

Your Exam Content Outline

The following outline describes the content of one of the Arizona 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.

Arizona Examination for Casualty Insurance Producer

Series 13-43

100 questions - 2 hour time limit

Effective January 1, 2020

1.0 Insurance Regulation 5%

1.1 Licensing

License application requirements (20-285)

Number of Exam Attempts 20-284(H)

Licensing eligibility/lawful presence (41-1080)

Types of licensees

Producers (20-281(5), 286)

Nonresidents (20-281(11))

Adjusters (20-321)

Life Settlement Broker (ARS 20-3202)

Business entities (20-281(1), 285(D, E), 290(B))

Surplus lines brokers (20-407, 411)

Temporary (20-294)

Vending machines (20-293)

Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01, 2662)

Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))

Assumed business name (20-297)

Maintenance and duration

Expiration, surrender and renewal (20-289)

Inactive license status during military service (20-289.01)

Change of contact information (20-286(C))

Change of business information (20-286(C))

Report of actions (20-301)

Continuing education (20-2902, 2903)

Disciplinary actions

Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)

Cease and desist order (20-292)

1.2 State regulation

Acts constituting insurance transaction (20-106, 282, 401.01)

Negotiate (20-281(10))

Sell (20-281(14))

Solicit (20-281(15))

Payment of premiums (20-191)

Certificate of authority (20-217(A))

Identification of Producer (20-229)

Producer regulation

Sharing commissions (20-298)

Place of business and records (20-157, 290; AZ Const Art 14 s 16)

Unfair practices and frauds

Unfair trade practices (20-442)

Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))

False or deceptive advertising (20-444)

Defamation of insurer (20-445)

Boycott, coercion or intimidation (20-446)

False financial statements (20-447)

Unfair discrimination (20-448)

Gender discrimination (Rule R20-6-207)

Rebating (20-449-451)
Prohibited inducements (20-452)
Fees (20-465)
Unfair claims settlement practices (20-461; Rule R20-6-801)
Claims payment (20-462)
Insurance fraud (20-463, 466-466.04)
Insurance information and privacy protection (20-2101-2122)

1.3 Federal regulation

Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)
Fair Credit Reporting Act (15 USC 1681-1681d)
Telemarketing Sales Rule (16 CFR 310; 15 USC 6101-6108; A.R.S. 44-1282)
CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

Law of large numbers
Reinsurance

2.2 Insurers

Types of insurers
Mutual, stock, fraternal (20-702, -703)
Captive insurance companies (20-1098)
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocal (20-761,-762)
Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)
Lloyd's associations (20-1021)
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers (20-201, 203, 204)
Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Express
Implied
Apparent

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
Personal contract
Aleatory contract
Unilateral contract
Conditional contract
Legal interpretations affecting contracts

2.0 General Insurance 9%

2.1 Concepts

Insurance, definition of (20-103)
Risk management key terms
Risk
Exposure
Hazard
Peril
Loss
Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer
Elements of insurable risks
Adverse selection

Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel

Conditions
Exclusions
Endorsements

3.3 Common policy provisions

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

3.4 Required provisions

Arizona Property and Casualty Insurance
Guaranty Fund (20-662)
Certificate of authority (20-217(A))
Cancellation and nonrenewal
Personal (20-1651-1656)
Commercial (20-1671-1679)
Binders (20-1120)
Federal Terrorism Insurance Program (15
USC 6701; Public Law 107-297, 109-144,
110-160)

3.0 Casualty Insurance Basics 15%

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
Damages
Compensatory — special versus general
Punitive
Strict liability
Vicarious liability

3.2 Policy structure

Standard Provisions (20-1112)
Content of Policy (20-1113)
Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage

4.0 Homeowners ('11) Policy 15%

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 — Arizona (HO 01 02)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Permitted incidental occupancies (HO 04 42)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal injury (HO 24 82)

5.0 Auto Insurance 19%

5.1 Laws

Arizona Motor Vehicle Financial Responsibility Law (RL Title 28, Chapter 9)
Required limits of liability (20-266, RL 28-4009)
Required proof of insurance (RL 28-4133)
Arizona Automobile Insurance Plan (RL 28-4008)
Premium payments and administrative fees (20-267)
Uninsured/underinsured motorist (20-259.01)
Definitions
Bodily injury
UM/UIM rejection
Required limits
Personal auto cancellation/nonrenewal
Grounds (20-1631)

Notice (20-1632)
Grace period (20-1632.01)
Notice of eligibility in assigned risk plan (20-1632)
Subrogated claim (20-268)

5.2 Personal ('05) auto policy

Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Medical payments coverage
Uninsured/Underinsured motorist coverage
Coverage for damage to your auto
Collision
Other than collision
Deductibles
Transportation expense
Exclusions
Duties after an accident or loss
General provisions (PP 00 01)
Selected endorsements

Amendment of policy provisions — Arizona (PP 01 67)
Full Safety Glass Coverage-Arizona (PP 03 48)
Towing and labor costs (PP 03 03)
Extended non-owned coverage — vehicles furnished or available for regular use (PP 03 06)
Limited Mexico coverage (PP 03 21)
Joint ownership coverage (PP 03 34)
Uninsured motorists coverage — Arizona (PP 04 77; Regulatory Bulletin 2003-10, 2003-03)
Underinsured motorists coverage — Arizona (PP 04 89; Regulatory Bulletin 2003-10, 2003-03)
Miscellaneous type vehicle — Arizona (PP 13 69, PP 13 70, PP 13 71, PP 13 72)

5.3 Commercial auto ('10)

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)

- Definitions
- 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

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 coverage
 - Extortion — commercial entities (CR 04 03)

6.4 Farm coverage

- Farm liability coverage form ('06)
 - Coverage H — Bodily injury and property damage liability
 - Coverage I — Personal and advertising injury liability

6.0 Commercial Package Policy (CPP) 15%

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
 - Exclusions
 - Supplementary payments
 - Who is an insured
 - Limits of insurance
 - Conditions

Coverage J — Medical payments
Exclusions
Additional coverages
Limits of insurance
Conditions
Definitions

7.0 Businessowners ('10) Policy — Liability 6%

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

Arizona changes (BP 01 38)
Hired auto and non-owned auto liability (BP 04 04)

8.0 Workers Compensation Insurance 10%

8.1 Workers compensation laws

Types of laws
Monopolistic versus competitive
Compulsory versus elective
Arizona Workers Compensation Law
Exclusive remedy (RL 23-1022)
Employment covered (required, voluntary, elective) (RL 23-901(6), 902)
Covered injuries (RL 23-901(13), 901.04)
Occupational disease (RL 23-901.01)
Benefits provided (RL 23-1021, 1044(A,B), 1045(A,B,C), 1046, 1062)
Subsequent injury fund (RL 23-1065)
Federal workers compensation laws
Federal Employers Liability Act (FELA) (45 USC 51-60)

U.S. Longshore and Harbor Workers
Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

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
Voluntary compensation endorsement

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverage

Assigned risk plan (RL 23-1091)
Self-insured employers and employer groups (RR R20-5-201-208)

9.0 Other Coverages and Options 6%

9.1 Umbrella/excess liability policies

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

9.2 Specialty liability insurance

Professional liability
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, surety
Contract bonds

License and permit bonds

Judicial bonds

9.5 Aviation insurance

Aircraft liability

9.6 Other policies

Boatowners