

**Nebraska Producer's Examination for
Casualty Insurance Series 13-23**

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
- Policy replacement
- 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 14%

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 Types of building construction

Frame

Masonry

Joisted masonry

Fire resistive

3.10 Loss valuation

Actual cash value

Replacement cost

Functional replacement cost

Market value

Agreed value

Stated amount

Valued policy

Broad evidence rule

Actual loss sustained

3.11 Policy construction

Declarations

Definitions

Insuring agreement
Conditions
Exclusions

3.12 Additional/supplementary coverage and endorsements

3.13 Common policy conditions

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

3.14 Loss payment provisions

Nonconcurrency
Primary and excess
Pro rata
Contributions by equal shares
Apportionment

3.15 Limits of liability/insurance

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

3.16 Liability key coverage terms and definitions

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

3.17 Named insured responsibilities

Duties after loss
Assignment and abandonment
Notice
Cancellation

3.18 Other policy conditions

Liberalization
Subrogation
Salvage
Claims settlement options and duty to defend

3.19 Third-party provisions

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

3.20 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)

3.21 State regulations

- Cancellation and nonrenewal (44-522)
- Binders
- Loss payment
- Arbitration
- Certificates of insurance

3.22 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)

3.23 Time element coverages

4.0 Homeowners Policy 14%

4.1 Eligibility

4.2 Perils insured against

4.3 Definitions, conditions, and exclusions

4.4 Coverage forms

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

4.5 Section II -- Liability coverages

- Coverage E, F, and additional coverages

4.6 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

4.7 Cancellation/nonrenewal

- Reasons

Notice

5.0 Auto Insurance 15%

5.1 State Auto Laws

State plans

- Nebraska Automobile Insurance Plan

- 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)

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

5.2 Personal Auto Policy

Eligibility

Definitions, conditions, and exclusions

Liability coverage

- Combined single limits versus split limits

- Supplementary payments

- Exclusions

Medical payments coverage

Uninsured/underinsured motorist coverage

- Bodily injury

- 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

- Extended non-owned coverage (PP 03 06)

- Joint ownership coverage (PP 03 34)

- Mexico coverage

- Territory

Miscellaneous type vehicle (PP 03 23)

Drive other car (DOC)

Transportation network coverage

5.3 Commercial Auto

Eligibility

Definitions, conditions, and exclusions

Coverage forms

Business auto

Motor carrier

Auto dealers

Coverage form sections

Symbols/covered auto

Liability

Garagekeepers

Trailer interchange

Physical damage

Selected endorsements

Drive other car coverage (CA 99 10)

Lessor -- additional insured and loss payee (CA 20 01)

Individual named insured (CA 99 17)

Pollution liability — broadened coverage (CA 99 48; CA 99 55)

Mobile equipment (CA 20 15)

Auto medical payments coverage (CA 99 03)

Broad form products coverage (CA 25 01)

Employees as insureds

Commercial carrier regulations

The Motor Carrier Act of 1980

Endorsement for motor carrier policies of insurance for public liability (MCS-90)

SAFER System

6.0 Commercial Package Policy 10%

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

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 Crime

- General definitions
 - Burglary
 - Theft
 - Robbery
 - Employee dishonesty
- Crime coverage forms
 - Commercial crime (discovery/loss sustained)
- Coverages
 - Employee dishonesty
 - Theft
 - Forgery or alteration
 - Inside/outside the premises
 - Computer fraud
 - Funds transfer fraud
 - Money orders and counterfeit paper currency insurance
- Other crime coverage
 - Extortion — commercial entities
 - Lessees of safe deposit boxes
 - Securities deposited with others
 - Safe depository

6.4 Farm Coverage

- Eligibility
- Definitions, conditions, and exclusions

- 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 10%

7.1 Eligibility

7.2 Definitions and exclusions

7.3 Section II -- Liability

- Coverages
- Limits of insurance

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 Workers Compensation Insurance 9%

8.1 State specific markets and laws

- Monopolistic versus competitive and compulsory versus elective

8.2 Nebraska Workers' Compensation Act

- Exclusive remedy (RL 48-111)
- Employment covered (RL 48-106, 114, 115)
- Covered injuries (RL 48-101, 102, 127, 151(2)(4-8))
- Occupational disease (RL 48-151(3))
- Benefits provided (RL 48-119-126, 162.01)
- Second/subsequent injury fund
- Arising out of employment/course of employment (AOE/COE)

8.3 Federal workers compensation laws

- Federal Employers Liability Act (45 USC 51-60)
- Longshore and Harbor Workers Compensation Act (33 USC 901- 944, 948-980)
- The Jones Act (46 USC 688)

8.4 Workers compensation and employers liability

- General section
- Parts One, Two, Three, Four, Five, and Six

8.5 Selected endorsements

- Voluntary compensation
- Foreign coverage

Waiver of subrogation

Other states

8.6 Rating factors

Job classification

Payroll

Experience-modification factor

Premium discounts

Participation plans

Surcharges

8.7 Other sources of workers compensation coverage

Nebraska Workers' Compensation Plan, Assigned Risk Plan (RL 44-3,158)

Self-insured employers and employer groups (RL 48-144.02(2), 48-145)

9.0 Other Coverages and Options 4%

9.1 Specialty Coverages

Types of umbrella/excess/following form liability policies

Personal (DL 98 01)

Commercial (CU 00 01)

Types of specialty liability insurance

Professional

Errors and omissions

Directors and officers

Fiduciary

Liquor

Employment practices

Employee benefits

Identity fraud expense coverage

Cyber liability/data breach

Construction wrap-up

Active assailant

Kidnap and ransom (K&R)

9.2 Surplus Lines

Eligibility and disclosure

Collection of premium tax and fees

Definitions

Difference between admitted and non-admitted market carriers

Excess and surplus binding authority limitations

9.3 Bonds

Bond provisions

Insuring agreement

Bond period

Discovery period

Limit of liability

Termination of coverage

Parties to a bond

Principal

Obligee

Surety

Purpose of the bonds

Surety

Fidelity

Types of fidelity coverage

Employee theft

Public official

Financial institution

Fiduciary

Types of surety bonds

Contract

Bid

Performance

Completion

License

Judicial

Permit

9.4 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

9.5 Aviation Insurance

Policy coverages and provisions

Hull

Cargo and freight

Aircraft liability

Implied warranties

Perils

General and particular average

9.6 Other Policies

Boatowners policies, personal watercraft, and recreational vehicles