

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 Personal Lines Insurance Series 18-18

100 questions – Two-hour time limit

1.0 Insurance Regulation 9%

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-702f(f), 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 9%

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 Property and 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
- 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

- 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, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
 - Nonconcurrency
 - Primary and excess
 - Pro rata
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Split
 - Combined single
- Restoration/nonreduction of limits
- Coinurance
- Vacancy or unoccupancy
- Named insured provisions
 - Duties after loss
 - Assignment
 - Abandonment
- Insurer provisions
 - Liberalization
 - Subrogation
 - Salvage
 - Claim settlement options
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the bailee

3.4 Connecticut laws, regulations and required provisions

- Connecticut Insurance Guaranty Association Act (38a-836-853)
- Cancellation and nonrenewal (38a-307, 308(e), 323)
- Binders (38a-309, 322)
- Legal action against insurer (38a-290, 307)
- Concealment or fraud (38a-307)
- Appraisal (38a-307)
- Availability of insurance on real property regardless of location (Reg 38a-824-1-3)
- 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 Dwelling ('02) Policy 7%

4.1 Characteristics and purpose

4.2 Coverage forms – Perils insured against

- Basic
- Broad
- Special

4.3 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

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements

- Special provisions – Connecticut (DP 01 06)
- Automatic increase in insurance (DP 04 11)
- Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners ('00) Policy 25%

5.1 Coverage forms

- HO-2 through HO-6

5.2 Definitions

5.3 Section I – Property coverages

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

5.4 Section II – Liability coverages

- Coverage E – Personal liability
- Coverage F – Medical payments to others
- Additional coverages

5.5 Perils insured against

5.6 Exclusions

5.7 Conditions

5.8 Selected endorsements

- Special provisions – Connecticut (HO 01 06)
- Permitted incidental occupancies – residence premises (HO 04 42)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Limited fungi, wet or dry rot, or bacteria coverage – Connecticut (HO 04 74, HO 04 75, HO 04 76)
- Personal property replacement cost (HO 04 90)
- 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)

6.0 Auto Insurance 26%

6.1 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)

- Disclosure of automobile liability insurance policy limits (38a-335a)

6.2 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)

7.0 Other Coverages and Options 7%

7.1 Personal umbrella policy

7.2 National Flood Insurance Program

- "Write your own" versus government

- Eligibility

- Coverage

- Limits

- Deductibles

7.3 Other policies

- Boatowners