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1.0 Insurance Regulation 12%

1.1 General

- State specific licensing requirements
- License issuance (44-4052, 44-4053)
  - Application
- License maintenance
  - Change of name/phone number/address/email address (44-4054(8))
  - Assumed business name (44-4057)
  - Reporting of actions (44-4065)
  - Continuing education including exemptions (44-3901 to 44-3908)
  - Penalties
  - Appointment and termination process
- License duration
  - Renewal/nonrenewal (44-4054)
  - Reinstatement
  - Continuation
  - Termination (44-4062)
  - Surrender
  - Lapse
  - Inactivity due to military service
  - Inactivity due to extenuating circumstances
- Disciplinary actions related to the license
  - Denial
  - Suspension (44-2633, 44-4059)
  - Surrender
  - Revocation or refusal to issue or renew (44-2633, 44-4059)
- Penalties
  - Civil
  - Criminal (28-631)
  - Hearings (44-4059(2))
  - Fines (44-2634, 44-4059(4))
  - Cease and desist order (44-1529, 44-1542)

1.2 Licensing Types, Purposes, and Processes

- License types (44-4054)
  - Producer (44-4049, 44-4054)
  - Consultant (44-2606 to 44-2635)
  - Public adjuster
  - Agency
  - Resident (44-2625, 44-4055, 44-4063)

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- Nonresident (44-2625, 44-4055, 44-4063)
- Temporary (44-4058)
- Surplus lines
- Crop

Licensing requirements

- Eligibility and qualification
- Licensing exemptions (44-4051)

1.3 State Regulation

Acts constituting insurance transaction

- Negotiate
- Sell
- Solicit

Director's general duties and powers (44-101.01, 44-2635)

Producer regulatory requirements

- Policy signatures
- Application signatures
- Premium payment
- Producer representation
- Commissions/compensation and fees (44-4060)
- Controlled business (44-361.01, 44-361.02)
- Appointment (44-4061)
- Fiduciary responsibility
- Impersonation
- Records maintenance (44-5905)
- Claims reporting

Company regulatory requirements

- Solvency
- Financial requirements
- Certificate of authority (44-303)
- State of domicile
- Records maintenance
- Policy forms/rates/exceptions
- Appointment/termination
- Capital and surplus requirements (44-214, 44-305)
- Unfair trade practices complaint register (44-1525(9))

Difference between admitted, non-admitted, foreign, and domestic insurers

Unfair trade practices

- Unfair discrimination (44-1525(7))
- Misrepresentation (44-1525(1))

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- False or deceptive advertising (44-1525(2))
- Claims settlement
- Boycott (44-1525(4))
- Coercion (44-1525(4))
- Intimidation (44-1525(4))
- Defamation (44-1525(3))
- False financial statements
- Fraud
- Illegal inducements including rebating and twisting (44-361, 44-1525(8))
- Misappropriation of funds
- Testimonials
- Comparisons
- Nondisclosure of fees or charges (44-354)

Other prohibited practices

- Comingling of funds
- Non-transparency
- Prohibited fees/premiums/extra charges
- Larceny
- Acting without a license

Unfair claims settlement practices (44-1539, 44-1540)
Nonpublic personal information and privacy protection
Solicitation and sales

- Advertising
- Provisions/rules

Selection criteria and unfair discrimination
Insurance Fraud Act (44-6601 to 44-6608)
Privacy of Insurance Consumer Information Act (44-901 to 44-925) Neb. Rev. Stat. §44-902(1)(a)

1.4 Federal Regulation

Federal Law (18 U.S. Code § 1033)
Fair Credit Reporting Act (15 USC 1681–1681d)
Fraud and false statements including 1033 and 1034 waiver
"Prohibited Persons" Waiver (Consent to Work) (18 U.S. Code § 1033-1034)
Other federal regulations

- Do Not Call List (Telephone Consumer Protection Act)
- Can-Spam Act
- Sarbanes-Oxley Act
- Terrorism Risk Insurance Act
- Consumer Data Privacy and Security Act
- National Flood Insurance Program

