Your Exam Content Outline

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

Ohio Agent's Examination for Property and Casualty Insurance Series 11-36

150 questions – 2.5 -minute time limit
Effective- June 25th, 2015

1.0 Insurance Regulation 10%

1.1 Licensing

- Maintenance and duration (3905.06, .16; 3901-5-09)
  - Requirements (3905.02, .04, .05, .051, .06; 3901-5-09)
  - Resident/nonresident (3905.06, .07)
  - Change in name, address, telephone number (3905.061; 3905.071; 3901-5-09)
  - Renewal/nonrenewal (3905.06;)
  - Temporary license (3905.09)
  - Duty to report criminal convictions and administrative disciplinary actions (3905.22)
  - Assumed business names (3905.11)
  - Continuing education including exemptions and penalties (3905.481; 3901-5-01; 3901-5-05(D))
  - Inactivity due to military service (3905.06(G); 3901-5-09)
  - Inactivity due to extenuating circumstances (3905.06(G); 3901-5-09)
- Disciplinary actions
  - License denial, probation, suspension, revocation, or refusal to issue or renew (3901.22(D)(1); 3905.14; 3901-5-12)
  - Failure to pay taxes (3905.14(B)(14))
  - Failure to appear for an interview (3905.14(B)(22))
  - Failure to provide department with a written response (3905.14(B)(21))
  - Penalties and fines for violations (3905.14(D), (H), .99)
    - Cease and desist orders (3901.221; 3905.14(G), 3901.22(D))
    - Civil
    - Criminal
    - Hearings (3901.22; 3905.14(C); ORC 119, 3901.321)
  - Consent agreements

1.2 State regulation

- Acts constituting insurance transactions (3901.17; 3905.02, 3905.42)
  - Negotiate, sell, solicit (3905.01, .02)
- Director's general duties and powers (3901.011, .04, .041; 3905.12)
- Company regulation
  - Certificate of authority (3907.08; 3909.01, .08)
  - Insolvency (3903.01(N))
  - Policy forms/ rates/ exceptions (3915.051; 3918.08; 3935.04; 3937.03)
  - Financial requirements (3901-1-50; 3901-3-04; 3907.05)
  - Unfair claims settlement practices (3901.19--.26; 3901-1-07; 3901-1-54)
- Agent regulation
  - Commissions, compensations, fees (3905.18; 3905.181; 3901-5-09(N), 3905.55)
  - Reporting of felony and crimes of moral turpitude (3905.14, .22)
  - Policy/application signature (3905.14(B)(11))
- Appointment procedures
  - Agent appointment (3905.20; 3901-1-10; 3901-5-09(K))
  - Cancellation of appointment (3905.16(B)(1))
  - Termination notification (3905.21)
- Unfair insurance trade practices (3901.20, .21)
  - Rebating (3911.20; 3933.01; 3999.05)
  - Premium refunds (3905.14(B)(32); 3999.05, Bulletin 2009-13)
  - False advertising (3901.21(B), (D), .24; 3905.43; 3999.10, .11)
  - Misrepresentation (3901.21(A),(B); 3905.14(B)(5); 3999.08)
  - Defamation of insurer (3901.21(C); 3999.09)
  - Unfair discrimination (3901.21(L), (M); 3911.16--.19)
  - Illegal inducements (3933.01; 3999.05, 3901.21(G), 3911.20, Bulletin 2009-13)
  - General grounds for disciplinary action (3905.14(B))
- Examination of books and records (3901.04, .07)
- Insurance fraud regulation (3999.31, .37; ORC 2913.47, 3901.44)
- Insurance information privacy (3901.44; 3904.04-3904.14; 3905.24, 3904.13)

Consumer information/fees (3905.55; 3901-6-04; 3905.181)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements including 1033 waiver (18 USC 1033, 1034)
- Other federal regulations (e.g., Do Not Call List) (https://www.donotcall.gov/)

2.0 General Insurance 9%

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
- Indemnity/pay on behalf of

2.2 Insurers

- Types of insurers
  - Stock companies
  - Mutual companies
  - Fraternal benefit societies
  - Reciprocals
  - Lloyd's associations
  - Risk retention groups
  - Surplus lines
- Authorized/admitted versus unauthorized/nonadmitted insurers
- Domestic, foreign and alien insurers
- Financial solvency status (e.g., A.M. Best, Standard and Poor's, Moody's, NAIC)
- Marketing (distribution) systems

2.3 Agents and general rules of agency

- Insurer as principal
- Agent/insurer relationship
- Authority and powers of agents
  - 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%

3.1 Principles and concepts

- Insurable interest
- Underwriting
  - Credit scores
  - 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 and punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Causes of loss (perils)
  - Direct loss
  - Consequential or indirect loss
- Named perils versus special (open) perils
- Blanket versus specific insurance
- Basic types of construction
- