

**Utah Producer's Personal Lines Exam  
Series 17-20  
100 questions (plus 5 unscored items)  
2-hour time limit**

**1.0 Insurance Regulation 12% (12 Items)**

**1.1 Licensing**

- Purpose (31A-23a-101)
- Process (31A-23a-103–105, 107, 302)
- Qualifications (31A-23a-107, 108)
- Types of licensees (31A-1-301, 31A-23a-106, 203, 401, 504)
  - Producers
  - Consultants
  - Adjusters
  - Nonresidents (31A-23a-109)
- Maintenance and duration
  - Renewal (31A-23a-105; 31A-23a-111)
  - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
  - Reinstatement (31A-23a-111(2), 113)
  - Assumed name (31A-23a-110(2))
  - Change of address or telephone number (31A-23a-412(1)(c))
  - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
  - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
  - Probation (31A-23a-112)
  - Monetary forfeiture (fines) (31A-2-308)

**1.2 State regulation**

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
  - Solvency (31A-4-105, 105.5)
  - Rates (31A-19a-201–203)
  - Policy forms (31A-21-201–203)
  - Producer appointment (31A-23a-115; Reg R590-244-1–14)
  - Termination of appointment (Reg R590-244-1–14)
  - Unfair claim settlement practices (31A-26-303; Reg R590-190–192)
- Producer regulation
  - Fiduciary and trust account responsibilities (31A-23a-409)
  - Place of business/records maintenance (31A-23a-412)
  - Controlled business (31A-23a-502)
  - Shared commissions (31A-23a-504)
  - Unfair marketing practices (Reg R590-154)
    - Misrepresentation (31A-21-105; 31A-23a-402(1))

- False advertising (31A-23a-402(1))
- Rebating (31A-23a-402(2), 31A-1-301(145))
- Unfair discrimination (31A-23a-402(3))
- Boycott, coercion or intimidation (31A-23a-402(4))
- Illegal inducement (31A-23a-402.5, Reg R590-154-11)

- Examination of records (31A-2-203–205; 31A-23a-412)
- Privacy of Consumer Information (Reg R590-206)
- Insurance fraud regulation (31A-31-103–106)
- Personal liability for unpaid claims (31A-15-105)

**1.3 Federal regulation**

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)
- Privacy (Gramm Leach Bliley)
- National Flood Insurance Program

**2.0 General Insurance 12% (12 Items)**

**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 16% (16 Items)

### 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
- 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

### 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
  - Split
  - Combined single
- Policy limits
- Restoration/nonreduction of limits
- Coinsurance
- Vacancy or unoccupancy
- Named insured provisions
  - Duties after loss
  - Assignment
  - 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

### 3.4 Utah laws, regulations and required provisions

- Utah Property and Casualty Insurance Guaranty Association (31A-28-202–210, 212–215, 217–218, 220, 222)
- Cancellation, issuance and renewal (31A-21-303)
- Binders (31A-21-102)
- Other insurance (31A-21-307)
- Suit against insurer (31A-21-313)
- Concealment or fraud (RL 76-6-521)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107–297, 109–144, 110–160)

## 4.0 Dwelling Policy 10% (10 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 — Utah (DP 01 43)
  - Automatic increase in insurance (DP 04 11)
  - Broad theft coverage (DP 04 72)
  - Dwelling under construction (DP 11 43)
- 4.7 Personal liability supplement**
- 5.0 Homeowners Policy 22% (22 Items)**
  - 5.1 Coverage forms**
    - HO-2 through HO-6
    - HO-8
  - 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 Section II — Liability coverages**
    - Coverage E — Personal liability
    - Coverage F — Medical payments to others
    - Additional coverages
  - 5.5 Perils insured against**
  - 5.6 Exclusions**
  - 5.7 Conditions**
  - 5.8 Selected endorsements**
    - Special provisions — Utah (HO 01 43)
    - Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27, HO 04 28)
    - 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)
    - Business pursuits (HO 24 71)
    - Personal injury (HO 24 82)
- 6.0 Auto Insurance 22% (22 Items)**
  - 6.1 Laws**
    - Utah Financial Responsibility of Motor Vehicle Owners and Operators Act (RL 41-12a-101–104)
    - Required motor vehicle limits of liability (31A-22-301–304)
  - Personal injury protection (31A-22-306–309)
    - Medical
    - Loss of income
    - Special damages allowance
    - Funeral
    - Death
  - Uninsured/underinsured motorist (31A-22-305–305.3)
    - Definitions
    - Bodily injury
    - Property damage (31A-22-305.5)
    - UM/UIM rejection
    - Required limits
  - Utah Assigned Risk Insurance Plan (31A-22-310)
  - Aftermarket Crash Parts Act (31A-22-316–319)
- 6.2 Personal 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 — Utah (PP 01 93)
    - 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 03 34)
- 7.0 Other Coverages and Options 6% (6 items)**
  - 7.1 Personal umbrella policies (DL 98 01)**
  - 7.2 National Flood Insurance Program**
    - "Write your own" versus government
    - Eligibility
    - Coverage
    - Limits
    - Deductibles
  - 7.3 Other policies**
    - Boatowners
  - 7.4 Residual markets including Joint Underwriting Association (31A-2-214)**