

**Wisconsin Property: General and State**

**Series 22-05**

**100 questions – 2-hour time limit**

**1.0 Insurance Regulation 35% (35 Items)**

**1.1 Licensing**

Purpose (*ch. 628*)

Persons required to be licensed

*Ref: s. 618.41, ch. 628, s. 628.02(1),  
s. 628.02(3), s. 628.02(4), s. 628.02(5),  
s. 628.03, s. 628.04, s. 628.49,*

*s. 632.69(1)(b) and (c),*

*s. 632.69(2), s. Ins 6.58, s. Ins 42.01, s. Ins 42.03, s. Ins 47*

License Requirements

*Ref: ch. 26, s. 628.03, s. 628.04, s. 628.04(2), s. 628.34, s. 628.51, 632.69(1)(b) and (c), 632.69  
(2), s. Ins 6.59, s. Ins 6.59(4)(a),*

*s. Ins 6.59(4)(c)*

Record keeping, maintenance, and duration

Renewal

Continuing education requirements

Reinstatement

Assumed name

Change of address or telephone number

Reporting of actions

*Ref: s. 601.42, s. 628.04, s. 628.08, s. 628.09, s. 628.09(6), s. 628.11, s. Ins 6.57, s. Ins 6.61, s.  
Ins 6.63(3), s. Ins 28.04(1)(a),*

*s. Ins 28.04(1)(f), s. Ins 28.04(2)(a),*

*s. Ins 28.04(2)(b), s. Ins 28.06(6)*

Disciplinary actions

License termination, suspension, or revocation

Monetary forfeiture (fines)

*Ref: s. 601.31, s. 601.64, s. 628.10(1),*

*s. 628.10(2), s. 628.10(3), s. 628.345(1)(b), s. 628.345(2), s. 628.345(3)(a),*

*s. 628.345(3)(d), s. 628.345(3)(e),*

*s. 628.345(3)(f), s. Ins 6.63*

**1.2 State Regulation**

Commissioner's general duties and powers

Duties

Hearings

Penalties

Wisconsin Insurance Security Fund

*Ref: ch. 227, s. 227.12, s. 601.41, s. 601.41(4), s. 601.42, s. 601.42(4), s. 601.62, s. 601.62(5),  
s. 601.64, s. 601.64(2), s. 601.64(3),*

*s. 601.64(3)(d), s. 601.64(4), s. 601.65,*

*s. 628.10, s. 628.10(2)(b), s. Ins 6.59, ch. 646*

Company regulation

Solvency

Responsibilities of the insurer

Rates
Use of Policy forms
Readability
Producer appointments/terminations
Unfair claims, methods, and practices
Notice of right to file complaint
<i>Ref: s. 628.11, s. 628.40, s. 631.20,</i>
<i>s. 631.20(3), s. 631.22, s. 631.28, s. Ins 6.07, s. Ins 6.11, s. Ins 6.11(3), s. Ins 6.55,</i>
<i>s. Ins 6.55(4)(b), s. Ins 6.57, s. Ins 6.85</i>
Producer regulation
Fiduciary and trust account responsibilities
Place of business/records maintenance
Compensation of agents
Controlled business
Shared commissions
Proper exchange of business
<i>Ref: s. 628.32, s. 628.51, s. 628.61, s. Ins 6.66</i>
Marketing practices
Misrepresentation
False advertising
Rebating
Unfair discrimination
Boycott, coercion, or intimidation
Illegal inducement
<i>Ref: ch. 20, s. 628.34(1) – (14),</i>
<i>s. Ins 6.54, s. Ins 6.55,</i>
<i>s. Ins 6.67, s. Ins 6.68</i>
Examination of records
<i>Ref: s. 601.43, s. 601.43(1)(b), s. 601.43(1)(c), s. 601.43(2)(a), s. 601.45, s. 601.49,</i>
<i>s. Ins 16.01, s. Ins 26.10, s. Ins 26.10(3),</i>
<i>s. Ins 28.10, s. Ins 28.10(3)</i>
General statutes, rules, and regulations affecting insurance contracts
Definitions
Specific knowledge
Misrepresentation/Warranties
Knowledge and acts of the agent
Certificates of Insurance
<i>Ref: s. 628.34, ch. 631, s. 631.08, s. 631.09,</i>
<i>s. 631.11, s. 631.28, ch. 632</i>
Electronic delivery of notice of documents
<i>Ref: s.610.60</i>
Regulation of specific clauses in insurance contracts
Cancellation
Renewal/Nonrenewal
Notice of proof of loss

