

**Nebraska Producer's Examination for
Property Insurance Series 13-22
100 questions (plus 5 unscored items) 2-hour time limit**

1.0 Insurance Regulation 12%

1.1 General

State specific licensing requirements

License issuance (44-4052, 44-4053)

Application

License maintenance

Change of name/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)

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 (44-5905)

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))

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
 - Commingling 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
 - 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

Reciprocal

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

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
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

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
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 Valued Policy Law (44-501.02)

Nebraska Property and Liability Insurance Guaranty Association (44- 2401 to 44-2418)

Assigned risk

Joint Underwriting Association (JUA)

3.22 State regulations

Cancellation and nonrenewal (44-522)

Binders

Loss payment

Arbitration

Certificates of insurance

3.23 Federal Insurance Programs

Terrorism Insurance Program (TRIA) (15 USC 6701; Public Law 107–297, 109–144, 110–160)

National Flood Insurance Program (NFIP)

Federal Crop Insurance Program (FCIP)

3.24 Time element coverages

4.0 Dwelling Policy 8%

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 18%

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

5.5 Section I -- Property coverages

Coverage A, B, C, D and additional coverages

Special limits

5.6 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 — residence premises (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, HO 24 71)

Personal injury (HO 24 82)

Watercraft (HO 24 75)

Additional limits

5.7 Cancellation/nonrenewal

Reasons

Notice

6.0 Commercial Package Policy 13%

6.1 General

Components of a commercial policy

Declarations

Conditions

Interline endorsements

One or more coverage parts

6.2 Commercial General Liability

Coverages

Bodily injury and property damage liability

Personal and advertising injury liability

Medical payments

Damage to the property of others (fire legal liability)

Coverage features

Per occurrence/aggregate

- Occurrence versus claims-made
- Premises and operations
- Products and completed operations
- Insured contract
- Contingent liability
- Selected endorsements
 - Employers liability
 - Per project
 - Per location
 - Blanket additional insured
- Claims-made features
 - Triggers
 - Retroactive date
 - Extended reporting periods
 - Claim information
- Pollution liability
 - Coverage form
 - Limited coverage form
 - Extension endorsement

6.3 Commercial Property

- Definitions, conditions, and exclusions
- Coverage forms
 - Building and personal property
 - Condominium association
 - Builder's risk
 - Business income
 - Legal liability
 - Extra expense
- Causes of loss forms
 - Basic
 - Broad
 - Special
 - Difference in Conditions (DIC)
 - Earthquake/flood
- Selected endorsements
 - Ordinance and law (CP 04 05)
 - Spoilage (CP 04 40)
 - Peak season limit of insurance (CP 12 30)
 - Value reporting form (CP 13 10)

6.4 Commercial Inland Marine

- Nationwide marine definition
- Commercial inland marine conditions
- Inland marine coverage forms

- Accounts receivable
- Bailee's customer
- Commercial articles
- Contractors equipment floater
- Electronic data processing
- Equipment dealers
- Installation floater
- Jewelers and furrier block
- Signs
- Valuable papers and records
- Builder's risk
- Transportation cargo coverages
 - Common carrier liability
 - Motor truck and transit coverage forms
- Exclusions and endorsements

6.5 Equipment Breakdown

- Definitions, coverages, and exclusions
- Selected endorsements
 - Actual cash value
 - Refrigeration

6.6 Farm Coverage

- Eligibility
- Definitions, conditions, and exclusions
- Farm property coverage form
 - Coverage A, B, C, D, E, F, and G
- Farm liability coverage form
 - Coverage H, I, J
- Other forms and coverages
 - Livestock coverage
 - Mobile agricultural machinery and equipment coverage
 - Additional coverages
 - Crop insurance
- Causes of loss
 - Basic, broad and special
- Policy basics
 - Limits of insurance

7.0 Businessowners Policy 15%

7.1 Eligibility

7.2 Definitions and exclusions

7.3 Section I -- Property

- Coverages
- Limits of insurance
- Deductibles

Optional coverages

7.4 Section III -- Common policy conditions

7.5 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)

Protective safeguards (BP 04 30)

Utility services-direct damage and time element (BP 04 56-57)

8.0 Other Coverages and Options 6%

8.1 Ocean Marine Insurance

Major coverages

Hull

Cargo

Freight

Protection and indemnity (P&I)

Policy provisions

Implied warranties

Perils of the sea

General and particular average

8.2 Aviation Insurance

Policy coverages and provisions

Hull

Cargo and freight

Aircraft liability

Implied warranties

Perils

General and particular average

8.3 National Flood Insurance

Types of flood insurance

"Write your own"

Government

Flood insurance provisions

Eligibility

Coverage

Limits

Deductibles

Waiting period

Pre-FIRM, Post-FIRM (flood insurance rate map)

8.4 Other Policies

Boatowners policies, personal watercraft, and recreational vehicles