

**Oregon Producer's Examination for
Property and Casualty Insurance
Series 12-04**

150 questions – 2 hours and 40 minutes

Insurance Regulation 11%

Licensing

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053, 731.104)

Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration

Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)

Continuing education requirements (ORS 744.072; OAR 836-071-0215 to 0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2), .068)

Change of address or telephone number (ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

State regulation

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

Company regulation

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079, .081)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Producer regulation

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)

Place of business/records maintenance (ORS 744.068)

Controlled business (ORS 746.065, .160)

Commissions (ORS 744.076, .077; OAR 836-071-0269–0277)

Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110; OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

Federal Laws and Regulations 2%

Fair Credit Reporting Act
18 United States Code (USC) Sections 1033 and 1034 - purpose
Flood Insurance Education (National Flood Insurance Program (NFIP))
General Insurance Concepts 11%
Risk
Definitions (e.g., risk, hazard, peril, loss)
Methods of handling risk (e.g., avoidance, retention, sharing, reduction, transfer)
Elements of insurable risks
Classifications of insurers
Mutual, stock
Admitted, non-admitted
Foreign, domestic, alien
Authority and powers of producers - definitions
Express
Implied
Apparent
The Law of Agency
Elements of a contract
Offer
Acceptance
Consideration
Competent parties
Legal purpose
Legal interpretations affecting contracts
Reasonable expectations
Indemnity
Good faith
Warranties, representations, misrepresentations, and concealment
Fraud
Property and Casualty Insurance Basics 14%
Insurable interest
Underwriting (purpose, process, results)
Rate
Types
Components
Basis
Types of hazards
Physical
Moral
Morale
Negligence
Torts
Elements of a negligent act
Defenses against negligence
Damages
Compensatory versus punitive
General versus special
Liability
Absolute

Strict
Vicarious
Types of perils
Named
Open
Types of loss
Direct
Indirect
Specific, scheduled, and blanket insurance
Loss valuation
Actual cash value
Replacement cost
Functional replacement cost
Market value
Agreed value
Valued policy
Accident versus occurrence
Policy structure
Declarations
Definitions
Insuring agreement
Additional/supplementary coverage
Conditions
Exclusions
Endorsements
Policy clauses
Insureds
Policy period
Policy territory
Cancellation and non-renewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro Rata
Contribution by equal shares
Limits of liability
Per accident
Per occurrence
Per person
Aggregate
Split limits
Combined single limit
Coinsurance
Purpose
Definition
Calculation
Penalties
Total versus partial loss

Vacant versus unoccupied
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
Arbitration
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee
Oregon laws, regulations and required provisions
Oregon Insurance Guaranty Association (ORS 734.510-.710)
Cancellation and nonrenewal
Commercial liability (ORS 742.700-.710)
Property (ORS 742.224, 746.686-687)
Automobile (ORS 742.560-.572)
Binders (ORS 742.043)
Rates (ORS 737.025, .310; OAR 836-010-0011)
Policy forms (ORS 742.003, .005)
Suit against insurer (ORS 742.240)
Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
Unfair discrimination (ORS 746.015,.018, .240)
Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)
Dwelling Policy Concepts 6%
Purpose and eligibility
Perils insured against
Basic — Oregon
Broad
Special
Definitions
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
Dwelling property exclusions
Dwelling property conditions
Dwelling property endorsements
Special provisions — Oregon
Personal liability supplement
Coverage L - Personal liability

Coverage M - Medical payments to others
Homeowners Policy Concepts 9%
Eligibility and Purpose
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)
Definitions
Section I — Property coverages
Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages
Section II — Liability coverages
Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages
Homeowners policy exclusions
Section I-Property Covered Exclusions
Section II - Liability Covered Exclusions
Homeowners policy conditions
Homeowners policy endorsements
Special provisions — Oregon
Earthquake
Personal property replacement cost
Permitted incidental occupancies — residence premises — Oregon
Home day care — Oregon
Business pursuits
Watercraft
Personal injury
Ordinance or law
Scheduled personal property/personal articles floater
Personal Automobile Policy 9%
Laws
Oregon Motor Vehicle Financial Responsibility Law
Required motor vehicle limits of liability (ORS 806.070, .075)
Other ways to prove responsibility (ORS 806.011, .060, .080)
Personal injury protection definitions (ORS 742.518–.544)
Medical
Loss of income
Funeral
Essential services
Exclusions from coverage
Arbitration
Day Care