Payment of claims
<i>Ref: s. 102.31(2)(a),</i>
<i>s. 102.31(2)(b) 1.,</i>
<i>s. 102.315(10)(a)4,</i>
<i>s. 102.315(10)(a)3,</i>
<i>s. 102.315(10)(b)3, s. 628.46, s. 631.36,</i>
<i>s. 631.43, s. 631.48, s. 631.36 (1) and (2)</i>
<i>s. Ins 21.01(4)(a-c), s. Ins 21.01(5),</i>
<i>s. Ins 21.01(6), s. Ins 21.01(10),</i>
<i>s. Ins 21.01(11), s. Ins 6.11, s. Ins 6.77</i>
Privacy of Consumer Information
<i>Ref: s. 134.97, s. 610.70, ch.. Ins 25, s.134.98</i>
<b>1.3 Federal Regulation</b>
Fair Credit Reporting Act (15 USC 1681–1681d)
Fraud and false statements (18 USC 1033, 1034)
<b>1.4 Wisconsin statutes, rules, and regulations common to property insurance</b>
General rate standards
<i>Ref: s. 625.11, s. 625.13, s. 625.22, s. 626.13,</i>
<i>s. 631.20, s. Ins 3.49(3), s. Ins 4.08,</i>
<i>s. Ins 4.10(7)(g), s. Ins 6.78</i>
Prohibited classification of risks
<i>Ref: s. 628.34, s. Ins 6.54</i>
Surplus lines
Definition
Responsibilities of agents and brokers
<i>Ref: s. 618.39, s. 618.41, s. 618.41(7m),</i>
<i>s. 618.41(8), s. 618.415, s. 618.42, s. 618.43,</i>
<i>s. 628.02, s. 628.02(5), s. 628.04(2), s. Ins</i>
<i>6.17s. Ins 6.18, s. Ins 6.19, s. Ins 6.66</i>
Oral contracts
<i>Ref: s. 631.05</i>
<b>1.5 Wisconsin statutes, rules, and regulations pertinent to property insurance</b>
Application of the standard fire policy in Wisconsin
Modifications or additions
Required provisions
Limitations on using or disclosing information regarding domestic abuse
<i>Ref: s. 628.34, s. 631.95(2)(f),</i>
<i>s. 632.05, s. 632.07, s. 632.08, s. Ins 4.01, s. Ins 6.76</i>
Lender Requirements
<i>Ref: s. 632.07</i>
<b>2.0 General Insurance 8% (8 Items)</b>
<b>2.1 Concepts</b>
Risk management key terms
Risk
Exposure
Hazard
Peril

Loss
Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer
Elements of insurable risks
Adverse selection
Law of large numbers
Reinsurance
<b>2.2 Insurers</b>
Types of insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals
Lloyd's associations
Risk retention groups
Private versus government insurers
Admitted versus nonadmitted insurers
Domestic, foreign and alien insurers
Financial status (independent rating services)
Marketing (distribution) systems
<b>2.3 Producers and general rules of the agency</b>
Insurer as principal
Producer/insurer relationship
Authority and powers of producer
Express
Implied
Apparent
The law of agency
Responsibilities to the applicant/insured
<b>2.4 Contracts</b>
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
<b>3.0 Property Insurance Basics 13% (13 Items)</b>
<b>3.1 Principles and concepts</b>
Insurable interest
Underwriting
Purpose
Process
Results
Function
Loss ratio
Rate Development
Types
Loss costs
Components
Basis
Hazards
Physical
Moral
Morale
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
Valued policy
<b>3.2 Policy structure</b>
Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions

