

# Your Exam Content Outline

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

## Connecticut Producer's Examination for Casualty Insurance Series 18-20

100 questions – Two-hour time limit

### 1.0 Insurance Regulation 8%

#### 1.1 Licensing

- Process (38a-702d, 702e, 769)
- Types of licensees (38a-702f(a), 769)
  - Resident producers (38a-782)
  - Certified insurance consultants (38a-731–733, 786)
  - Nonresident producers (38a-702g, 702n)
  - Temporary (38a-702j)
- Maintenance and duration
  - Renewal (38a-702f(b)(c), 784, 786(b))
  - Change in name or address (38a-771(a))
  - Reporting of actions (38a-702o, 771(b))
  - Assumed names (38a-702i)
  - Continuing education requirements, exemptions and penalties (Reg 38a-782a-2, 10, 13–15)
- Disciplinary actions
  - Cease and desist order (38a-817)
  - Hearings (38a-16, 817, 818)
  - Suspensions, revocations, refusal to issue or renew, fines (38a-2, 702k, 735, 774, 777, 817(b, e), 830)

#### 1.2 State regulation

- Commissioner's general duties and powers (38a-8, 10)
- Company regulation
  - Certificate of authority (38a-41)
  - Capital and surplus requirement (38a-72)
  - Unfair claim settlement practices (38a-816(6))
- Producer regulation
  - Controlled business (38a-782(b))
  - Commissions (38a-702l, 734)
  - Acting as an agent (38a-702m)
  - Representing an unauthorized insurer (38a-275, 703, 714)
  - Failure to remit premiums (38a-712)
- Unfair and prohibited practices
  - Misrepresentation (38a-816(1), (8))
  - False advertising (38a-816(1), (2))
  - Defamation of insurer (38a-816(3))

- Boycott, coercion and intimidation (38a-816(4))
- False financial statements (38a-816(5))
- Failure to maintain complaint record (38a-816(7))
- Unfair discrimination (38a-816(12), (13))
- Rebating (38a-816(9), 825)
- Twisting (38a-826)
- Examination of books and records (38a-769(f))
- Connecticut Insurance Information and Privacy Protection Act (38a-975–999a)

#### 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
  - Law of large numbers
  - 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 Casualty Insurance Basics 17%

### 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

### 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
- Insurer provisions
  - Liberalization
  - Subrogation
  - Duty to defend

### 3.4 Connecticut laws, regulations and required provisions

- Connecticut Insurance Guaranty Association Act (38a-836–853)
- Cancellation and nonrenewal (38a-307, 308(e), 323, 324)
- Binders (38a-309, 322)
- Legal action against insurer (38a-290, 307)
- Concealment or fraud (38a-307)
- Connecticut Standard Fire Policy (38a-307)
- Connecticut FAIR Plan (Reg 38a-328-1–20)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

## 4.0 Homeowners ('00) Policy 18%

### 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 — Connecticut (HO 01 06)
- Permitted incidental occupancies — residence premises (HO 04 42)
- Limited fungi, wet or dry rot, or bacteria coverage — Connecticut (HO 04 74, HO 04 75, HO 04 76)
- Home day care (HO 04 97)
- Home business — Connecticut (HO 07 05)
- Business pursuits (HO 24 71)

Watercraft (HO 24 75)  
Personal injury — Connecticut (HO 24 79)

## **5.0 Auto Insurance 18%**

### **5.1 Laws**

Connecticut Motor Vehicle Financial Responsibility Law  
Required limits of liability (RL 14-112(a))  
Required proof of insurance (RL 14-112(b))  
Connecticut Automobile Insurance Assigned Risk Plan (38a-329)  
Uninsured/underinsured motorist (38a-336)  
Definitions  
Bodily injury  
UM/UIM reduction  
Required limits (Reg 38a-334–6(d))  
Conversion coverage (38a-336a)  
Cancellation/nonrenewal  
Reasons (38a-342)  
Notice (38a-343, 344)  
Notice of eligibility in assigned risk plan (38a-345)  
Illegal declination, cancellation or nonrenewal (38a-358, 815, 816(9), 817(b))  
Aftermarket parts regulation (38a-355)  
Constructive total loss (38a-353)  
Arbitration (Reg 38a-10-1–4)

### **5.2 Personal ('05) 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  
Amendment of policy provisions — Connecticut (PP 01 54)  
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 03 23)  
Joint ownership coverage — Connecticut (PP 13 45)

### **5.3 Commercial auto ('01)**

Commercial auto coverage forms  
Business auto  
Garage  
Business auto physical damage  
Truckers

Motor carrier  
Coverage form sections  
Covered autos  
Liability coverage  
Garagekeepers coverage  
Physical damage coverage  
Exclusions  
Conditions  
Definitions  
Selected endorsements  
Connecticut changes (CA 01 07)  
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)  
Commercial carrier regulations  
The Motor Carrier Act of 1980  
Endorsement for motor carrier policies of insurance for public liability (MCS-90)

## **6.0 Commercial Package Policy (CPP) 10%**

### **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 ('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 (Connecticut minimum standards) (Reg 38a-327-1–6)  
Trigger  
Retroactive date  
Extended reporting periods  
Claim information  
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 coverage
  - Extortion — commercial entities (CR 04 03)

#### **6.4 Farm coverage**

- Farm liability coverage form ('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 ('06) Policy 9%**

#### **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 8%**

#### **8.1 Workers compensation laws**

- Types of laws
  - Monopolistic versus competitive
  - Compulsory versus elective
- Connecticut Workers Compensation Law (Title 31 Chapter 568)
  - Exclusive remedy (RL 31-284(a), 293a)
  - Employment covered (required, voluntary) (RL 31-275(9), (10))
  - Covered injuries (RL 31-275(1), (16), 284(a), 294c, 295)
  - Occupational disease (RL 31-275(15))
  - Benefits provided (RL 31-275(12), 283a, 295, 306, 306b, 307, 308, 308a)
  - Second injury fund (RL 31-349–355b)
- 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 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
- Selected endorsement
  - Voluntary compensation

#### **8.3 Premium computation**

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts
- Participation (dividend) plans

#### **8.4 Other sources of coverage**

- Connecticut Workers Compensation Insurance Plan
- Self-insured employers (RL 31-285, 286)
- Employers' mutual insurance associations (RL 31-328–339)

### **9.0 Other Coverages and Options 5%**

#### **9.1 Umbrella/excess liability policies**

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

#### **9.2 Specialty liability insurance**

- Professional liability
- Errors and omissions
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

#### **9.3 Surplus lines**

- Definitions and markets
- Licensing requirements
- Exportable list
- Affidavits

#### **9.4 Surety bonds**

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

#### **9.5 Other policies**

- Boatowners