

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 Independent / Staff Adjuster Series 18-40

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

1.0 Insurance Regulation 5% (2 Items)

1.1 Licensing requirements

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

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

Licensing exemptions

1.2 Maintenance and duration

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

Records

Continuing education requirements (59A-12-26; Reg 13.4.7.9, .12)

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

1.5 Federal regulation

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

Fraud and false statements (18 USC 1033, 1034)

1.6 Records Retention

2.0 Insurance Basics 20% (10 Items)

2.1 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

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

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 peril 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

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
 - Contribution by equal shares
- Limits of liability
 - Per occurrence (accident)
 - Per person
 - Aggregate — general versus products — completed operations
 - Split
 - Combined single
- Restoration/nonreduction of limits

- Coinsurance
- Vacancy or unoccupancy
- Assignment
- Insurer provisions
 - Liberalization
 - Duty to defend
- Third-party provisions
 - Standard mortgage clause
 - Loss payable clause
 - No benefit to the 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)
- Concealment, misrepresentation or fraud
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

3.0 Adjusting Losses 20% (10 Items)

3.1 Role of the adjuster

- Duties and responsibilities
- Staff and independent adjuster versus public adjuster
- Relationship to the legal profession

3.2 Claim reporting

- Claim investigation
- Claim file documentation of events
- Types of reports
 - Initial or first field
 - Interim or status
 - Full formal

3.3 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

3.4 Liability losses

Investigation procedures

Verify coverage

Determine liability

Gathering evidence

Physical evidence

Witness statements

Determining value of intangible damages

3.5 Coverage problems

Dealing with coverage disputes

Reservation of rights letter

Nonwaiver agreement

Declaratory judgment action

3.6 Claims adjustment procedures

Settlement procedures

Advance payments

Draft authority

Execution of releases

Subrogation procedures

Alternative dispute resolution

Appraisal

Arbitration

Competitive estimates

Mediation

Negotiation

4.0 Dwelling Policy 5% (3 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 — (DP 01 28)

Automatic increase in insurance (DP 04 11)

Dwelling under construction (DP 11 43)

4.7 Personal liability supplement

5.0 Homeowners Policy 12% (6 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 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 — (HO 01 28)

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 Auto Insurance 15% (8 Items)

6.1 Laws

New Mexico Motor Vehicle Financial Responsibility Law

Required limits of liability (RL 259:61, 264:20)

New Mexico Motor Vehicle Insurance Plan (Reg 1405)

New Mexico Commercial Auto Insurance Plan

Uninsured/underinsured motorist (RL 264:15)

Definitions

Bodily injury

Required limits

Cancellation/nonrenewal (417-A)

Grounds

Notice

Notice of eligibility in New Mexico Motor Vehicle Insurance Plan (417-A:5(V))

Residency statement (417-A:3-b)

Medical costs coverage (RL 264:16)

After-market parts regulation (407-D)

6.2 Personal ('05) auto policy

Definitions

Liability coverage

Bodily injury and property damage

Supplementary payments

Exclusions

Medical payments

Uninsured motorist / 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

Selected endorsements

Amendment of policy provisions — (PP 01 76)

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 13 32)

Joint ownership coverage — (PP 13 34)

6.3 Commercial auto ('10)

Commercial auto coverage forms

Business auto

Garage

Business auto physical damage

Coverage form sections

Covered autos

Liability coverage

Garagekeepers 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)

Hired autos specified as covered autos you own (CA 99 16)

Individual named insured (CA 99 17)

Pollution liability — broadened coverage (CA 99 48; CA 99 55)

7.0 Commercial Package Policy (CPP) 5% (3 Items)

7.1 Components of a commercial policy

Common policy declarations

Common policy conditions

Interline endorsements

One or more coverage parts

7.2 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 liability

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

Pollution liability coverage form (CG 00 39)

Pollution liability limited coverage form (CG 00 40)

Pollution liability coverage extension endorsement (CG 04 22)

7.3 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 coverage

Ordinance or law (CP 04 05)

Spoilage coverage (CP 04 40)

Peak season limit of insurance (CP 12 30)

Value reporting form (CP 13 10)

7.4 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)

7.5 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

Transportation coverages

Common carrier cargo liability
Motor truck cargo forms
Transit coverage forms

7.6 Equipment breakdown ('11)

Equipment breakdown protection coverage form (EB 00 20)
Selected endorsement
Actual cash value (EB 99 59)

7.7 Farm coverage

Farm property coverage form ('03)
Coverage A — Dwellings
Coverage B — Other private structures
Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled farm personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures
Farm liability coverage form ('06)
Coverage H — Bodily injury and property damage liability
Coverage I — Personal advertising injury liability
Coverage J — Medical payments
Livestock coverage form
Mobile agriculture machinery and equipment coverage form
Causes of loss (basic, broad and special)
Exclusions

Additional coverages
Limits of insurance
Conditions
Definitions

8.0 Businessowners Policy 5% (2 Items)

8.1 Characteristics and purpose

8.2 Businessowners Section I — Property

Coverage
Exclusions
Limits
Deductibles
Loss conditions
General conditions
Optional coverages
Definitions

8.3 Businessowners Section II — Liability

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

8.4 Businessowners Section III — Common Policy Conditions

8.5 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)
Protective safeguards (BP 04 30)
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)

9.0 Other Coverages and Options 3% (1 Item)

9.1 Umbrella/Excess Liability Policies

Personal
Commercial
Boatowners

9.2 Ocean Marine Insurance

Major Coverages
Cargo Insurance
Freight Insurance

9.3 Protection and Indemnity

9.4 Businessowners Section III — Common Policy Conditions

10.0 Workers' Compensation Insurance 10% (5 Items)

10.1 Workers compensation laws

Types of laws

Monopolistic versus competitive

Compulsory versus elective

New Mexico Workers Compensation Act

Exclusive remedy (RL 52-1-6)

Covered injuries (RL 52-1-11, 12, 19, 28)

Occupational disease (RL 52-3-33)

Benefits provided (RL 52-1-20, 25, 25.1, 26, 26.1, 40-44, 46, 49)

Federal workers compensation laws

Federal Employers Liability Act (FELA) (45 USC 51-60)

US Longshore and Harbor Workers Compensation Act (33 USC 904)

The Jones Act (46 USC 688)

10.2 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

10.3 Premium computation

Job classification — payroll and rates

Experience modification factor

Premium discounts

10.4 Other sources of coverages

Assigned risk pool law (59A-33-1-15)

Self-insured employers and employer groups (RL 52-1-4(A); 52-5-4.1; 52-6-1-25)