

# Your Exam Content Outline

The following outline describes the content of one of the Arizona insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

## Arizona Producer's Crop Insurance

### Series 13-46

**60 questions – 1 hour time limit**

**Effective January 22, 2020**

## 1.0 Insurance Regulation 10%

### 1.1 Licensing

Requirements (20-285)

Types of licensees

Producers (20-281(5), 286)

Nonresident producers (20-281(11))

Adjusters (20-321)

Business entities (20-281(1), 285(D, E), 290(B))

Temporary (20-294)

Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)

Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))

Assumed business name (20-297)

Maintenance and duration

Expiration, surrender and renewal (20-289)

Inactive license status during military service (20-289.01)

Change of name, address, telephone number (20-286(C))

Reporting of actions (20-301)

Continuing education (20-2902, 2903)

Disciplinary actions

Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)

Cease and desist order (20-292)

### 1.2 State regulation

Acts constituting insurance transaction (20-106, 282, 401.01)

Negotiate (20-281(10))

Sell (20-281(14))

Solicit (20-281(15))

Payment of premiums (20-191)

Certificate of authority (20-217(A))

Signature on insurance policy (20-229)

Producer regulation

Sharing commissions (20-298)

Place of business and records (20-157, 290; AZ Const Art 14 s 16)

Certificate of authority (20-217(A))

Unfair trade practices (20-442)

Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))

False or deceptive advertising (20-444)

Defamation of insurer (20-445)

Boycott, coercion or intimidation (20-446)

Unfair discrimination (20-448)

Gender discrimination (Rule R20-6-207)

Rebating (20-449-451)

Prohibited inducements (20-452)

Fees (20-465)

Insurance fraud (20-463, 466-466.04)

Privacy of Insurance information and privacy protection (20-2101-2122)

### 1.3 Federal regulation

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

Other federal regulations (e.g. Do Not Call List) <https://www.donotcall.gov/>

## 2.0 General Insurance 10%

### 2.1 Concepts

Risk management key terms

Risk

Exposure

Hazard

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

Indemnity/pay on behalf of

### 2.2 Insurers

Types of insurers

Captive insurers

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocal

Risk retention groups

Lloyd's associations

Self-insurers

Surplus lines

Risk purchasing groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Marketing (distribution) systems

Financial solvency status (independent rating services)

A.M. Best, Standard and Poor's, NAIC

### 2.3 Producers and general rules of agency

Insurer as principal

Producer/insurer relationship

Authority and powers of producers

Express

Implied

Apparent

Responsibilities to the applicant/insured

### 2.4 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Distinct characteristics of an insurance contract

Contract of adhesion

Personal contract

Aleatory 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-Hail Insurance 28%

### 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 and lightning coverage  
Catastrophe loss award  
Assignment  
Subrogation

### **3.8 Claim settlement practices**

Notice of loss  
Insured's duties after loss  
Appraisal/arbitration

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  
Priorities of conflicts between provisions  
Duties after loss  
    Insured

## **4.0 Federal Multi-Peril Crop Insurance Programs 52%**

### **4.1 Basic/catastrophic crop insurance (CAT)**

Eligibility  
    Insureds  
    Insurable crops

Insurer

#### **4.4 Revenue Protection Plan**

Base price

Units

Harvest price

Guaranteed revenue

Rebating