

Your Exam Content Outline

The following outline describes the content of one of the Massachusetts 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.

Massachusetts Producer's Examination for Casualty Insurance Series 16-54

**100 questions (plus 5 unscored items) –
2-hour time limit
Live Date August 25, 2019**

1.0 Insurance Regulation 10% (10 Items)

1.1 Licensing

Process (175:162G–X)

Types of licensees

Producers (175:162H, L, M)

Business entity producers (175:162L)

Nonresident producers (175:162N, U)

Temporary (175:162Q)

Special brokers (175:168)

Advisers (175:177A, B)

Public insurance adjusters (175:172)

Reinsurance intermediaries (175:177M–W)

Life settlement broker (175:212–223E)

Portable Electronics Insurance Limited Lines license
(175:162Y)

Maintenance and duration

Reinstatement and renewal (175:162M(b–d),
177B, 177O)

Address change (175:162M(f))

Reporting of actions (175:162V)

Assumed names (175:162P)

Continuing education requirements, exemptions
and penalties (175:177E; Reg 211 CMR
50.00)

Disciplinary actions

Cease and desist order (176D:7)

Hearings (175:162R; 176D:6)

Probation, suspension, revocation, refusal to
issue or renew (175:162R, 177B; 176D:7, 10;
30A:13)

Penalties and fines (175:162R(b–e), 170, 174,
175, 176, 177, 194; 176D:7, 10)

1.2 State regulation

Commissioner's general duties and powers
(175:3A; 176D:5)

Company regulation

Certificate of authority (175:4, 32, 151)

Solvency (175:6, 180A–L; 175J)

Rates (175:113B; 175A; 175E; 176A:6;
176H:6; 176J:3; 176M:4)

Policy forms (175:2B, 192)

Examination of books and records (175:4)

Producer appointments (175:162S)

Termination of producer appointment
(175:162T)

Producer regulation

Impersonation (175:175)

Larceny (175:176)

Unlicensed persons compensation (175:177)

Unfair or deceptive insurance practices

Misrepresentation (175:181, 186; 176D:3(1),
(11))

False advertising (175:181; 176D:3(1),(2))

Defamation of insurer (176D:3(3))

Boycott, coercion and intimidation (176D:3(4),
3A)

False financial statements (176D:3(5))

Failure to maintain complaint record
(176D:3(10))

Unfair discrimination (176D:3(7))

Unfair claims settlement practices (176D:3(9))

Rebating (175:182–184; 176D:3(8))

Insurance fraud regulation (175:170, 181; 176D:3)

Insurance Information and Privacy Protection
(175I)

1.3 Federal regulation

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

Fraud and false statements including 1033 waiver
(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
- Law of large numbers
- Reinsurance

2.2 Insurers

- Types of insurers
 - Stock companies
 - Mutual companies
 - Fraternal benefit societies
 - Risk retention and risk purchasing groups
 - Self-insurance groups
- 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
- Responsibilities to the applicant/insured

2.4 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Distinct characteristics of an insurance contract
 - Contract of adhesion
 - Aleatory contract
 - Personal contract
 - 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 18% (18 Items)

3.1 Principles and concepts

- Insurable interest
- Underwriting
 - Function
 - Expense ratio, combined ratio
 - Loss ratio

- Rates
 - Types
 - Loss costs
 - Components
- Hazards
 - Physical
 - Moral
 - Morale
- Negligence
 - Elements of a negligent act
 - Defenses against negligence
- Damages
 - Compensatory — special versus general
 - Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Attractive nuisance

3.2 Policy structure

- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

3.3 Common policy provisions

- Insureds — named, first named, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata share
 - Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Named insured provisions
 - Duties after loss
 - Assignment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Duty to defend

3.4 Massachusetts laws, regulations and required provisions

- Massachusetts Insurers Insolvency Fund (175D:1–17)
- Cancellation and nonrenewal (175:187C, 187D)

Concealment, misrepresentation or fraud (175:170, 186; RL Title I 266:27A)
Appraisal (175:113O)
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

4.0 Homeowners Policy — Section II 16% (16 Items)

4.1 Coverage forms

HO-2 through HO-6

4.2 Definitions

4.3 Section II — Liability coverages

Coverage E — Personal liability

Coverage F — Medical payments to others

Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements

Special provisions — Massachusetts (HO 01 20)

Limited fungi, wet or dry rot, or bacteria coverage (HO 05 37, HO 05 38, HO 05 39)

Permitted incidental occupancies — residence premises (HO 04 42)

Home day care (HO 04 97)

Tenants relocation expense — Massachusetts (HO 23 71)

Lead poisoning exclusion — Massachusetts (HO 24 41; Reg 211 CMR 131.00)

Coverage for lead poisoning — Massachusetts (HO 24 42)

Business pursuits (HO 24 71)

Watercraft (HO 24 75)

Personal injury (HO 24 82)

5.0 Auto Insurance 15% (15 Items)

5.1 Laws

Massachusetts Compulsory Motor Vehicle Liability Insurance (175:113A-L, N-V; RL Title XIV 90:34A-K, M-R)

Required limits of liability (RL Title XIV 90:34A, 34O)

Required proof of insurance (RL Title XIV 90:34A, 34B)

Massachusetts Assigned Risk Plan (175:113H)

Personal injury protection (RL Title XIV 90:34A, M)

Medical

Loss of income/Lost wages

Death

Funeral

Replacement services

Uninsured/underinsured motorist (175:111D, 113L)