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Gramm-Leach-Bliley Act

2.0 General Insurance 12%

2.1 Risk management key terms

Risk
Exposure
Hazard
Peril
Loss
Insurance

2.2 Methods of handling risk

Avoidance
Retention
Risk-sharing
Reduction
Transfer

2.3 Other concepts

Elements of insurable risks
Adverse selection
Law of large numbers
Reinsurance
Indemnity/pay on behalf of

2.4 Types of insurers

Captives
Stock
Mutual
Reciprocals
Risk retention groups
Risk purchasing group
Self-insurers
Re-insurers

2.5 Comparison of insurers

Private versus government insurers
Authorized / admitted versus unauthorized/nonadmitted insurers
Domestic, foreign, and alien insurers

2.6 Financial solvency status

A.M. Best
Standard and Poor's
Moody's
State Guarantee Funds

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National Association of Insurance Commissioners (NAIC)

2.7 Distribution methods

Independent agent
Direct writer
Exclusive
Captive
Risk purchasing groups
Managing General Agents (MGA)
Wholesalers
Aggregators

2.8 Rate filing and forms services

Insurance Services Office (ISO)
American Association of Insurance Services (AAIS)
Surety and Fidelity Association of America (SFAA)
NCCI or other state rate-making entity

2.9 Rules of agency

Insurer as principal
Producer/agent/broker-insurer
Adjuster relationships

2.10 Authority and powers of producers/agents/brokers

Express
Implied
Apparent
Contractual

2.11 Elements of a legal contract

Offer and acceptance
Consideration
Competent parties
Legal purpose

2.12 Distinct characteristics of an insurance contract

Contract of adhesion
Aleatory
Personal
Unilateral
Conditional

2.13 Legal interpretations affecting contracts

Insurable interest
Ambiguities in a contract of adhesion
Reasonable expectations

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- Indemnity
- Utmost good faith
- Concealment
- Representations
- Misrepresentations
- Warranties
- Fraud
- Waiver and estoppel

3.0 Property and Casualty Insurance Basics 16%

3.1 Insurable interest

3.2 Underwriting

- Loss history
- Loss ratio
- Credit scores
- Risk appetite/acceptability
- Inspections

3.3 Rates

- Types
- Loss costs
- Components

3.4 Hazards

- Physical
- Moral
- Morale

3.5 Negligence

- Elements of a negligent act
- Defenses against negligence

3.6 Types of damages

- Compensatory (special versus general)
- Punitive

3.7 Types of liability

- Absolute
- Strict
- Vicarious

3.8 Causes of loss

- Direct
- Consequential
- Indirect
- Contingent

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3.9 Property key coverage terms and definitions

- Named perils
- Broad
- Special perils
- Vacancy or unoccupancy
- Blanket versus specific insurance

3.10 Types of building construction

- Frame
- Masonry
- Joisted masonry
- Fire resistive

3.11 Loss valuation

- Actual cash value
- Replacement cost
- Functional replacement cost
- Market value
- Agreed value
- Stated amount
- Valued policy
- Broad evidence rule
- Actual loss sustained

3.12 Policy construction

- Declarations
- Definitions
- Insuring agreement
- Conditions
- Exclusions

3.13 Additional/supplementary coverage and endorsements

3.14 Common policy conditions

- Insureds — named
- First named
- Additional
- Policy period
- Territory
- Cancellation and nonrenewal
- Coinsurance and deductibles
- Cooperation

3.15 Loss payment provisions

- Nonconcurrency

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Primary and excess
Pro rata
Contributions by equal shares
Apportionment

3.16 Limits of liability/insurance

Per occurrence
Per loss
Per claim
Per person
Aggregate
Split
Combined single
Bodily injury
Property damage

3.17 Liability key coverage terms and definitions

Restoration/nonreduction of limits
Claims made
Retroactive date
Extended reporting period/tail

3.18 Named insured responsibilities

Duties after loss
Assignment and abandonment
Notice
Cancellation

3.19 Other policy conditions

Liberalization
Subrogation
Salvage
Claims settlement options and duty to defend

3.20 Third-party provisions

Standard mortgage clause
Loss payable clause
No benefit to the bailee
Additional insured
Additional named insured

3.21 State plans

Nebraska Property and Liability Insurance Guaranty Association (44- 2401 to 44-2418)
Assigned risk
Joint Underwriting Association (JUA)

