

Your Exam Content Outline

The following outline describes the content of one of the New Mexico 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.

New Mexico Examination for Public Adjuster Series 18-39

50 questions - 1-hour time limit
Effective April 29, 2022

1.0 Insurance Regulation 12% (6 Items)

1.1 Licensing requirements

Qualifications (59A-11, 59A-12)

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Fees

1.2 Maintenance and duration (NMSA 59A-11)

Expiration and renewal (59A-11-10, 11; Reg 13.4.2.17, .18)

Contract requirements

Records

Name and Address change (59A-12-17)
(59A-11-24)

Reporting of actions

Emergency Adjusters (NMSA 59A-13-6)

1.3 Disciplinary actions

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18, 59A-11-17, 21)

Suspension, revocation, or refusal to issue or renew (59A-11-8, 10, 14-16, 18)

1.4 Claim settlement laws and regulations (59A-16-20)

1.5 Unfair and Prohibited Insurance Trade Practices

2.0 Insurance Basics 22% (11 Items)

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

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

Broad Evidence Rule

Replacement cost

Market value

Agreed value

Stated amount

Valued policy

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

Policy limits

Restoration/nonreduction of limits

Coinsurance

Vacancy or unoccupancy

Assignment

Liberalization

Third-party provisions

Standard mortgage clause

Loss payable clause

No benefit to Bailee

2.5 New Mexico laws, regulations and required provisions

New Mexico Property and Casualty Insurance Guaranty Fund (59A-43-1-18)

Cancellation and nonrenewal (59A-18-29; Reg 13.8.4.8, .9)

Binders (59A-18-22)

Arbitration (RL 44-7A-7)

Loss payment (59A-16-21)

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

3.0 Adjusting Losses 23% (12 Items)

3.1 Role of the adjuster

Duties and responsibilities

Staff and independent adjuster versus public adjuster

Relationship to the legal profession

3.2 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

3.3 Claims adjustment procedures

Subrogation procedures

Alternative dispute resolution

Appraisal

Arbitration

Competitive estimates

Mediation

Negotiation

4.0 Dwelling Policy 10% (5 Items)

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 — New Mexico (HO 01 30)

Automatic increase in insurance (DP 04 11)

Dwelling under construction (DP 11 43)

5.0 Homeowners Policy 17% (8 Items)

5.1 Coverage forms

HO-2 through HO-6

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 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements

Special provisions — New Mexico (HO 01 30)

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 Commercial Package Policy (CPP) 8% (4 Items)

6.1 Components of a commercial policy

Common policy declarations

Common policy conditions

Interline endorsements

One or more coverage parts

6.2 Commercial property ('07)

Commercial property conditions form

Coverage forms

Building and personal property

Condominium association

Condominium commercial unit-owners

Builders risk

Business income

Legal liability

Extra expense

Causes of loss forms

Basic

Broad

Special

Selected endorsements

Ordinance or law coverage (CP 04 05)

Spoilage coverage (CP 04 40)

Peak season limit of insurance (CP 12 30)

Value reporting form (CP 13 10)

6.3 Commercial inland marine

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
Equipment dealers
Installation floater
Jewelers block
Signs
Valuable papers and records

7.0 Businessowners Policy 8% (4 Items)

7.1 Characteristics and purpose

7.2 Businessowners Section I – Property

Coverage
Exclusions
Limits of insurance
Deductibles
Loss conditions
General conditions
Optional coverages
Definitions

7.3 Businessowners Section III – Common Policy Conditions

7.4 Selected endorsements

Protective safeguards (BP 04 30)
Hired auto and non-owned auto liability (BP 04 04)