Definitions

Bodily injury

Required limits

Cancellation/nonrenewal (90:34K; 175:22C, 113A)

Grounds (175:22C, 112)

Notice (175:22C, 113F; RL Title XIV 90:34K)

Notice of eligibility in assigned risk plan (175:113F)

Aftermarket parts regulation (Reg 211 CMR 133.04; RL Title XIV 90:34R)

Regulation of rates for motor vehicle insurance (Ch. 175A, E)

Private passenger motor vehicle insurance rates (Reg 211 CMR 79.00)

5.2 Massachusetts auto insurance policy (2008 edition)

Definitions

Compulsory coverage

Bodily injury to others

Personal injury protection

Damage to someone else's property

Uninsured/underinsured motorist

Coverage for damage to your auto

Medical payments

Collision

Limited collision

Comprehensive

Deductibles

Substitute transportation

Towing and labor

General provisions

Duties after an accident or loss

Selected endorsements

Use of other autos — vehicles furnished or available for regular use (M-0051-S)

Coverage for anyone renting an auto to you additional insured — lessor (M-0070-S)

Massachusetts mandatory endorsement (M-0099-S)

Mobile home (MPY-0002-S)

Waiver of deductible (MPY-0016-S)

5.3 Commercial auto

Commercial auto coverage forms

Business auto

Garage

Truckers

Coverage form sections

Covered autos

Liability coverage

Garagekeepers coverage

Trailer interchange coverage

Physical damage coverage

Exclusions

Conditions

Definitions

Selected endorsements

Individual named insured (CA 99 17)

Mobile equipment (MM 20 11)

Lessor — additional insured and loss payee —
Massachusetts (MM 20 26)
Drive other car coverage (MM 99 22)
Commercial carrier regulation
The Motor Carrier Act of 1980
Endorsement for motor carrier policies of
insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP) 8% (8 Items)

6.1 Components of a commercial policy

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

6.2 Commercial general liability

Commercial general liability coverage forms
Bodily injury and property damage liability
Personal and advertising injury liability
Medical payments
Exclusions
Supplementary payments
Who is an insured
Limits of insurance
Conditions
Definitions
Occurrence versus claims-made
Claims-made features
Trigger
Retroactive date
Extended reporting periods — basic versus
supplemental
Claim information
Defense within limits versus open limits (Filing
Guidance Notice 2011-A)
Premises and operations
Products and completed operations
Selected endorsement
Limited fungi or bacteria coverage (CG 24 25)

6.3 Commercial crime

General definitions
Burglary
Theft
Robbery
Crime coverage forms
Commercial crime coverage forms
(discovery/loss sustained)
Government crime coverage forms
(discovery/loss sustained)
Coverages
Employee theft
Forgery or alteration
Inside the premises — theft of money and
securities

Inside the premises — robbery or safe burglary
of other property
Outside the premises
Computer fraud
Funds transfer fraud
Money orders and counterfeit money
Other crime coverages
Kidnap/ransom and extortion (CR 00 40)
Extortion — commercial entities (CR 04 03)
Lessees of safe deposit boxes (CR 04 09)
Securities deposited with others (CR 04 10)
Guests' property (CR 04 11)
Safe depository (CR 04 12)

6.4 Farm coverage

Farm liability coverage form
Coverage H — Bodily injury and property
damage liability
Coverage I — Personal and advertising injury
liability
Coverage J — Medical payments
Definitions
Conditions
Exclusions
Limits
Additional coverages

7.0 Businessowners Policy — Liability 6% (6 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 9% (9 Items)

8.1 Workers compensation laws

Types of laws
Monopolistic versus competitive
Compulsory versus elective
Massachusetts Workers Compensation Act (RL
Title XXI Ch 152)
Exclusive remedy (RL Title XXI 152:24, 26,
71)
Employment covered (required, voluntary) (RL
Title XXI 152:1, 25A)
Covered injuries (RL Title XXI 152:1, 29)

Occupational disease (RL Title XXI 152:1(7A))
Benefits provided (RL Title XXI 152:27, 28–30, 30G–30I, 31–34, 34A, 34B, 35, 35A–E, 36)
Subsequent injury fund (RL Title XXI 152:37)
Large deductible programs (211 CMR 115.01–.06; 152:25A)
Subrogation (152:15)
Federal workers compensation laws
Federal Employers Liability Act (FELA) (45 USC 51–60)
U.S. Longshore and Harbor Workers' Compensation Act (33 USC 904)
The Jones Act (46 USC 30104)

8.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers compensation insurance
Part Two — Employers liability insurance
Part Three — Other states insurance
Part Four — Your duties if injury occurs
Part Five — Premium
Part Six — Conditions
Selected endorsement
Voluntary compensation

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverage

Assigned risk plan (RL Title XXI 152:65A–D, G–M, O)
Self-insured employers and employer groups (RL Title XXI 152:25A–U)
Massachusetts Workers' Compensation Trust Fund (RL Title XXI 152:65)

Contract bonds
License and permit bonds
Judicial bonds

9.5 Aviation insurance

Aircraft liability

9.6 Ocean marine insurance

Protection and indemnity

9.7 Other policies

Boatowners
Personal watercraft
Recreational vehicles

9.8 Residual markets

Joint Underwriting Association — Liquor Liability (175:112A–B)

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

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

9.3 Surplus lines (175:168)

Definitions and markets
Licensing requirements

9.4 Surety bonds

Principal, obligee, surety