

South Carolina Personal Lines Adjuster Series 19-23 100 questions - 2 hour time limit
1.0 Insurance Regulation 10%
1.1 Director's general duties and powers (38-3-60, 110)
1.2 Licensing requirements
Qualifications (38-47-10)
Nonresident (38-47-20)
Emergency adjuster permit (Reg 69-1)
1.3 Maintenance and duration (38-47-40)
Change of address (38-47-15)
1.4 Disciplinary actions
Cease and desist order (38-57-200, 230)
Hearings (38-3-170; 38-57-200)
Penalties (38-2-10-30; 38-47-70)
1.5 Claim settlement laws and regulations (38-59-20)
1.6 Federal regulation
Fraud and false statements (18 USC 1033, 1034)
2.0 Insurance Basics 14%
2.1 Contract basics
Elements of a legal contract
Offer and acceptance
Consideration
Competent parties
Legal purpose
Distinct characteristics of an insurance contract
Contract of adhesion
Aleatory contract
Personal contract
Unilateral contract
Conditional contract
Legal interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel
2.2 Insurance principles and concepts
Insurable interest
Hazards
Physical
Moral
Morale
Negligence
Elements of a negligent act
Defenses against negligence
Damages
Compensatory — special versus general
Punitive
Absolute liability
Strict liability
Vicarious liability
Causes of loss (perils)
Named perils versus special (open) perils
Direct loss
Consequential or indirect loss
Blanket versus specific insurance
Basic types of construction

Loss valuation
Actual cash value
Replacement cost
Functional replacement cost
Market value
Agreed value
Stated amount
2.3 Policy structure
Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements
2.4 Common policy provisions
Insureds — named, first named, additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata
Limits of liability
Per occurrence (accident)
Per person
Split
Combined single
Restoration/nonreduction of limits
Coinsurance
Vacancy or unoccupancy
Named insured provisions
Duties after loss
Assignment
Abandonment
Insurer provisions
Liberalization
Subrogation
Salvage
Claim settlement options
Duty to defend
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee
2.5 South Carolina laws, regulations and required provisions
South Carolina Valued Policy Law (38-75-20, 30)
South Carolina Property and Casualty Insurance Guaranty Association (38-31-10-170)
Cancellation, nonrenewal and renewal (38-75-710-790)
Insurance fraud act (38-55-510-590)
Arbitration of property damage liability claims (38-77-710-770)
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)
3.0 Adjusting Losses 20%
3.1 Role of the adjuster
Duties and responsibilities
Staff and independent adjuster versus public adjuster



Relationship to the legal profession
3.2 Claim reporting
Claim investigation
Claim file documentation of events
Types of reports
Initial or first field
Interim or status
Full formal
3.3 Property losses
Duties of insured after a loss
Notice to insurer
Minimizing the loss
Proof of loss
Special requirements
Production of books and records
Abandonment
Determining value and loss
Burden of proof of value and loss
Estimates
Depreciation
Salvage
Claim settlement options
Payment and discharge
3.4 Liability losses
Investigation procedures
Verify coverage
Determine liability
Gathering evidence
Physical evidence
Witness statements
Determining value of intangible damages
3.5 Coverage problems
Dealing with coverage disputes
Reservation of rights letter
Nonwaiver agreement
Declaratory judgment action
3.6 Claims adjustment procedures
Settlement procedures
Advance payments
Draft authority
Execution of releases
Subrogation procedures
Alternative dispute resolution
Appraisal
Arbitration
Competitive estimates
Mediation
Negotiation
4.0 Dwelling (*02) Policy 7%
4.1 Characteristics and purpose
4.2 Coverage forms – Perils insured against
Basic
Broad
Special
4.3 Property coverages
Coverage A – Dwelling
Coverage B – Other structures
Coverage C – Personal property
Coverage D – Fair rental value
Coverage E – Additional living expense
Other coverages
4.4 General exclusions

