

Pennsylvania Producer's Examination for Property Insurance

Series 16-04

100 Items - 120 minutes

1.0 Insurance Regulation (21%)

Licensing

Process and types

Requirements (40 P.S. § 310.1, 310.3-310.14)

Resident/nonresident (40 P.S. § 310.3–310.5, 310.10)

Temporary license (40 P.S. § 310.9)

Managers and exclusive general producers (40 P.S. § 310.1, 310.31)

Maintenance and duration

Change in contact information (40 P.S. § 310.11(19))

Renewal (40 P.S. § 310.8)

Duty to report administrative or criminal actions (40 P.S. § 310.78)

Fictitious names (40 P.S. § 310.7)

Continuing education (40 P.S. § 310.8(b), 310.6(a), 31 Pa. Code Ch. 39a)

Waiver due to military or extenuating circumstances (40 P.S. § 310.8)

Disciplinary actions

License denial, nonrenewal, suspension, or revocation (40 P.S. § 310.91, 310.11)

Penalties and fines for violations (40 P.S. §§ 310.12, 310.41a, 310.91, 1171.11)

Cease and desist order (40 P.S. §§ 310.91, 1171.9)

Civil

Criminal

Hearings

Consent agreement

State regulation

Acts constituting insurance transactions

Negotiate, sell, solicit (40 P.S. §§ 310.1, 310.3, 310.8, 310.11)

Commissioner's general duties and powers (40 P.S. §§ 310.2, 1171.7)

Company regulation

Certificate of authority (40 P.S. §§ 47, 47a, 420)

Solvency (40 P.S. §§ 72, 112)

Policy forms and rates (40 P.S. §§ 510, 776.1–776.7, 1181–1199, 1221–1238)

Unfair claims settlement practices (40 P.S. § 1171.5(a)(10); 31 Pa. Code Ch. 146)

Producer regulation

Fiduciary responsibility (40 P.S. § 310.96; 31 Pa. Code Ch. § 37.81)

Examination of books and records (40 P.S. § 323.3-4)

Producer disclosure requirements (40 P.S. § 310.71(b))

Commissions and fees (40 P.S. §§ 310.72–310.74)

Prohibited acts (40 P.S. § 310.11)

Appointment procedures

Producer appointment (40 P.S. § 310.71, 31 Pa Code 37.61)

Appointment termination (40 P.S. § 310.71a)

Unfair insurance practices (40 P.S. §§ 1171.1-1171.5)

Rebates and Inducements (40 P.S. §§ 310.45, 310.46, 1171.5(a)(8))

Misrepresentation (40 P.S. §§ 310.47–.48, 1171.5(a)(1),(2))

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Twisting (40 P.S. §§ 473)	
False advertising (40 P.S. § 1171.5; 31 Pa. Code Ch. 51)	
Defamation (40 P.S. § 1171.5(a)(3); 31 Pa. Code Ch. 51)	
Boycott, coercion or intimidation (40 P.S. § 1171.5(a)(4))	
Misappropriation of funds (40 P.S. §§ 310.11(4), 310.42)	
Unfair discrimination (40 P.S. § 1171.5; 31 Pa. Code § 145.4)	
Agency Termination (40 P.S. § 241, Act 143)	
Privacy of consumer financial information (40 P.S. § 310.77(a); 31 Pa. Code §§ 146a.1–.44)	
Insurance fraud regulation (40 P.S. §§ 325.1–325.62; 18 Pa. C.S. § 4117)	
Federal regulation	
Fair Credit Reporting Act	
Fraud and False Statements (18 USC Sections 1033 and 1034)	
Privacy (Gramm-Leach-Bliley)	
Terrorism Risk Insurance Act	
Motor Carrier Act (MCS-90 and others)	
Other federal regulations (e.g., Do Not Call List; https://www.donotcall.gov/)	
2.0 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	
3.0 Property Insurance Basics (22%)	

Pennsylvania Producer's Examination for Property Insurance

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100 Items - 120 minutes

Insurable Interest

Underwriting

Purpose

Process

Results

Rate Development

Types

Components

Basis

Types of Hazards

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

Policy Structure

Declarations

Definitions

Insuring Agreement

Supplementary Coverage

Conditions

Exclusions

Endorsements

Policy Conditions

Insureds

Policy Period

Policy Territory

Cancellation and Non-Renewal (40 P.S. 1171.5 (a)(9); 31 Pa Code Ch. 59; 40 P.S. §3401 et seq.)

