

**Personal Lines
Series 20-29
100 scored questions (plus 10 unscored)
2-hour 15-minute time limit**

1.0 Insurance Regulation

30% (30 items)

1.1 Licensing

Purpose

Process (*Insurance Article Annotated Code- Sec. 10-115; Sec.10-116;
Sec. 10-104*)

Initial Licensure Qualifications

Examination

License fee & application

Exemptions to Licensure

Types of licensees

Producers

Business entity producers

Nonresident producers

Temporary

Advisers

Public insurance adjusters

Limited Lines Producer

Portable Electronics Insurance Limited Lines license

Maintenance and duration(*Insurance Article Annotated Code- Sec. 10-116;
Sec. 10-117(b)(1)*)

Reinstatement and renewal

Address change

Reporting of actions

Assumed names

Continuing education requirements, exemptions and penalties

Disciplinary actions

Cease and desist order

Hearings

Probation, suspension, revocation, refusal to issue or renew

Penalties and fines

1.2 State regulation

Commissioner's general duties and powers (*Insurance Article Annotated
Code-Sec. 2-205 (a)(2)*)

State Specific Definitions (*Insurance Article Annotated Code- Sec. 10-401; Sec.
27-209; Sec. 27-213; Sec. 10-201; Sec 10-126; Ref: COMAR Sec. 31.08.06.02*)

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

Certificate of authority

Solvency

Rates

Policy forms

Examination of books and records

Producer appointments

Producer's Contract with Insurer versus Producer's Appointment with Insurer

Producer's Individual Appointment versus Business Entity Appointment

Maintaining Record of Appointment Notice

Termination of producer appointment

Producer regulation (*Insurance Article Annotated Code-Sec. 27-212(d)*)

- Examination of Books and Records
- Insurance Information and Privacy Protection
- Fiduciary Responsibilities (*COMAR- Sec. 31.03.03*)
- Bail Bond (*COMAR- Sec. 31.03.05.02(B)(1); Sec. 31.03.05.05*)
- Acting for Unlicensed Insurer
- Record Retention
- Activities of Unlicensed Individual
- Payment and sharing of Commissions
- Charging of fees
- Responsibility for Trust Accounts
- Complaint Record
- Binders
- Solvency
- Rates and Forms
- Impersonation
- Larceny
- Unlicensed persons compensation
- Unfair or deceptive insurance practices (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Misrepresentation
 - False advertising
 - Defamation of insurer
 - Boycott, coercion and intimidation
 - False financial statements
 - Failure to maintain complaint record
 - Unfair discrimination (*Insurance Article Annotated Code-Sec. 19-107(a)(2); Sec. 27-501; Sec. 27-213, 212*)
 - Unfair claims settlement practices
 - Rebating
- Insurance fraud regulation
- Insurance Information and Privacy Protection
- Competitive Rating
- 1.3 Federal regulation**
 - Fair Credit Reporting Act (*15 USC 1681–1681d; Insurance Article Annotated Code- Sec. 27-501*)
 - Fraud and false statements including 1033 waiver (*18 USC 1033, 1034*)
- 1.4 Maryland laws, regulations and required provisions**
 - Maryland Insurers Insolvency Fund
 - Cancellation and nonrenewal (*Insurance Article Annotated Code- Sec. 27-609*)
 - Concealment, misrepresentation or fraud
 - Appraisal
 - Federal Terrorism Insurance Program
- 1.5 Maryland auto insurance policy**
 - State Auto Insurance Laws & Regulations
 - State Required Limits of Liability (*Insurance Article Annotated Code-Sec. 19-512; Sec. 19-504.1(3)(ii); Sec. 19-106; Sec. 17-103*)
 - Uninsured/Underinsured Motorist (*Insurance Article Annotated Code-Sec. 19-509; COMAR- Sec. 31.15.10.03*)
 - Definitions
 - Compulsory coverage
 - Bodily injury to others
 - Personal injury protection (*Insurance Article Annotated Code- Sec. 19-505; Sec. 19-506; COMAR-Sec. 31.15.07.05*)
 - Benefits/waivers
 - Exclusions
 - Damage to someone else's property

Uninsured/underinsured motorist (*Insurance Article Annotated Code- Sec. 19-509; COMAR- Sec. 31.15.10.03*)

Coverage for damage to your auto

- Medical payments
- Collision
- Limited collision
- Comprehensive
- Deductibles
- Substitute transportation
- Towing and labor

General provisions

Duties after an accident or loss

Selected endorsements

- Use of other autos — vehicles furnished or available for regular use
- Coverage for anyone renting an auto to you additional insured — lessor
- Named Driver Exclusion
- Maryland Automobile Insurance Fund (MAIF) (*Insurance Article Annotated Code- Sec. 20-501(b); Sec. 20-502; Sec. 20-509(e-1)(ii); Sec. 20-201; Sec. 20-511*)

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
- Law of large numbers
- Reinsurance

2.2 Insurers

Types of insurers

- Stock companies
- Mutual companies
- Reciprocals
- Self Insurers
- Risk retention groups
- Surplus lines carriers

Purchasing groups

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services) and operating results