Endorsements
<b>3.3 Common policy provisions</b>
Insureds — named, first named and additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro Rata
Contribution by Equal Shares
Limits of liability
Policy limits
Restoration/nonreduction of limits
Coinsurance
Purpose
Definition
Calculation
Penalties
Total versus partial loss
Specific, scheduled, and blanket insurance
Vacancy or unoccupancy
Named insured provisions
Duties after loss
Assignment
Waiver of Rights
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
<b>4.0 Dwelling Policy 4% (4 Items)</b>
<b>4.1 Characteristics</b>
Purpose
Eligibility
<b>4.2 Coverage forms — Perils insured against</b>
Basic
Broad
Special
<b>4.3 Property coverages</b>

Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Fair rental value
Coverage E — Additional living expense
Other coverages
<b>4.4 General exclusions</b>
<b>4.5 Conditions</b>
<b>4.6 Selected endorsements</b>
Special provisions (DP 01 43)
Automatic increase in insurance (DP 04 11)
Broad theft coverage (DP 04 72)
Dwelling under construction (DP 11 43)
<b>4.7 Personal liability supplement</b>
<b>5.0 Homeowners Policy 18% (18 Items)</b>
Purpose
Eligibility
<b>5.1 Coverage forms</b>
Broad (HO-2)
Special (HO-3)
Contents Broad (HO-4)
Unit-Owners (HO-6)
Modified Coverages (HO-8)
<b>5.2 Definitions</b>
<b>5.3 Section I — Property coverages</b>
Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages
<b>5.4 Perils insured against</b>
Broad
Special
<b>5.5 Exclusions</b>
Section I — Property covered exclusions
Section II — Liability covered exclusions
<b>5.6 Conditions</b>
<b>5.7 Selected endorsements</b>
Special provision (HO 01 43)
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 day care (HO 04 97)
Sewer back-up/sump discharge or overflow (HO 04 95)
Watercraft

<b>6.0 Commercial Package Policy (CPP) 9% (9 Items)</b>
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Definition
Coverages
Coverage extensions
<b>6.1 Components of a commercial policy</b>
Common policy declarations
Common policy conditions
Insuring agreements
Exclusions
Interline endorsements
One or more coverage parts
<b>6.2 Commercial property</b>
Commercial property conditions form
Coverage forms
Building and personal property
Condominium association
Condominium commercial unit-owners
Builders risk
Business income
Extra expense
Causes of loss forms
Basic
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Selected endorsements
Ordinance or law (CP 04 05)
Spoilage (CP 04 40)
Peak season limit of insurance (CP 12 30)
Value reporting form (CP 13 10)
Earthquake
<b>6.3 Commercial inland marine</b>
Nationwide marine definition
Commercial inland marine conditions form
Inland marine coverage forms
Accounts receivable
Bailee's customer
Commercial articles
Contractors equipment floater
Electronic data processing
Installation floater
Signs
Valuable papers and records
Transportation coverages
Motor truck cargo forms
Transit coverage forms
<b>6.4 Equipment breakdown</b>



Equipment breakdown protection coverage form (EB 00 20)
Selected endorsement
Actual cash value (EB 99 59)
<b>6.5 Farm coverage</b>
Farm property coverage form
Coverage A — Dwellings
Coverage B — Other private structures
Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures
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Coverage J -- Medical Payments
Mobile agricultural machinery and equipment coverage form
Livestock coverage form
Definitions
Causes of loss (basic, broad and special)
Conditions
Exclusions
Limits
Additional coverages
<b>7.0 Businessowners Policy 9% (9 Items)</b>
<b>7.1 Characteristics and purpose</b>
<b>7.2 Businessowners Section I — Property</b>
Coverages
Exclusions
Limits
Deductibles
Loss conditions
General conditions
Optional coverages
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<b>7.3 Businessowners Section III — Common Policy Conditions</b>
<b>7.4 Selected endorsements</b>
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)
<b>8.0 Other Coverages and Options 4% (4 Items)</b>
<b>8.1 Other policies</b>
Boatowners
Surplus lines
Directors and Officers
National Flood Program
Mobile and/or Manufactured Homes policy (Insuring Agreement)
Earthquake Insurance (Insuring Agreement)

Deductible
Wisconsin Insurance Plan (WIP)
<i>Ref: s. 610.01, ch. 619, s. Ins 4.10</i>