Deductibles

Other insurance (e.g. Primary and Excess, Pro Rata, Nonconcurrency, Contribution by Equal Shares)

Coinsurance

Purpose

Definition

Calculation

Penalties

Total versus Partial Loss

Pennsylvania Producer's Examination for Property Insurance Series 16-04 100 Items - 120 minutes	
Specific, Scheduled, and Blanket Insurance	
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	
Loss Payable Clause	
No Benefit to the Bailee	
Leinholder's rights	
Pennsylvania Laws, Regulations and Required Provisions	
Pennsylvania Property and Casualty Insurance Guaranty Association (40 P.S. §§ 991.1801–.1820)	
Standard fire policy (40 P.S. § 636)	
Cancellation and nonrenewal	
Private residential (40 P.S. § 1171.5(a)(9); 31 Pa. Code Ch. 59.6)	
Commercial (40 P.S. §§ 3401–3407; 31 Pa. Code Ch. 113.81–.88)	
Basic property insurance — death of named insured (40 P.S. § 636.1(a))	
Binders (40 P.S. § 636)	
Insurance consultation services exemption (40 P.S. §§ 1841–1844)	
Federal Terrorism Risk Insurance Program (15 USC 6701; Public Law 107–297, 109–144, 110–160)	
4.0 Dwelling Policy Concepts (7%)	
Dwelling Policy ('14)	
Characteristics	
Eligibility	
Purpose	
Policy Definitions	
Coverage Forms Specifying Perils Insured Against	
DP-1 Basic	
DP-2 Broad	
DP-3 Special	
Property Coverages	
Dwelling	
Other Structures	
Personal Property	
Fair Rental Value	
Additional Living Expense	
Dwelling Policy Exclusions	
Dwelling Policy Conditions	

Pennsylvania Producer's Examination for Property Insurance Series 16-04 100 Items - 120 minutes	
Dwelling Policy Endorsements	
Special Provisions - Pennsylvania (DP 01 37)	
Automatic Increase in Insurance Coverage (Inflation Protection) (DP 04 11)	
Dwelling Under Construction (DP 11 43)	
Theft Coverage (DP 04 72)	
Personal Liability Supplement	
5.0 Homeowners Policy Concepts (16%)	
Homeowners Policy ('11)	
Characteristics	
Eligibility	
Purpose	
Policy Definitions	
Perils Insured Against	
Basic	
Broad	
Special	
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)	
Property Coverages	
Dwelling	
Other Structures	
Personal Property	
Loss of Use	
Additional Coverages	
Liability Coverages	
Personal Liability	
Medical Payments to Others	
Homeowners Policy Exclusions	
Vacant versus Unoccupied	
Homeowners Policy Conditions	
Standard Mortgage Clause	
Homeowners Policy Endorsements	
Business Pursuits (HO 24 71)	
Home Day Care (HO 04 97)	
Personal Injury (HO 24 82)	
Personal Property Replacement Cost - Pennsylvania (HO 23 63)	
Watercraft (HO 24 75)	
Identity Theft	

Pennsylvania Producer's Examination for Property Insurance Series 16-04 100 Items - 120 minutes	
Water and Sewer Backup	
Special Provisions - Pennsylvania (HO 01 37)	
Limited Fungi, Wet or Dry Rot, or Bacteria (HO 04 26, HO 04 27)	
Permitted Incidental Occupancies (HO 04 42)	
Identity Fraud Expense (HO 04 55)	
Earthquake Coverage (HO 04 54)	
Scheduled Personal Property/Personal Articles Floater (HO 04 61)	
6.0 Commercial Property Policies ('12) (11%)	
Commercial Package Policy	
Purpose	
Definition	
Coverage parts	
Commercial Policy Components	
Declarations	
Conditions	
Insuring Agreements	
Exclusions	
Interline Endorsements	
Commercial Property Forms	
Coverage Forms for Building and Business Personal Property	
Builders Risk	
Business Income	
Extra Expense	
Legal Liability	
Cause of Loss Forms	
Commercial Property Endorsements	
Ordinance or Law (CP 04 05)	
Peak Season Limit of Insurance (CP 12 30)	
Spoilage (CP 04 40)	
Value Reporting Form (CP 13 10)	
Commercial Inland Marine	
Definitions	
Conditions and Exclusions	
Coverages (e.g. Transportation, Contractor's Floater, Equipment)	
Equipment Breakdown Coverages	
Equipment Breakdown Protection Coverage Form (EB 00 20)	
Selected endorsement	
Actual Cash Value (EB 99 59)	
Farm Property	
Definitions	
Conditions and Exclusions	
Coverages	
Farm property coverage form ('03)	

Pennsylvania Producer's Examination for Property Insurance Series 16-04 100 Items - 120 minutes	
Livestock coverage form	
Mobile agricultural machinery and equipment coverage form	
7.0 Businessowners ('13) Policy — Property (8%)	
Characteristics and purpose	
Businessowners Section I — Property	
Coverage	
Exclusions	
Limits of insurance	
Deductibles	
Loss conditions	
General conditions	
Optional coverages	
Definitions	
Businessowners Section III — Common Policy Conditions	
Selected endorsements	
Protective safeguards (BP 04 30)	
Utility services — direct damage (BP 04 56)	
Utility services — time element (BP 04 57)	
8.0 Other Types of Property Insurance (4%)	
Farmowners/Ranchowners Policy	
Mobile Home Policy	
Purpose of Difference in Conditions	
Flood Insurance	
Private vs. NFIP	
Eligibility	
Coverage	
Limits	
Deductibles	
Residual markets including FAIR Plans (40 P.S. §§ 1600.101–.103)	
Federal Crop Insurance (RMA)	
Ocean Marine	
Major coverages	
Hull insurance	
Cargo insurance	
Freight insurance	
Implied warranties	
Perils	
General and particular average	
Other policies	
Aircraft hull	
Boatowners	
Personal watercraft	
Recreational vehicles	

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Pet Insurance