

**Nebraska Producer's Examination for
Crop Insurance
Series 13-09
60 questions (plus 5 unscored items)
1-hour time limit**

1.0 Insurance Regulation

10%

1.1 Licensing

- Process (44-4052, 4053)
- Types of licensees (44-4054)
 - Producers (44-4049, 4054)
 - Consultants (44-2606–2635)
 - Resident versus nonresident (44-2625, 4055, 4063)
 - Temporary (44-4058)
- Maintenance and duration
 - Renewal (44-4054)
 - Name or address change (44-4054(8))
 - Reporting of actions (44-4065)
 - Assumed names (44-4057)
- Continuing education requirements including ethics education (44-3901–3908)
- Disciplinary actions
 - Right to hearing (44-4059(2))
 - Suspension, revocation or refusal to issue or renew (44-2633, 4059)
 - Fines (44-2634, 4059(4))
 - Cease and desist order (44-1529, 1542)

1.2 State regulation

- Director's general duties and powers (44-101.01, 2635)
- Company regulation
 - Certificate of authority (44-303)
 - Capital and surplus requirements (44-214, 305)
 - Unfair claims settlement practices (44-1539, 1540)
 - Examination of books and records (44-1527, 5904)
 - Appointment (44-4061)
 - Termination of appointment (44-4062)
 - Unfair trade practices complaint register (44-1525(9); Reg Ch 21)
- Producer regulation
 - Sharing commissions (44-4060)
 - Controlled business (44-361.01, .02)
 - Prohibited fees or charges (44-354)
 - Records retention (44-5905)
- Unfair trade practices
 - Misrepresentation (44-1525(1))
 - False advertising (44-1525(2))
 - Defamation of insurer (44-1525(3))
 - Boycott, coercion or intimidation (44-1525(4))

Unfair discrimination (44-1525(7))
Rebating (44-361, 1525(8))
Insurance Fraud Act (44-6601–6608)
Privacy of Insurance Consumer Information Act (44-901–925)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)
Fraud and false statements

2.0 General Insurance

10%

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
Surplus lines

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 licensees
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 Crop-Hail Insurance

29%

3.1 Eligibility

Insureds

Insurable crops

3.2 Application

Binder

Declarations section

Required signatures

Required information

Provision for company rejection

3.3 Term of coverage

Effective date

Inception of coverage

Expiration

Cancellation

3.4 Perils insured against

3.5 Exclusions

3.6 Limits of coverage

Insurable value

Percentage plan

Deductibles

Reduction of insurance

3.7 Other provisions

- Replanting clause
- Acreage variation
- Transit extension
- Fire department service charge
- Pro rata liability clause
- Fire and lightning coverage
- Catastrophe loss award
- Assignment
- Subrogation

3.8 Claim settlement practices

- Notice of loss
- Insured's duties after loss
- Appraisal/arbitration

4.0 Federal Multi-Peril Crop Insurance Programs

51%

4.1 Basic crop insurance

- Eligibility
 - Insureds
 - Insurable crops
- Actuarial document books
- Yield guarantee
 - Actual production history (APH)
 - Assigned yield
 - Transitional yield
- Coverage level
- Market price percentage
- Covered causes of loss
- Application
- Basic unit
- Administrative fee
- Production records
- Acreage reporting
- Disqualification of producer
- Life of policy
 - Continuous
 - Cancellation
 - Termination

4.2 Multiple peril policy options

- Levels of coverage
- Price election
- Optional units
- High-risk land exclusion
- Hail/fire exclusion
- Replant payments
- Late planting coverage
- Prevented planting coverage
- Transfer of coverage

Assignment of indemnity

Revenue Plan Choice

Revenue Protection (RP)

Revenue Protection with Harvest Price Exclusion (RPHPE)

4.3 Other provisions

Individual crop

Small grain

Coarse grain

Priorities of conflicts between provisions

Duties after loss

Insured

Insurer

4.4 Additional programs

Area Risk Plans (ARP)/(ARPHPE)

Livestock Risk Protection (LRP)

Pasture Rangeland and Forage (PRF)

Livestock gross margin (LGM)