

Your Exam Content Outline

The following outline describes the content of one of the Oregon insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

Oregon Producer's Examination for Casualty Insurance Series 12-13

100 questions – Two-hour time limit

1.0 Insurance Regulation 11%

1.1 Licensing

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053)

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)

Continuing education requirements (ORS
744.072(4); OAR 836-071-0215–0250)

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)

1.2 State regulation

Director's general duties and powers
(ORS 731.236)

Company regulation

Solvency (ORS 731.554(6))

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079,
.081)

Unfair claim settlement practices

(ORS 746.230; OAR 836-080-0205–0250)

Producer regulation

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

Place of business/records maintenance
(ORS 744.068)

Controlled business (ORS 746.065, .160)
Shared commissions (ORS 744.076, .077;
OAR 836-071-0269–0277)

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)

Suitability (OAR 836-080-0001–0043,
836-080-0090)

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

Privacy of Consumer Information (ORS 746.620,
.630, .665)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements including 1033 waiver
(18 USC 1033, 1034)

2.0 General Insurance 11%

2.1 Concepts

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

2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocal

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

2.3 Producers and general rules of agency

Insurer as principal
Producer/insurer relationship
Authority and powers of producer
Express
Implied
Apparent
Responsibilities to the applicant/insured

2.4 Contracts

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

3.0 Property and Casualty Insurance Basics 13%

3.1 Principles and concepts

Insurable interest
Underwriting
Function
Loss ratio
Rates
Types
Loss costs
Components
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

3.2 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements

3.3 Common policy provisions

Insureds — named, first named and additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Other insurance
Nonconcurrency
Primary and excess
Limits of liability
Per occurrence (accident)
Per person
Aggregate—general versus products—completed operations
Split
Combined single
Policy limits
Named insured provisions
Duties after loss
Assignment
Insurer provisions
Liberalization
Subrogation
Duty to defend

3.4 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, 746.687)
Binders (ORS 742.043)
Rates (ORS 737.025, .310)
Policy forms (ORS 742.003)
Suit against insurer (ORS 742.240)
Concealment, misrepresentation or fraud
(ORS 742.013, .208, .702(1)(b))
Unfair discrimination (ORS 746.018)
Federal Terrorism Insurance Program
(15 USC 6701; Public Law 109–144, 110–160)

4.0 Homeowners ('00) Policy 10%

4.1 Coverage forms

HO-2 through HO-6
HO-8

4.2 Definitions

4.3 Section II — Liability coverages

Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements

- Special provisions — Oregon (HO 01 36)
- Limited fungi, wet or dry rot, or bacteria coverage (HO 04 04, HO 04 05, HO 04 06)
- Permitted incidental occupancies — residence premises — Oregon (HO 05 42)
- Home day care — Oregon (HO 05 97)
- Business pursuits (HO 24 71)
- Watercraft (HO 24 75)
- Personal injury (HO 24 82)

5.0 Auto Insurance 14%

5.1 Laws

- Oregon Motor Vehicle Financial Responsibility Law
- Required motor vehicle limits of liability (ORS 806.070)
 - Other ways to prove responsibility (ORS 806.011, .060, .080)
- Personal injury protection (ORS 742.520–.544)
 - Medical
 - Loss of income
 - Funeral
 - Death
 - Essential services
 - Exclusions from coverage
 - Arbitration
- Uninsured/underinsured motorist (ORS 742.500–.510)
 - Definitions
 - Bodily injury
 - Property damage
 - Required limits
- Aftermarket Crash Parts Act (ORS 746.287, .292)

5.2 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 — Oregon (PP 01 94)
 - Towing and labor costs (PP 03 03)
 - Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
 - Miscellaneous type vehicle (PP 03 23)

Joint ownership coverage (PP 13 35)

5.3 Commercial auto ('06)

- Commercial auto coverage forms
 - Business auto
 - Garage
 - Business auto physical damage
 - Truckers
 - Motor carrier
- Coverage form sections
 - Covered autos
 - Liability coverage
 - Garagekeepers coverage
 - Trailer interchange coverage
 - Physical damage coverage
 - Exclusions
 - Conditions
 - Definitions
- Selected endorsements
 - Lessor — additional insured and loss payee (CA 20 01)
 - Mobile equipment (CA 20 15)
 - Auto medical payments coverage (CA 99 03)
 - 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)

6.0 Commercial Package Policy (CPP) 10%

6.1 Components of a commercial policy

- Common policy declarations
- Common policy conditions
- Interline endorsements
- One or more coverage parts

6.2 Commercial general liability ('07)

- Commercial general liability coverage forms
 - Bodily injury and property damage liability
 - Personal and advertising injury liability
 - Medical payments
 - Supplementary payments
 - Who is an insured
 - Limits of insurance
 - Conditions
 - Definitions
 - Exclusions
- Occurrence versus claims-made
- Claims-made features
 - Trigger
 - Retroactive date
 - Extended reporting periods — basic versus supplemental
 - Claim information
- Premises and operations
- Products and completed operations
- Insured contract
- Pollution liability coverage form (CG 00 39)

6.3 Commercial crime ('06)

- General definitions
 - Burglary
 - Theft
 - Robbery
- Crime coverage forms
 - Commercial crime coverage forms (discovery/loss sustained)
 - Government crime coverage forms (discovery/loss sustained)
- Coverages
 - Employee theft
 - Forgery or alteration
 - Inside the premises — theft of money and securities
 - Inside the premises — robbery or safe burglary of other property
 - Outside the premises
 - Computer fraud
 - Funds transfer fraud
 - Money orders and counterfeit money
- Other crime coverages
 - Extortion — commercial entities (CR 04 03)
 - Guests' property (CR 04 11)

6.4 Farm coverage

- Farm liability coverage form ('06)
 - Coverage H — Bodily injury and property damage liability
 - Coverage I — Personal and advertising injury liability
 - Coverage J — Medical payments
- Definitions
- Exclusions
- Limits
- Additional coverages

7.0 Businessowners ('06) Policy 10%

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

- Coverages
- Exclusions
- Who is an insured
- Limits of insurance
- General conditions
- Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

- Hired auto and non-owned auto liability (BP 04 04)

8.0 Workers Compensation Insurance 13%

8.1 Workers compensation laws

- Type of law
 - Monopolistic versus competitive
 - Compulsory versus elective
- 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 (ORS 656.005(7))
- Occupational disease (ORS 656.802–.804)
- Benefits provided (ORS 656.202, .204, .206, .208, .210, .211, .212, .214, .216, .245, .258)
- Workers Compensation Handicapped Workers Program (ORS 656.628)

8.2 Workers compensation and employers liability insurance policy

- General section
 - Part One — Workers compensation insurance
 - Part Two — Employers liability insurance
 - Part Three — Other states insurance
 - Part Four — Your duties if injury occurs
 - Part Five — Premium
 - Part Six — Conditions
- Selected endorsement
 - Voluntary compensation

8.3 Premium computations

- Job classification
- Rates
- Payroll
- Adjustment upon audit
- Experience modification factor
- Premium discounts

8.4 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)

9.0 Other Coverages and Options 8%

9.1 Umbrella/excess liability policies

- Personal (DL 98 01)
- Commercial (CU 00 01)

9.2 Specialty liability insurance

- Errors and omissions
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

9.3 Surplus lines

- Definitions and markets
- Licensing requirements

9.4 Surety bonds

- Principal, obligee and surety
- Contract bonds
- License and permit bonds
- Judicial bonds

9.5 Other policies

- Boatowners