

Your Exam Content Outline

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

Vermont Agent's Examination for Title Insurance Series 14-38

60 questions – One-hour time limit

All citations are Vermont Insurance Statutes Title 8, unless otherwise noted. When preceded by "Reg" refer to Vermont Department Regulations, when preceded by "Bul" refer to Vermont Department Bulletins.

1.0 Insurance Regulation 6%

1.1 Licensing

- Process (4800; 4813e; 4813f)
- Persons to be licensed (4813b)
- Maintenance and duration
 - Renewal and expiration (4798)
 - Address change (4800(3)(F))
 - Assumed business name (4813j)
 - Reporting of actions (4813o)
 - Continuing education requirements (4800a; Reg I-2000-02 Sec 4)
- Disciplinary actions
 - Denial of license (4800(3)(E))
 - Cease and desist order (3661)
 - Suspension, revocation or nonrenewal (4804; 4806)

1.2 State regulation

- Commissioner's general duties and powers (4726)
- Company regulation
 - Forms filing exceptions (Reg 85-1 Sec 6(C)(6)(j))
 - Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1-7)
 - Examination of records (3565)
- Agent regulation
 - Acting without a license (4793)
 - Shared commissions (4796)
- Unfair trade practices (4724)
 - Misrepresentation (4724(1, 11, 13))
 - False advertising (4724(2))
 - Defamation (4724(3))
 - Boycott, coercion and intimidation (4724(4))
 - False financial statements and entries (4724(5))
 - Illegal inducement (4724(6))
 - Unfair discrimination (4724(7))
 - Rebating (4724(8))
 - Failure to maintain complaint record (4724(10))

- Failure to act as fiduciary (4724(12))
- Nondisclosure of fees or charges (4724(14))

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%

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
 - Insurable interest
 - Reinsurance

2.2 Agents and general rules of agency

- Insurer as principal
- Agent/insurer relationship
- Authority and powers of agents
 - Express
 - Implied
 - Apparent
- Responsibilities to the applicant/insured

2.3 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
- 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 Real Property 34%

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
- Accession
- Escheats
- Involuntary alienation
- Abandonment
- Judicial sales
- Decedents' estates
 - Intestate
 - Testate
- Trusts
- Types of joint ownership
 - Tenants in common
 - Joint tenancy
 - Tenants by the entirety
- 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 real descriptions
- Structure and format
- Interpretation
- Survey requirements

3.4 Recording

- Types of records
- Types of recording systems
- Requirements to record
- Recording steps
- Acknowledgments
- Presumptions

4.0 Title Insurance 24%

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 agent

- 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
 - Commitments
 - Insured closing protection letters
 - Owner's policy
 - Loan policy/short form residential loan policy
 - Leasehold policy
- Title insurance policy structure and provisions
 - Insuring provisions
 - Schedule A
 - Schedule B — Exceptions from coverage
 - Exclusions from coverage
 - Conditions and stipulations
 - Endorsements

5.0 Title Exceptions and Procedures for Clearing Title 29%

5.1 Principles and concepts

- General exceptions
- Voluntary and involuntary liens
- Federal liens
- Mortgage deeds
- Judgments
- Taxes and assessments
- Surveys
- Condominiums and common interest communities
- Water rights
- Mineral rights
- Equitable interests
- Attachments
- Executions
- Covenants
- Conditions
- Restrictions
- Glebe land
- Building and zoning laws

5.2 Special problem areas and concerns

- Acknowledgments
- Mechanic's lien
- Bankruptcy
- Probate
- Good faith
- Foreclosure
- Claims against the title
- Ancient roads

5.3 Principles of clearing title

- Releases
- Assignments
- Subordinations
- Affidavits
- Reconveyances