4.5 Conditions
4.6 Selected endorsements
Special provisions – South Carolina (DP 01 39)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)
4.7 Personal liability supplement
5.0 Homeowners (*00) Policy 22%
5.1 Coverage forms
HO-2 through HO-6
HO-8
5.2 Definitions
5.3 Section I – Property coverages
Coverage A – Dwelling
Coverage B – Other structures
Coverage C – Personal property
Coverage D – Loss of use
Additional coverages
5.4 Section II – Liability coverages
Coverage E – Personal liability
Coverage F – Medical payments to others
Additional coverages
5.5 Perils insured against
5.6 Exclusions
5.7 Conditions
5.8 Selected endorsements
Special provisions – South Carolina (HO 01 39)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Permitted incidental occupancies (HO 04 42)
Earthquake (HO 04 54)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)
6.0 Auto Insurance 24%
6.1 Laws
South Carolina Motor Vehicle Financial Responsibility Act (RL Title 56, Chapter 9)
Required limits of liability (38-77-140)
Uninsured/underinsured motorist (38-77-150-170, 180-230, 260)
Definitions
Bodily injury
Property damage
Required limits
Cancellation/nonrenewal (38-77-120-124, 390)
Reasons
Notice
Constructive total loss
Arbitration
6.2 Personal (*05) auto policy
Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Medical payments coverage
Uninsured motorists coverage
Coverage for damage to your auto

Collision
Other than collision
Deductibles
Transportation expenses
Exclusions
Duties after an accident or loss
General provisions
Selected endorsements
Amendment of policy provisions – South Carolina (PP 01 78)
Towing and labor costs (PP 03 03)
Extended non-owned coverage (PP 03 06)
Miscellaneous type vehicle (PP 03 23)
Joint ownership coverage (PP 03 34)
7.0 Other Coverages and Options 3%
7.1 Umbrella/excess liability policies
Personal (DL 98 01)
7.2 National Flood Insurance Program
Write your own versus government
Eligibility
Coverage
Limits
Deductibles
7.3 South Carolina Wind and Hail Underwriting
Association (SCWHUA) (38-75-310-460)
Eligibility
Coverage
Limits
Deductible
7.4 Other policies
Boatowners

Property and Casualty Insurance: A Basic Guide, Ernest H. Gore, 2008, Elizabeth Publishing, <https://www.amazon.com/Property-Casualty-Insurance-Basic-Guide/dp/1605851647>

Property and Casualty Licensing Basics, James J. Smith, 2007, 5th Edition, Bromley Smith Publishers, (732) 449-9288, www.bromleysmithpublishers.com

Property & Casualty Pathfinder, William H. Cummings, J. Mack Spears, Pathfinder Publishers, (800) 592-4242, www.pathfinderedu.com

Property and Liability Insurance Principles, 5th Edition, The Institutes, (610) 644-2101, www.aicpcu.org

REFERENCE LIST

The following list of reference materials were used to verify the accuracy of the test items for the examinations. They are listed for the purpose of test validation and do NOT constitute an endorsement or recommendation by PSI or the South Carolina Department of Insurance. Other publications are also available to study for the examinations.

This examination is CLOSED BOOK. The following reference material **is not allowed in the examination center**:

Property and Casualty Insurance License Exam Manual, 2010, 1st Edition, Revised, Kaplan Financial Education, (800) 824-8742, www.kfeducation.com

South Carolina Code of Laws, Title 38 - Insurance, 2012, South Carolina Legislature, <http://www.scstatehouse.gov>

South Carolina Code of Regulations, Chapter 69 - Department of Insurance, 2012, South Carolina Legislature, <http://www.scstatehouse.gov/coderegs/statmast.php>
NFIP Dwelling Policy Form - Standard Flood Insurance Policy, FEMA, www.fema.gov

Dictionary of Insurance Terms, Harvey W. Rubin, 2008, 5th Edition, Barron's Educational Series, Inc., (800) 645-3476, www.barronseduc.com, ISBN 0-7641-3884-7

Introduction to Risk Management and Insurance, Mark S. Dorfman, 2008, 9th Edition, Prentice-Hall, <https://www.amazon.com/Introduction-Risk-Management-Insurance-9th/dp/0132242273>

