

Arizona Examination for Property and Casualty Insurance Producer

Series 13-34

150 Items - 2.5 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 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 11%

- 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 19%

Insurable Interest

Damages

Compensatory versus Punitive

General versus Special

Liability

Absolute

Strict

Vicarious

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

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 8%

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 11%

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

Personal Automobile Policy 11%

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

Commercial Automobile Policy 4%

Commercial Automobile Coverage Forms

Covered Automobiles

Hired Automobiles

Non-owned Automobiles

Liability

Physical Damage

Exclusions

Conditions

Definitions

Selected Endorsements

- Lessor - Additional Insured and Loss Payee
- Mobile Equipment
- Property Protection Coverage
- Broad Form Products
- Employees as Insureds

Commercial Property Policies 9%

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

Commercial General Liability 9%

Commercial Policy Components

Declarations

Conditions

Interline Endorsements

Commercial General Liability Coverages

Bodily Injury and Property Damage

Personal and Advertising Injury

Medical Payments

Conditions

Definitions

Exclusions

Occurrence versus Claims-made

Trigger

Retroactive Date

Commercial General Liability Exposures

Premises and Operations

Products and Completed Operations

Contractual Liability

Businessowners Policy 5%

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 and Casualty Insurance - Purpose and General Characteristics 3%

Specialty Liability Insurance

Directors and Officers

Professional and Errors and Omissions

Employment Practices

Employee Benefits

Cyber Liability and Network Protection

Surety Contracts

Differences between Surety and Insurance

Obligation of the Surety

Parties to the Surety Bond

Principal

Obligee

Surety

Personal Umbrella, Commercial Umbrella, and Excess Policies

Underlying Limits

Self-Insured Retention

Mobile Home Policy (Insuring Agreement)

Earthquake Insurance (Insuring Agreement)

Deductible

Flood Insurance

Workers' Compensation Laws 3%

Workers' Compensation Coverages and Benefits

Rating and Job Classification

Workers' Compensation Definitions

Occupational Accident versus Occupational Disease and Illness

Levels of Disability

Federal Laws