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3.22 State regulations

- Nebraska Valued Policy Law (44-501.02)
- Cancellation and nonrenewal (44-522)
- Concealment, misrepresentation or fraud (44-358, 44-6601 to 44-6608; RL 28-631)
- Rate and Form Act (44-7501 to 44-7535)
- Binders
- Loss payment
- Arbitration
- Certificates of insurance

3.23 Federal Insurance Programs

- Terrorism Insurance Program (TRIA)
- National Flood Insurance Program (NFIP)
- Federal Crop Insurance Program (FCIP)

3.24 Time element coverages

4.0 Dwelling Policy 10%

4.1 Eligibility

4.2 Perils insured against

- DP-1 (basic)
- DP-2 (broad)
- DP-3 (special)

4.3 Property coverages

- A, B, C, D, E, and other

4.4 Definitions, exclusions, and conditions

4.5 Policy endorsements

- Special provisions (DP 01 26)
- Automatic increase of insurance (DP 04 11)
- Broad form theft coverage (DP 04 72)
- Dwelling under construction (DP 11 43)
- Ordinance and law

4.6 Personal liability supplement

4.7 Cancellation/nonrenewal

- Reasons
- Notice

5.0 Homeowners Policy 22%

5.1 Eligibility

5.2 Perils insured against

5.3 Definitions, conditions, and exclusions

5.4 Coverage forms

- HO-2 through HO-6 and HO-8

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5.5 Section I -- Property coverages

- Coverage A, B, C, D and additional coverages
- Special limits

5.6 Section II -- Liability coverages

- Coverage E, F, and additional coverages

5.7 Policy endorsements

- Special provisions (HO 01 26)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
- Permitted incidental occupancies (HO 04 42)
- Earthquake (HO 04 54)
- Scheduled personal property (HO 04 61)
- Personal property replacement cost (HO 04 90)
- Home-based business (HO 04 97)
- Business pursuits (HO 24 71)
- Watercraft (HO 24 75)
- Personal injury (HO 24 82)
- Water backup
- Additional limits

5.8 Cancellation/nonrenewal

- Reasons
- Notice

6.0 Auto Insurance 22%

6.1 State Auto Laws

- State plans
    - Nebraska Motor Vehicle Safety Responsibility Act (RL 60-501–569)
    - Required limits of liability (RL 60- 501(10), 534)
    - Required proof of financial responsibility (RL 60-346)
    - Nebraska Automobile Insurance Plan
- Uninsured/underinsured motorist (44- 6401 to 44-6414)
- Cancellation/nonrenewal
    - Reasons (44-515)
    - Notice (44-516 to 44-519, 44-523; RL 60- 544)
- Other state laws
    - Constructive total loss
    - Arbitration
    - Rental vehicle coverage
    - Aftermarket parts regulation (210 Nebraska Administrative Code Ch. 45)
    - State Motor Vehicle Financial Responsibility Law
    - Stacking

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6.2 Personal Auto Policy

- Eligibility
- Definitions, conditions, and exclusions
- Liability coverage
  - Combined single limits versus split limits
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Uninsured/underinsured motorist coverage
  - Bodily injury
  - Property damage
  - Required limits
- Coverage for damage to your auto
  - Collision
  - Other than collision
  - Deductibles
  - Transportation expenses
  - Exclusions
  - Substitute transportation
  - Towing (PP 03 03)
  - Labor (PP 03 03)
- Selected endorsements
  - Amendment of policy provisions (PP 01 85)
  - Extended non-owned coverage (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage (PP 03 34)
  - Mexico coverage
  - Territory
  - Drive other car (DOC)
  - Transportation network coverage

7.0 Other Coverages and Options 6%

7.1 Specialty Coverages

- Types of umbrella/excess/following form liability policies
  - Personal (DL 98 01)

7.2 National Flood Insurance

- Types of flood insurance
  - "Write your own"
  - Government

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- Flood insurance provisions
  - Eligibility
  - Coverage
  - Limits
  - Deductibles
  - Waiting period
- Pre-FIRM, Post-FIRM (flood insurance rate map)

7.3 Other Policies

- Boatowners policies, personal watercraft, and recreational vehicles