Marketing (distribution) systems

2.3 Producers and general rules of agency

Types

- Captive
- Independent

- Insurer as principal
- Producer of insurer
- Authority and powers of producers
 - Express
 - Implied
 - Apparent
- Responsibilities to the applicant/insured

2.4 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Distinct Characteristics of an Insurance Contract
 - Contract of adhesion
 - Aleatory contract
 - Personal contract
 - Unilateral contract
 - Conditional contract
- Legal interpretations affecting contracts
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Utmost good faith
 - Representations/misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

3.0 Property and Casualty Insurance Basics

9% (9 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
 - Proximate cause
- Torts
- 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

Guaranteed 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 and additional

Policy period

Policy territory

Cancellation and nonrenewal

Deductibles

Other insurance

Nonconcurrent

Primary and excess

Pro rata

Contribution by equal shares

Limits of liability

Per occurrence (accident)

Per person

Split

Combined single

Restoration/nonreduction of limits

Coinsurance

Third Party Provisions

Vacancy or unoccupancy

Named insured provisions

Duties after loss

Assignment

Abandonment

Insurer provisions

Liberalization

Subrogation

Salvage

Claim settlement options

Duty to defend

Lien holder provisions

Standard mortgage clause

Loss payable clause

No benefit to the bailee

4.0 Casualty Specific **10% (10 items)**

4.1 Strict Liability

4.2 Vicarious Liability

4.3 Limits of Liability

Per occurrence (accident)

Per person

Aggregate (general versus products) completed operations

Split

Combined single

4.4 Restoration - Non-Reduction of Limits

4.5 Named Insured Provisions

Duties after loss

Assignment

Abandonment

4.6 Insurer Provisions

Liberalization

Subrogation

Salvage

Claim settlement options

Duty to defend

5.0 Property Specific **9% (9 items)**

5.1 Causes of Loss (Basic, Broad and Special Forms)

5.2 Direct Loss

5.3 Consequential vs Indirect Loss

5.4 Basic Types of Construction

5.6 Coinsurance

5.7 Loss Valuation

Actual cash value

Replacement cost

Functional replacement cost

Guaranteed Replacement Cost

Market value

Agreed value

6.0 Dwelling Policy **10% (10 items)**

6.1 Characteristics and purpose

6.2 Coverage forms — Perils insured against

DP-1 Basic

DP-2 Broad

DP-3 Special

6.3 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

6.4 General exclusions

6.5 Conditions

6.6 Personal liability supplement

6.7 Selected Endorsements

Automatic Increase in Insurance

Dwelling Under Construction

Broad Theft Coverage

Limited Theft Coverage
Special Provisions

7.0 Homeowners Policy

14% (14 items)

7.1 Characteristics and Purpose

7.2 Coverage forms

HO-3 Special
HO-4 Tenants
HO-5 Comprehensive
HO-6 Condominium Unit-Owners

7.3 Definitions

7.4 Section I — Property coverages

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Additional Living Expense and Fair Rental Value
Loss of Use

7.5 Section II — Liability coverages

Coverage E — Personal liability
Coverage F — Medical payments to others

7.6 Perils insured against

7.7 Additional coverages

Debris removal
Reasonable repairs
Trees, shrubs and other plants
Fire department service charge
Property removed
Credit card, fund transfer card, forgery and counterfeit money
Loss assessment
Glass or safety glazing material
Landlord's furnishings
Building Additions and Alterations
Claim expenses
First aid expenses
Damage to property of others

7.8 Exclusions

7.9 Conditions

7.10 Other Policies

Mobile Homes

7.11 Selected Endorsements

Business Pursuits
Earthquake
Home Day Care
Permitted Incidental Occupancies
Personal Injury
Personal Property Replacement Cost
Scheduled Personal Property
 Valuable papers
 Computers
Watercraft
Special Provisions

8.0 Auto Insurance

8% (8 items)

8.1 Personal auto policy

Definitions
Liability coverage

- Bodily injury and property damage
- Supplementary payments
- Exclusions
- Coverage for damage to your auto
 - Collision
 - Other than collision
 - Deductibles
 - Transportation expenses
 - Exclusions
- Medical Payments
- Protection Against Uninsured/Underinsured Motorists
- General Provisions
- Conditions
- Duties after an accident or loss
- General provisions
- Selected endorsements
 - Towing and labor costs
 - Miscellaneous type vehicle
 - Amendment of policy provisions — Maryland
 - Medical expense and income loss benefits coverage — Maryland
 - Transportation expenses coverage — Maryland
 - Joint ownership coverage — Maryland
 - Towing and labor costs — Maryland
 - Extended non-owned coverage for named individual — Maryland
 - Miscellaneous type vehicle — Maryland
 - Uninsured motorists coverage — Maryland
 - Loss Payable Clause

9.0 Other Coverages and Options

2% (2 items)

9.1 Personal umbrella

- Coverages
- Underlying Coverages
- Self-Insured Retention

9.2 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

9.3 Boatowners including uninsured private pleasure watercraft coverage

9.4 Basic Property Residual Market

- Maryland Property Insurance Association (FAIR plan)

9.5 Inland marine

- Personal Articles floaters