Pennsylvania Producer's Examination for Property and Casualty Insurance
Series 16-06
150 Items - 170 minutes
1.0 Insurance Regulation (20%)
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 agents (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)
Inactivity 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))

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 (8%)
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 and Casualty Insurance Basics (14%)
Insurable Interest
Damages
Compensatory versus Punitive
General versus Special

Liability
Absolute
Strict
Vicarious
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
Negligence
Torts
Elements of a Negligent Act
Defense Against Negligence
Accident versus Occurrence
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. §991.2001 et seq.; 40 P.S. §3401 et seq.)
Deductibles
Other insurance (e.g. Primary and Excess, Pro Rata, Nonconcurrency, Contribution by Equal Shares)
Limits of Liability

Per Accident
Per Occurrence
Per Person
Aggregate
Split
Combined Single Limit
Coinsurance
Purpose
Definition
Calculation
Penalties
Total versus Partial Loss
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)
Private passenger auto (40 P.S § 991.2001 et seq.)
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 (4%)
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
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 (7%)
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)
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
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 Personal Automobile Policy (10%)
Personal Automobile Policy (75 Pa. C.S. Ch. 17 §§ 1701–1799)
Definitions
General Provisions
Conditions
Duties After an Accident
Endorsements
Amendment of policy provisions — Pennsylvania (PP 01 51)
Towing and labor costs (PP 03 03)
Extended non-owned coverage for named individual (PP 03 06)
Miscellaneous type vehicle (PP 03 23)
Joint ownership coverage (PP 03 34)
Motor Vehicle Financial Responsibility Law (75 Pa. C.S. Ch. 17 §§ 1701–1799)
Personal Automobile Policy Liability ('05)
Tort Election (Full or limited) (75 Pa. C.S. Ch. 17 §§ 1705)
Bodily Injury and Property Damage
Supplementary Payments
Persons Insured
Exclusions
Personal Injury Protection/First Party Benefits (75 Pa. C.S. Ch. 17 §§ 1711-1725)
Pennsylvania Assigned Risk Plan (75 Pa. C.S. 1741–1744)
Uninsured/Underinsured Motorist Coverage (40 P.S. § 2000; 75 Pa. C.S. 1731, 1733–1734, 1736, 1738)
Physical Damage (75 Pa. C.S. Ch. 17 §§ 1792)
Proof of coverages (75 Pa. C.S. Ch. 17 §§ 1781-1787)
7.0 Commercial Automobile Policy ('13) (5%)
Commercial Automobile Policy (75 Pa. C.S. Ch. 17 §§ 1701 et seq)
Definitions
Provisions and Conditions
Duties After an Accident
Endorsements
Commercial Automobile Policy Liability
Bodily Injury and Property Damage
Supplementary Payments
Persons Insured
Exclusions
Physical Damage

Other Commercial Automobile forms (e.g., Motor Carrier, Auto Dealers)
Proof of coverages (75 Pa. C.S. Ch. 17 §§ 1781-1787)
Selected endorsements
Lessor — additional insured and loss payee (CA 20 01)
Mobile equipment (CA 20 15)
Drive other car coverage (CA 99 10)
Individual named insured (CA 99 17)
Commercial carrier regulations
The Motor Carrier Act of 1980
Endorsement for motor carrier policies of insurance for public liability (MCS-90)
8.0 Commercial Property Policies ('12) (7%)
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)
Livestock coverage form

Mobile agricultural machinery and equipment coverage form
9.0 Commercial General Liability ('13) (7%)
Commercial Policy Components
Declarations
Conditions
Interline Endorsements
Commercial General Liability coverages
Bodily Injury and Property Damage
Personal and Advertising Injury
Medical Payments
Fire Damage
Supplementary Payments
Elements of Commercial General Liability
Conditions
Definitions
Exclusions
Occurrence versus Claims-Made
Claims-Made Features
Trigger
Retroactive Date
Prior Acts
Extended Reporting Periods
Claim Information
Commercial General Liability Exposures
Premises and Operations
Products and Completed Operations
Contractual Liability
10.0 Commercial Crime ('15) (2%)
Definitions
Insuring Agreements
Coverage Form Classifications (types of coverage forms only)
Other crime coverages
Lessees of Safe Deposit Boxes (CR 04 09)
Securities Deposited with Others (CR 04 10)
Guests' Property (CR 04 11)
Safe Depository (CR 04 12)
14.0 Businessowners ('13) Policy — Property (3%)
Characteristics and purpose
Businessowners Section I — Property
Coverage
Exclusions
Limits of insurance
Deductibles
Loss conditions
General conditions
Optional coverages
Definitions

Businessowners Section II — Liability
Coverages
Exclusions
Who is an insured
Limits of insurance
General conditions
Definitions
Businessowners Section III — Common Policy Conditions
Selected endorsements
Hired and non-owned auto liability (BP 04 04)
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)
11.0 Workers' Compensation Insurance (5%)
Definitions
Coverages
Workers' Compensation Insurance
Employers Liability Insurance
Other States Insurance
Self-insured employers and employer groups (77 P.S. § 501)
State Workers Insurance Fund (77 P.S. § 2601 et seq.)
Benefits (77 P.S. § 511 et seq)
Death
Medical
Survivor
Rehabilitation
Lost Wages
Levels of Disability
Permanent Partial
Permanent Total
Temporary Partial
Temporary Total
Impairment Rating
Accident versus Occupational Disease and Illness
Federal Laws
Federal Employers Liability Act (FELA) (45 USC 51– 60)
Jones Act (46 USC 688)
Longshore and Harbor Workers' Compensation Act (33 USC 904)
Migrant Farm Workers
Federal Mine Safety and Health Act (30 USC 801-944)
Pennsylvania Workers Compensation Act (Title 77)
Exclusive remedy (77 P.S. §§ 72, 481)
Employment covered (required, elective) (77 P.S. §§ 1, 21–22, 461–463, 676)
Covered injuries (77 P.S. §§ 41, 411, 411.2, 431, 602, 631)
Occupational disease (77 P.S. §§ 27.1, 413)
Benefits provided (77 P.S. §§ 511, 511.2, 512–514, 516, 531, 541–542, 561–562, 582, 717.1)
Rating and Job Classification

Experience Rating
Premium Basis
Claim Reporting Procedures
12.0 Other Types of Property and Casualty Insurance (8%)
Specialty Liability Insurance
Directors and Officers
Professional/Errors and Omissions
Employment Practices
Employee Benefits
Internet Liability and Network Protection
Surety Bonds
Types
Parties to a Bond
Personal Umbrella, Commercial Umbrella, and Excess Policies (DL 98 01, CU 00 01)
Underlying Limits
Self-Insured Retention
Defense Costs
Follow Form
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)
Alternative funding mechanisms
Risk retention groups (40 P.S. §§ 991.1501–.1506)
Risk purchasing groups (40 P.S. §§ 991.1508–.1512)
Federal Crop Insurance (RMA)
Ocean Marine
Major coverages
Hull insurance
Cargo insurance
Freight insurance
Implied warranties
Perils
General and particular average
Protection and Indemnity
Other policies
Aircraft hull
Aircraft liability
Boatowners
Personal watercraft
Recreational vehicles

Pet Insurance