

Arizona Examination for Personal Lines Insurance Producer

Series 13-44

100 Items - 2 Hours

Insurance Regulation 10%

Licensing

License application requirements (20-285)

Number of exam attempts 20-284(H)

Licensing eligibility/lawful presence (41-1080)

Types of licensees

Producers (20-281(5), 286)

Nonresidents (20-281(11))

Adjusters (20-321)

Life Settlement Broker (ARS 20-3202)

Business entities (20-281(1), 285(D, E), 290(B))

Surplus lines brokers (20-407, 411)

Temporary (20-294)

Vending machines (20-293)

Lines of producer license authority (20-286, (A), 321, 331, 332, 411, 411.01, 1580, 1693.01, 2662)

Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))

Assumed business name (20-297)

Maintenance and duration

Expiration, surrender and renewal (20-289)

Inactive license status during military service (20-289.01)

Change of personal contact information (20-286(C))

Change of business information (20-286)(C))

Report of actions (20-301)

Continuing education (20-2902, 2903)

Disciplinary actions

Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)

Cease and desist order (20-292)

State regulation

Acts constituting insurance transaction (20-106, 282, 401.01)

Negotiate (20-281(10))

Sell (20-281(14))

Solicit (20-281(15))

Payment of premiums (20-191)

Certificate of authority (20-217(A))

Identification of Producer (20-229)

Producer regulation

Sharing commissions (20-298)

Place of business and records (20-157, 290; AZ Const Art 14 s 16)

Unfair practices and frauds

Unfair trade practices (20-442)

Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))

- False or deceptive advertising (20-444)
- Defamation of insurer (20-445)
- Boycott, coercion or intimidation (20-446)
- False financial statements (20-447)
- Unfair discrimination (20-448)
- Gender discrimination (Rule R20-6-207)
- Rebating (20-449–451)
- Prohibited inducements (20-452)
- Fees (20-465)
- Unfair claims settlement practices (20-461; Rule R20-6-801)
- Claims payment (20-462)
- Insurance fraud (20-463, 466–466.04)
- Insurance information and privacy protection (20-2101–2122)

Federal Laws and Regulations 2%

- Fair Credit Reporting Act (15 USC 1681–1681d)
- 18 United States Code (USC) Sections 1033 and 1034 - Purpose
- Flood Insurance Education (National Flood Insurance Program (NFIP))
- Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
- Telemarketing Sales Rule (16 CFR 310; 15 USC 6101–6108; A.R.S. 44-1282)
- CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
- Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
- Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

General Insurance Concepts 10%

- Risk
 - Methods of Handling Risk (e.g., Avoidance, Retention, Sharing, Reduction, Transfer)
 - Elements of Insurable Risks
 - Definitions (e.g., Risk, Hazard, Peril, Loss)
- Classifications of Insurers
 - Mutual, Stock
 - Admitted, Non-Admitted
 - Foreign, Domestic, Alien
- Elements of a Contract
 - Consideration
 - Competent Parties
 - Legal Purpose
 - Offer
 - Acceptance
- Authority and Powers of Producers - Definitions
 - Express
 - Implied
 - Apparent
- The Law of Agency
- Legal Interpretations Affecting Contracts

Reasonable Expectations

Indemnity

Good Faith

Fraud

Warranties, Representations, Misrepresentations, and Concealment

Property and Casualty Insurance Basics 32%

Insurable Interest

Liability

Absolute

Strict

Vicarious

Underwriting (Purpose, Process, Results)

Types of Hazards

Moral

Morale

Physical

Types of Perils

Named

Open

Types of Loss

Direct

Indirect

Loss Valuation

Actual Cash Value

Replacement Cost

Market Value

Agreed Value

Valued Policy

Functional Replacement Cost

Negligence

Torts

Elements of a Negligent Act

Defense Against Negligence

Accident versus Occurrence

Policy Structure

Declarations

Definitions

Insuring Agreement

Additional/Supplementary Coverage

Conditions

Exclusions

Endorsements

Policy Clauses

Insureds

- Policy Period
- Policy Territory
- Cancellation and Non-Renewal
- Deductibles
- Other Insurance
 - Nonconcurrency
 - Primary and Excess
 - Pro Rata
 - Contribution by Equal Shares
- Limits of Liability
 - Per Accident
 - Per Occurrence
 - Per Person
 - Aggregate
 - Split limits
 - Combined Single Limit
- Coinsurance
 - Purpose
 - Definition
 - Calculation
 - Penalties
 - Total versus Partial Loss
- Specific, Scheduled, and Blanket Insurance
- Vacant versus Unoccupied
- Named Insured Provisions
 - First Named Insured versus Other Insureds
 - Duties After Loss
 - Assignment
 - Waiver of Rights
- Insurer Provisions
 - Liberalization
 - Subrogation
 - Claim Settlement Options
 - Duty to Defend
- Third-Party Provisions
 - Standard Mortgage Clause
 - Loss Payable Clause
 - No Benefit to the Bailee

Dwelling Policy Concepts 10%

- Purpose and Eligibility
- Definitions
- 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 Expenses

Other Coverages

Personal Liability Supplement

Coverage L - Personal Liability

Coverage M - Medical Payments to Others

Dwelling Property Conditions

Dwelling Property Exclusions

Dwelling Policy Endorsements

Homeowners Policy Concepts 17%

Definitions

Eligibility and Purpose

Homeowners Policy Coverage Forms

Broad (HO-2)

Special (HO-3)

Contents Broad (HO-4)

Comprehensive (HO-5)

Unit-Owners (HO-6)

Modified Coverages (HO-8)

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

Homeowners Policy Exclusions

Section I - Property Covered Exclusions

Section II - Liability Covered Exclusions

Homeowners Policy Conditions

Homeowners Policy Endorsements

Business Pursuits

Earthquake

Home Day Care

Personal Injury

Personal Property Replacement Cost

Watercraft

Scheduled Personal Property/Personal Articles Floater

Personal Automobile Policy 12%

Definitions

Personal Injury Protection Definitions

Liability Coverage

Bodily Injury and Property Damage

Supplementary Payments

Exclusions

Liability Extension to Towed Vehicle

Medical Payments Coverage

Uninsured and Underinsured Motorists Coverage

Definitions

Bodily Injury

UM and UIM Rejection

Coverage for Damage to your Automobile

Collision

Other than Collision (Comprehensive)

Deductibles

Exclusions

Duties after an Accident or Loss

General Provisions

Endorsements

Towing and Labor Costs

Extended Non-Owned Coverage - Vehicles Furnished or Available for Regular Use

Joint Ownership Coverage

Rental Vehicle Coverage

Other Types of Personal Insurance 7%

Personal Umbrella and Excess Policies

Mobile Home Policy (Insuring Agreement)

Earthquake Insurance (Insuring Agreement)

Deductible

Flood Insurance

Watercraft