

Arizona Examination for Property Insurance Producer

Series 13-42

100 Items - 2 Hours

Insurance Regulation 5%

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 3%

- 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 16%

- 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 Insurance Basics 28%

Insurable Interest

Underwriting (Purpose, Process, Results)

Rate Development

Types

Components

Basis

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

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

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 7%

Purpose and Eligibility

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

Dwelling Property Conditions

Dwelling Property Exclusions

Dwelling Property Endorsements

Personal Liability Supplement

- Coverage L - Personal Liability

Coverage M - Medical Payments to Others

Homeowners Policy Concepts 16%

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

Ordinance or Law

Scheduled Personal Property/Personal Articles Floater

Commercial Property Policies 14%

Commercial Package Policy

Purpose

Definition

Coverages

Coverage Extensions

Commercial Policy Components

Declarations

Conditions

Insuring Agreements

- Exclusions
- Commercial Property Forms
 - Coverage Forms for Building and Business Personal Property
 - Builders Risk
 - Business Income
 - Extra Expense
 - Legal Liability
 - Cause of Loss Forms
 - Commercial Crime
- Commercial Property Endorsements
 - Ordinance or Law
 - Peak Season Limit of Insurance
 - Spoilage
 - Value Reporting Form
 - Earthquake
 - Equipment Breakdown Coverages
- Commercial Inland Marine - Purpose
- Ocean Marine (Distinction Between Inland and Ocean)
- 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
 - Coverage H - Bodily Injury and Property Damage Liability
 - Coverage I - Personal and Advertising Injury Liability
 - Coverage J - Medical Payments

Businessowners Policy 7%

- 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

Who is an Insured
Limits of Insurance
General Conditions
Definitions

Other Types of Property Insurance - Purpose and General Characteristics 4%

Mobile Home Policy (Insuring Agreement)
Earthquake Insurance (Insuring Agreement)
Deductible
Flood Insurance