

Pennsylvania Public Insurance Adjuster Examination

Series 16-19

60 Items - 80 minutes

1.0 Insurance Regulation (15%)

Licensing

Public Adjuster's Statute (Definitions) (63 P.S. § 1601)

Application procedures and requirements (63 P.S. §§ 1602.1, 1602.2, 1602.5)

Fees

Fingerprinting

Qualifications (63 P.S. § 1602)

Surety bond (63 P.S. § 1604)

Maintenance and duration

Continuing education requirements (63 P.S. § 1602.4)

Renewal procedures (63 P.S. § 1602.4)

Contract requirements (63 P.S. § 1605, 31 P.S. § 115)

Disciplinary actions

Cease and desist orders (40 P.S. §§ 1171.8–.10)

Prohibited acts (63 P.S. § 1606)

Penalties for violations (63 P.S. §§ 1606, 1607)

Change in address (63 P.S. § 1606(18))

Claim settlement laws and regulations (40 P.S. §§ 1171.1–.11, .13; 31 Pa. Code §§ 146.1–.10)

Role of the adjuster

Duties and responsibilities

Independent adjuster versus public adjuster

Resident versus nonresident public adjuster

Relationship to the legal profession

Federal Regulation

Fraud and False Statements (18 USC Sections 1033 and 1034)

Privacy (Gramm-Leach-Bliley)

2.0 General Insurance Concepts (14%)

Classifications of Insurers

Admitted, Non-Admitted

Foreign, Domestic, Alien

Elements of a Contract

Consideration

Competent Parties

Legal Purpose

Offer

Acceptance

Legal Interpretations Affecting Contracts

Reasonable Expectations

Indemnity

Utmost Good Faith

Fraud

Warranties, Representations, Misrepresentations, and Concealment

Pennsylvania laws, regulations and required provisions

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Pennsylvania Property and Casualty Insurance Guaranty Association (40 P.S. §§ 991.1801–.1820)

Standard fire policy (40 P.S. § 636)

Cancellation and nonrenewal (Act 205 40 P.S. 1171.5 & Act 86 40 P.S. 3401)

Private residential (40 P.S. § 1171.5(a); 31 Pa. Code Ch. 59)

Commercial (40 P.S. §§ 3401–3407; 31 Pa. Code §§ 113.81–.88)

Basic property insurance — death of named insured (40 P.S. § 636.1)

Binders (40 P.S. § 636)

Insurance consultation services exemption (40 P.S. §§ 1841–1844)

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

3.0 Property and Casualty Insurance Basics (19%)

Types of Hazards

Types of Perils

Named

Special

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

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.)

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Deductibles	
Other Insurance (e.g. Primary and Excess, Pro Rata, Nonconcurrency, Contribution by Equal Shares)	
Coinsurance	
Purpose	
Definition	
Calculation	
Penalties	
Total versus Partial Loss	
Specific, Scheduled, and Blanket Insurance	
Vacant versus Unoccupied	
Named Insured Provisions	
First Named Insured versus Other Insureds	
Duties After Loss	
Assignment	
Waiver of Rights	
Insurer Provisions	
Liberalization	
Claim Settlement Options	
Duty to Defend	
Third-Party Provisions	
Standard Mortgage Clause	
Loss Payable Clause	
No Benefit to the Bailee	
4.0 Dwelling Policy Concepts (6%)	
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	
Coverage A - Dwelling	
Coverage B - Other Structures	
Coverage C - Personal Property	
Coverage D - Fair Rental Value	
Coverage E - Additional Living Expense	
Dwelling Policy Exclusions	
Dwelling Policy Conditions	
Dwelling Policy Endorsements	
Special provisions — Pennsylvania (DP 01 37)	

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Automatic Increase in Insurance Coverage (Inflation Protection) (DP 04 11)	
Dwelling Under Construction (DP 11 43)	
Broad Theft Coverage (DP 04 72)	
5.0 Homeowners Policy Concepts (10%)	
Homeowners Policy ('11 PA Version) — Section I	
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	
Coverage A - Dwelling	
Coverage B - Other Structures	
Coverage C - Personal Property	
Coverage D - Loss of Use	
Additional Coverages	
Homeowners Policy Exclusions	
Homeowners Policy Conditions	
Homeowners Policy Endorsements	
Business Pursuits	
Home Day Care (HO 04 97)	
Personal Property Replacement Cost — Pennsylvania (HO 23 63)	
Watercraft	
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)	
Earthquake Coverage (HO 04 54)	
Scheduled Personal Property/Personal Articles Floater (HO 04 61)	
6.0 Commercial Property Policies ('12) (8%)	
Commercial Package Policy	
Purpose	
Definition	
Coverage Parts	

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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)	
Equipment Breakdown Coverages ('13)	
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	
7.0 Commercial Inland Marine (3%)	
Definitions	
Conditions and Exclusions	
Coverages (e.g. Transportation, Contractor's Floater, Equipment)	
8.0 Businessowners ('13) Policy — Property (6%)	
Characteristics and purpose	
Businessowners Section I — Property	
Coverage	
Exclusions	
Limits of insurance	
Deductibles	
Loss conditions	
General conditions	
Optional coverages	

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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)	
9.0 Other Types of Insurance Policies (4%)	
Farmowners/Ranchowners Policy	
Mobile Home Policy	
Flood Insurance	
Private vs. NFIP	
Eligibility	
Coverage	
Limits	
Deductibles	
Federal Crop (RMA)	
Ocean Marine	
Major coverages	
Hull insurance	
Cargo insurance	
Freight insurance	
Implied warranties	
Perils	
General and particular average	
Other policies	
Aircraft hull	
Boatowners	
Difference in conditions	
10.0 Adjustment Process (15%)	
Claim Notification Process	
Date of Loss	
Location	
Parties Involved	
Investigation and Evaluation of Loss/Claim Information	
Determination of Applicable Coverage	
Inquiry into Relevant Information	
Purpose of Loss Reserves	
Remedies for Disputes	
Appraisal	
Mediation	
Arbitration	
Litigation	
Finalization of Claim	

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Denial

Settlement

Closing Claim