

Michigan Independent Adjuster without Workers' Compensation Authority

Series 16-71

**100 Items - 2 Hours
70% (70 Correct to Pass)**

Revised May 1, 2020

Insurance Regulation 5% (5 items)

Adjuster Regulation

Maintenance and Duration

Change of Name and Address (500.1206(5), .1238(1))

Disciplinary Actions

Suspension, Revocation, Refusal to Issue or Renew (500.1242, .1244, .2029, .2043)

Penalties and Fines (500.1242, .1244, .2038, .2040, .2064, .2069)

Unfair and Prohibited Insurance Trade Practices (500.1239, .1242, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029, .2059, .2062)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)

False Statement (500.2014, .2018, .2055, .2062, .2474, .2666)

Boycott, Coercion, and Intimidation (500.2012)

Insurance Fraud Regulation (500.2088, .4503)

Consumer Privacy Regulation (500.533)

License Requirements (500.1200, .1222, .1224 338.41-.47)

Claim Settlement Laws and Regulations (500.2227, .2845)

Unfair Claims Settlement Practices (500.2006, .2026)

Insurance Basics 22% (22 items)

Contract Basics

Elements of a Legal Contract

Offer and Acceptance

Consideration

Competent Parties

Legal Purpose

Legal Interpretations affecting Contracts

Utmost Good Faith

Representations/Misrepresentations

Fraud

Waiver and Estoppel

Insurance Principles and Concepts

Insurable Interest

Hazards

Physical

Moral

Morale

Negligence

Elements of a Negligent Act

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/Repair Cost
Agreed Value
Stated Amount
Valued Policy
Policy Structure
Declarations
Definitions
Insuring Agreement or Clause
Additional/Supplementary Coverage
Conditions
Exclusions
Endorsements
Common Policy Provisions
Insureds - Named, First Named, Additional
Policy Period
Policy Territory
Deductibles
Limits of Liability
Per Occurrence (Accident)
Per Person
Aggregate - General versus Products - Completed Operations
Restoration/Nonreduction of Limits
Vacancy or Unoccupancy
Insurer Provisions
Liberalization
Duty to Defend
Third-Party Provisions
Standard Mortgage Clause
Loss Payable Clause
Michigan Laws, Regulations, and Required Provisions
Appraisal (500.2833)
Concealment, Misrepresentation, or Fraud (500.2833)
Dwelling Policy 7% (7 items)
Characteristics and Purpose
Coverage Forms - Perils Insured Against
Basic
Broad
Special
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
General Exclusions
Conditions

Selected Endorsements
Special Provisions - Michigan
Broad Theft Coverage
Dwelling Under Construction
Personal Liability Supplement
Homeowners Policy 14% (14 items)
Coverage Forms
HO-2 through HO-6
Definitions
Section I - Property Coverages
Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Coverage D - Loss of Use
Additional Coverages
Section II - Liability Coverages
Coverage E - Personal Liability
Coverage F - Medical Payments to Others
Additional Coverages
Perils Insured Against
Exclusions
Conditions
Selected Endorsements
Special Provisions - Michigan
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
Permitted Incidental Occupancies - Residence
Earthquake
Scheduled Personal Property
Personal Property Replacement Cost
Business Pursuits
Watercraft
Personal Injury
Automobile Insurance 17% (17 items)
Laws
Michigan Motor Vehicle Financial Responsibility Law
Required Limits of Liability (RL 257.520)
Required Proof of Insurance (RL 257.518)
Michigan Automobile Insurance Placement Facility (500.3301)
No-Fault Automobile Coverage (500.3101)
Personal Injury Protection (500.3107)
Property Protection (500.3121)
Uninsured/Underinsured Motorist (Reg 500.1502)
Definitions
UM/UIM Rejection
Required Limits
Rental Vehicle Coverage
Aftermarket Crash Parts Regulation (RL 257.1361-.1364)
Personal Automobile
Definitions
Liability Coverage
Bodily Injury and Property Damage
Supplementary Payments

Exclusions
Medical Payments Coverage
Uninsured/Underinsured Motorists Coverage
Coverage for Damage to your Automobile
Collision
Other Than Collision
Deductibles
Transportation Expense
Duties After an Accident or Loss
General Provisions
Selected Endorsements
Amendment of Policy Provisions - Michigan
Towing and Labor Costs
Miscellaneous Type Vehicle
Extended Non-Owned Coverage - Vehicles Furnished or Available for Regular Use - Michigan
Personal Injury Protection Coverage - Michigan
Property Protection Coverage - Michigan
Commercial Automobile
Commercial Automobile Coverage Forms
Business Automobile
Garage
Business Automobile Physical Damage
Truckers
Motor Carrier
Coverage Form Sections
Liability Coverage
Garagekeepers Coverage
Physical Damage Coverage
Exclusions
Conditions
Definitions
Selected Endorsements
Lessor - Additional Insured and Loss Payee
Mobile Equipment
Michigan Personal Injury Protection
Drive Other Car Coverage
Individual Named Insured
Michigan Property Protection Coverage
Commercial Package Policy (CPP) 5% (5 items)
Components of a Commercial Policy
Common Policy Declarations
Common Policy Conditions
Interline Endorsements
One or More Coverage Parts
Commercial Property
Commercial Property Conditions Form
Coverage Forms
Building and Personal Property
Condominium Association
Condominium Commercial Unit-Owners
Builders Risk
Business Income