Uninsured and underinsured motorist coverage (ORS 742.500–.510)
Definitions
Bodily injury
UM and UIM rejection
Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
Credit History (ORS 746.661)
Total Loss (ORS 742.554, 801.527, 819.014), (OAR 836.080.0240)
Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Liability extension to towed vehicle
Medical payments coverage
Coverage for damage to your auto
Collision
Other than collision (comprehensive)
Deductibles
Exclusions
Duties after an accident or loss
General provisions
Endorsements
Amendment of policy provisions — Oregon
Towing and labor costs
Extended non-owned coverage — vehicles furnished or available for regular use
Miscellaneous type vehicle
Joint ownership coverage
Rental vehicle coverage
Commercial Automobile Policy 3%
Commercial auto coverage forms
Covered automobiles
Hired automobiles
Non-owned automobiles
Liability
Physical damage
Exclusions
Conditions
Definitions
Selected endorsements
Lessor — additional insured and loss payee
Mobile equipment
Broad form products
Employees as insureds
Commercial General Liability 13%
Commercial policy components
Declarations
Conditions
Interline endorsements
Commercial general liability coverages

Bodily injury and property damage
Personal and advertising injury
Medical payments
Conditions
Definitions
Exclusions
Occurrence versus claims-made
Trigger
Retroactive date
Commercial general liability exposures
Premises and operations
Products and completed operations
Contractual liability
Commercial Property Policies 7%
Commercial package policy
Purpose
Definition
Coverages
Coverage extensions
Commercial policy components
Declarations
Conditions
Insuring agreements
Exclusions
Commercial property forms
Coverage forms for building and business personal property
Builders risk
Business income
Legal liability
Extra expense
Cause of loss forms
Commercial crime
Commercial property endorsements
Ordinance or law
Spoilage
Peak season limit of insurance
Value reporting form
Earthquake
Equipment breakdown coverages
Commercial inland marine - purpose
Ocean marine (distinction between inland and ocean)
Farm coverage
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 farm personal property
Coverage F — Unscheduled farm personal property

Coverage G — Other farm structures
Coverage H - Bodily injury and property damage liability
Coverage I - Personal and advertising injury liability
Coverage J - Medical payments
Businessowners Policy 5%
Characteristics and purpose
Businessowners Section I — Property
Coverages
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
Workers' Compensation Laws 5%
Oregon Workers' Compensation Law (ORS Chapter 656)
Exclusive remedy (ORS 656.018)
Employment covered (required, voluntary, leased) (ORS 656.017, .023, .027–.041)
Covered injuries and notice (ORS 656.005(7); .265)
Occupational disease (ORS 656.802–.804)
Benefits provided (ORS 656.202, .204, .206, .208, .210, .211, .212, .214, .216, .245, .258, .262(4)(a))
Workers' Compensation Handicapped Workers Program (ORS 656.628)
Workers' compensation coverages and benefits
Workers' compensation definitions
Occupational accident versus occupational disease and illness
Levels of disability
Rating and job classification
Other sources of coverage
Oregon Workers' Compensation Fund Insurance Plan (ORS 656.730; OAR 836-043-0001–0091)
Self-insured employers and employer groups (ORS 656.403, .407)
Federal laws
Other Types of Property and Casualty Insurance - Purpose and General Characteristics 5%
Personal umbrella, commercial umbrella, and excess policies
Underlying limits
Self-insured retention
Specialty liability insurance
Professional and errors and omissions
Directors and officers
Employment practices
Employee benefits

Cyber liability and network protection
Surplus lines (ORS Sec. 735.410, .415)
Definitions and markets
Licensing requirements
Residual markets
Joint Underwriting Association (ORS 735.200-.260; 737.390)
Oregon FAIR Plan Association (ORS 735.005, .015, .045)
Surety Contracts
Differences between surety and insurance
Obligation of the surety
Parties to the surety bond
Principal
Obligee
Surety
Mobile home policy (insuring agreement)
Earthquake insurance (insuring agreement)
Deductibles
Flood Insurance
Watercraft