items)**

**3.1 Role of the adjuster**

Duties and responsibilities  
 Staff and independent adjuster versus public adjuster  
 Relationship to the legal profession

**3.2 Claim reporting**

Claim investigation  
 Claim file documentation of events  
 Types of reports  
     Initial or first field  
     Interim or status  
     Full formal

**3.3 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

**3.4 Liability losses**

Investigation procedures  
 Verify coverage

Determine liability  
 Gathering evidence  
     Physical evidence  
     Witness statements  
 Determining value of intangible damages

**3.5 Coverage problems**

Dealing with coverage disputes  
     Reservation of rights letter  
     Nonwaiver agreement  
     Declaratory judgment action

**3.6 Claims adjustment procedures**

Settlement procedures  
     Advance payments  
     Draft authority  
     Execution of releases  
 Subrogation procedures  
 Alternative dispute resolution  
     Appraisal  
     Arbitration  
     Competitive estimates  
     Mediation  
     Negotiation

**4.0 Dwelling Policy 5% (3 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 – (DP 01 28)  
 Automatic increase in insurance (DP 04 11)  
 Dwelling under construction (DP 11 43)

**4.7 Personal liability supplement**

**5.0 Homeowners Policy 12% (6 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 Exclusions**

**5.7 Conditions**

**5.8 Selected endorsements**

Special provisions – (HO 01 28)  
 Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)  
 Permitted incidental occupancies (HO 04 42)  
 Earthquake (HO 04 54)  
 Scheduled personal property (HO 04 61)  
 Personal property replacement cost (HO 04 90)  
 Home day care (HO 04 97)  
 Business pursuits (HO 24 71)

Watercraft (HO 24 75)  
 Personal injury (HO 24 82)

**6.0 Auto Insurance 15% (8 Items)**

**6.1 Laws**

New Mexico Motor Vehicle Financial Responsibility Law

Required limits of liability (RL 259:61, 264:20)

New Mexico Motor Vehicle Insurance Plan (Reg 1405)

New Mexico Commercial Auto Insurance Plan

Uninsured/underinsured motorist (RL 264:15)

Definitions

Bodily injury

Required limits

Cancellation/nonrenewal (417-A)

Grounds

Notice

Notice of eligibility in New Mexico Motor Vehicle Insurance Plan (417-A:5(V))

Residency statement (417-A:3-b)

Medical costs coverage (RL 264:16)

After-market parts regulation (407-D)

**6.2 Personal ('05) auto policy**

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments

Uninsured motorist / underinsured motorist 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 — (PP 01 76)

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 13 32)

Joint ownership coverage — (PP 13 34)

**6.3 Commercial auto ('10)**

Commercial auto coverage forms

Business auto

Garage

Business auto physical damage

Coverage form sections

Covered autos

Liability coverage

Garagekeepers coverage

Physical damage coverage

Exclusions

Conditions

Definitions

Selected endorsements

Lessor — additional insured and loss payee (CA 20 01)

Mobile equipment (CA 20 15)

Auto medical payments coverage (CA 99 03)

Drive other car coverage (CA 99 10)

Hired autos specified as covered autos you own (CA 99 16)

Individual named insured (CA 99 17)

Pollution liability — broadened coverage (CA 99 48; CA 99 55)

