Arizona Examination for Property and Casualty Insurance Adjuster

Series 13-36

150 Items - 2.5 Hours

Insurance Regulation 6%

- Licensing requirements (20-321, 321.01)
  - Assumed name (20-297)
  - Qualifications
  - License application requirements
  - Licensing exceptions
- Maintenance and duration
  - Expiration, surrender and renewal (20-289, 321.02)
  - Inactive status during military service (20-289.01)
  - Report of actions (20-301, 321.02)
- Disciplinary actions
  - Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296, 321.02)
  - Cease and desist orders (20-292, 321.02)
- Claim settlement laws and regulations (20-461, 462; Rule R20-6-801; RR R20-5- 163)

Federal Laws and Regulations 4%

- 18 United States Code (USC) Sections 1033 and 1034 - Purpose
- Privacy (Gramm-Leach-Bliley)
- National Flood Insurance Program (NFIP)
- Terrorism Risk Insurance Act
- Motor Carrier Act (MCS-90 and Others)

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
  - 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 20%

- Insurable Interest
- Liability
  - Absolute
  - Strict
  - Vicarious
- Underwriting
  - Purpose
  - Process
  - Results
- Rate Development
  - Types
  - Components
  - Basis
- Types of Hazards
- Types of Perils
- Types of Loss
  - Direct
  - Indirect
- Loss Valuation
  - Actual Cash Value
  - Replacement Cost
  - Functional Replacement Cost
  - Market Value
  - Agreed Value
  - Valued Policy
- Basic Types of Construction
- 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 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 12%

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
- 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 5%

- 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 6%

- 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 Property
  - Definitions
  - Conditions and Exclusions
  - Coverages

Commercial General Liability 5%

- 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
- Commercial General Liability Exposures
  - Premises and Operations
  - Products and Completed Operations
  - Contractual Liability

Other Types of Insurance Policies 2%

- Personal Umbrella, Commercial Umbrella, and Excess Policies
  - Underlying Limits
  - Self-Insured Retention
- Mobile Home Policy (Insuring Agreement)
- Earthquake Insurance (Insuring Agreement)
  - Deductible

Adjustment Process 11%

- Claim Notification Process
  - Date of Loss
  - Location
  - Parties Involved
  - Type of Loss (e.g., Liability, Property)
- Investigation and Evaluation of Loss/Claim Information
  - Determination of Applicable Coverage
  - Inquiry into Relevant Information
  - Purpose of Loss Reserves
- Remedies for Disputes
  - Appraisal
  - Mediation (Binding and Unbinding)
  - Arbitration (Binding and Unbinding)
  - Litigation
- Finalization of Claim
  - Denial
  - Settlement
  - Closing Claim