Legal Liability
Extra Expense
Causes of Loss Forms
Basic
Broad
Special
Selected Endorsements
Ordinance or Law
Spoilage
Peak Season Limit of Insurance
Value Reporting Form
Commercial Inland Marine
Nationwide Marine Definition
Commercial Inland Marine Conditions Form
Inland Marine Coverage Forms
Accounts Receivable
Bailee's Customer
Commercial Articles
Contractors Equipment Floater
Electronic Data Processing
Equipment Dealers
Installation Floater
Jewelers Block
Signs
Valuable Papers and Records
Transportation Coverages
Common Carrier Cargo Liability
Motor Truck Cargo Forms
Transit Coverage Forms
Commercial General Liability
Commercial General Liability Coverage Forms
Bodily Injury and Property Damage Liability
Personal and Advertising Injury Liability
Medical Payments
Exclusions
Supplementary Payments
Limits of Insurance
Conditions
Definitions
Occurrence versus Claims-Made
Claims-Made Features
Trigger
Retroactive Date
Extended Reporting Periods - Basic versus Supplemental
Claim Information
Premises and Operations
Products and Completed Operations
Farm Coverage
Farm Property Coverage Form
Coverage A - Dwellings
Coverage B - Other Private Structures
Coverage C - Household Personal Property

Coverage D - Loss of Use
Coverage E - Scheduled Farm Personal Property
Coverage F - Unscheduled Farm Personal Property
Coverage G - Other Farm Structures
Mobile Agriculture Machinery and Equipment Coverage Form
Livestock Coverage Form
Definitions
Causes of Loss (Basic, Broad, and Special)
Conditions
Exclusions
Limits
Additional Coverages
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 - Robbery or Safe Burglary of other Property
Outside the Premises
Computer Fraud
Funds Transfer Fraud
Money Orders and Counterfeit Money
Other Crime Coverages
Lessees of Safe Deposit Boxes
Securities Deposited with Others
Guests' Property
Safe Depository
Businessowners Policy 5% (5 items)
Characteristics and Purpose
Businessowners Section I - Property
Coverage
Exclusions
Limits of Insurance
Deductibles
Loss Conditions
General Conditions
Optional Coverages
Definitions
Businessowners Section II - Liability
Coverages
Exclusions
Limits of Insurance
General Conditions
Definitions
Businessowners Section III - Common Policy Conditions
Selected Endorsements

Protective Safeguards
Utility Services - Direct Damage
Utility Services - Time Element
Hired Automobile and Non-Owned Automobile Liability
Other Coverages and Options 3% (3 items)
Umbrella/Excess Liability Policies
Personal
Commercial
Boatowners
Inland/Ocean Marine Insurance
Major Coverages
Cargo Insurance
Freight Insurance
Protection and Indemnity
Mobile Home Policy
Adjusting Losses 22% (22 items)
Role of the Adjuster
Duties and Responsibilities
Staff and Independent Adjuster versus Public Adjuster
Relationship to the Legal Profession
Claim Reporting
Claim Investigation
Claim File Documentation of Events
Types of Reports
Initial or First Field
Interim or Status
Full Formal
Property Losses
Duties of Insured after a Loss
Notice to Insurer
Minimizing the Loss
Proof of Loss
Special Requirements
Production of Books and Records
Abandonment
Determining Value and Loss
Burden of Proof of Value and Loss
Estimates
Depreciation
Salvage
Payment and Discharge
Liability Loss Investigation
Investigation Procedures
Verify Coverage
Determine Liability
Gathering Evidence
Physical Evidence
Witness Statements
Determining Value of Intangible Damages
Coverage Problems
Dealing with Coverage Disputes
Reservation of Rights Letter

Nonwaiver Agreement
Declaratory Judgment Action
Claims Adjustment Procedures
Settlement Procedures
Advance Payments
Draft Authority
Execution of Releases
Subrogation Procedures
Alternative Dispute Resolution
Appraisal
Arbitration
Mediation

Items have been updated, effective July 2, 2020, to reflect the 2020 changes to Michigan No-Fault Laws.