**7.0 Commercial Package Policy (CPP) 5% (3 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 ('07)**

Commercial general liability coverage forms

Bodily injury and property damage liability

Personal and advertising injury liability

Medical payments

Supplementary payments

Who is an insured

Limits of liability

Conditions

Definitions

Exclusions

Occurrence versus claims-made

Claims-made features

Trigger

Retroactive date

Extended reporting periods — basic versus supplemental

Claim information

Premises and operations

Products and completed operations

Insured contract

Pollution liability

<p>Pollution liability coverage form (CG 00 39)</p> <p>Pollution liability limited coverage form (CG 00 40)</p> <p>Pollution liability coverage extension endorsement (CG 04 22)</p> <p><b>7.3 Commercial property ('07)</b></p> <p>Commercial property conditions form</p> <p>Coverage forms</p> <p>    Building and personal property</p> <p>    Condominium association</p> <p>    Condominium commercial unit-owners</p> <p>    Builders risk</p> <p>    Business income</p> <p>    Legal liability</p> <p>    Extra expense</p> <p>Causes of loss forms</p> <p>    Basic</p> <p>    Broad</p> <p>    Special</p> <p>Selected endorsements coverage</p> <p>    Ordinance or law (CP 04 05)</p> <p>    Spoilage coverage (CP 04 40)</p> <p>    Peak season limit of insurance (CP 12 30)</p> <p>    Value reporting form (CP 13 10)</p> <p><b>7.4 Commercial crime ('06)</b></p> <p>General definitions</p> <p>    Burglary</p> <p>    Theft</p> <p>    Robbery</p> <p>Crime coverage forms</p> <p>    Commercial crime coverage forms (discovery/loss sustained)</p> <p>    Government crime coverage forms</p>	<p>(discovery/loss sustained)</p> <p>Coverages</p> <p>    Employee theft</p> <p>    Forgery or alteration</p> <p>    Inside the premises — theft of money and securities</p> <p>    Inside the premises — robbery or safe burglary of other property</p> <p>    Outside the premises</p> <p>    Computer fraud</p> <p>    Funds transfer fraud</p> <p>    Money orders and counterfeit money</p> <p>Other crime coverage</p> <p>    Extortion — commercial entities (CR 04 03)</p> <p><b>7.5 Commercial inland marine</b></p> <p>Nationwide marine definition</p> <p>Commercial inland marine conditions form</p> <p>Inland marine coverage forms</p> <p>    Accounts receivable</p> <p>    Bailee's customer</p> <p>    Commercial articles</p> <p>    Contractors equipment floater</p> <p>    Electronic data processing</p> <p>    Equipment dealers</p> <p>    Installation floater</p> <p>    Jewelers block</p> <p>    Signs</p> <p>    Valuable papers and records</p> <p>Transportation coverages</p> <p>    Common carrier cargo liability</p> <p>    Motor truck cargo forms</p> <p>    Transit coverage forms</p> <p><b>7.6 Equipment breakdown ('11)</b></p>	<p>Equipment breakdown protection coverage form (EB 00 20)</p> <p>Selected endorsement</p> <p>    Actual cash value (EB 99 59)</p> <p><b>7.7 Farm coverage</b></p> <p>Farm property coverage form ('03)</p> <p>    Coverage A — Dwellings</p> <p>    Coverage B — Other private structures</p> <p>    Coverage C — Household personal property</p> <p>    Coverage D — Loss of use</p> <p>    Coverage E — Scheduled farm personal property</p> <p>    Coverage F — Unscheduled farm personal property</p> <p>    Coverage G — Other farm structures</p> <p>Farm liability coverage form ('06)</p> <p>    Coverage H — Bodily injury and property damage liability</p> <p>    Coverage I — Personal advertising injury liability</p> <p>    Coverage J — Medical payments</p> <p>Livestock coverage form</p> <p>Mobile agriculture machinery and equipment coverage form</p> <p>Causes of loss (basic, broad and special)</p> <p>Exclusions</p> <p>Additional coverages</p> <p>Limits of insurance</p> <p>Conditions</p> <p>Definitions</p> <p><b>8.0 Businessowners Policy 5% (2 Items)</b></p> <p><b>8.1 Characteristics and purpose</b></p> <p><b>8.2 Businessowners Section I — Property</b></p> <p>Coverage</p>
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Exclusions  
Limits  
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**

Hired auto and non-owned auto liability (BP 04 04)  
Protective safeguards (BP 04 30)  
Utility services — direct damage (BP 04 56)  
Utility services — time element (BP 04 57)

**9.0 Other Coverages and Options 3% (1 Item)**

**9.1 Umbrella/Excess Liability Policies**

Personal  
Commercial  
Boatowners

**9.2 Ocean Marine Insurance**

Major Coverages  
Cargo Insurance  
Freight Insurance

**9.3 Protection and Indemnity**

**9.4 Businessowners Section III – Common Policy Conditions**

**10.0 Workers' Compensation Insurance 10% (5 Items)**

**10.1 Workers compensation laws**

Types of laws  
Monopolistic versus competitive

Compulsory versus elective

**New Mexico Workers Compensation Act**

Exclusive remedy (RL 52-1-6)  
Covered injuries (RL 52-1-11, 12, 19, 28)  
Occupational disease (RL 52-3-33)

Benefits provided (RL 52-1-20, 25, 25.1, 26, 26.1, 40-44, 46, 49)

**Federal workers compensation laws**

Federal Employers Liability Act (FELA) (45 USC 51-60)

US Longshore and Harbor Workers Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

**10.2 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

Voluntary compensation endorsement

**10.3 Premium computation**

Job classification — payroll and rates

Experience modification factor

Premium discounts

**10.4 Other sources of coverages**

Assigned risk pool law (59A-33-1-15)

Self-insured employers and employer groups (RL 52-1-4(A); 52-5-4.1; 52-6-1-25)

## Exam Registration Form

### New Mexico Insurance Examinations

To conveniently register online, please go to <http://www.prometric.com/new-mexico/insurance>

Print or type clearly and neatly. Incomplete or illegible forms will not be processed.

Last Name		First Name		Middle Name	
Residence Address (Your address of legal residence is required)					
City		State		ZIP Code	
Employer (insurance company, if known)				Daytime Phone Number (including area code)	
E-mail address (applications without an email address may experience delays)				Evening Phone Number (including area code) (      )	
Name of Your Pre-licensing Education Course Provider				Pre-licensing Course Completion Date	

Series	Exam Title	Exam Fee	Total
1825	Life Insurance Producer	\$75	\$
1826	Accident and Health or Sickness Insurance Producer	\$75	\$
1827	Life, Accident and Health or Sickness Insurance Producer	\$75	\$
1828	Property Insurance Producer	\$75	\$
1829	Casualty Insurance Producer	\$75	\$
1831	Property, and Casualty Insurance Producer	\$75	\$
1833	Title	\$75	\$
1834	Bail	\$75	\$
1838	Personal Lines Insurance Producer	\$75	\$
1839	Public Adjuster	\$75	\$
1840	Independent and Staff Adjuster	\$75	\$
1841	Vida, Accidente y Salud o Enfermedad	\$75	\$
1842	Vida	\$75	\$
1843	Accidente y Salud o Enfermedad	\$75	\$
1844	Propiedad y Siniestros	\$75	\$
1845	Propiedad	\$75	\$
1846	Siniestros	\$75	\$
1847	Lineas Personales	\$75	\$
1848	Ajustador Publico	\$75	\$
1849	Ajustador de Compania o Independiente	\$75	\$
		<b>Total Fee</b>	<b>\$</b>

By filing this registration, you assume full responsibility for exam selection. If you are unsure about which exam you need for the license you are seeking, resolve this question **before** you register. Fees for these exams are non-refundable and non-transferrable. Exam fees are valid for 90 days from receipt at Prometric.

Please allow 7-10 business days for receipt and processing of your application. **An authorized Prometric Client Service Representative will contact you by phone to obtain your social security number to complete the registration process.** Once you have registered for your exam, you can schedule your exam appointment online or by phone.

**Registration fees are not refundable.** Fees may be paid by cashier's check, company check, money order, MasterCard, Visa or American Express. Make company checks, cashier's checks and money orders payable to



Prometric. Please put your phone number on the check. **Personal checks and cash are not accepted.** To pay by **credit card** (when registering by mail or fax), please complete the Credit Card Payment Form on the next page and fax to 800.347.9242, or send this completed form along with the appropriate fee to:

**Prometric**  
**ATTN: NM Insurance Exam Registration**  
**7941 Corporate Drive Nottingham, MD 21236**

## Credit Card Payment Form

Print or type clearly. Incomplete or illegible forms will not be processed.

Card Type (Check One)

MasterCard     Visa     American Express

Card Number	Expiration Date
Amount \$ _____ . _____	
Name of Cardholder (Print)	
Signature of Cardholder	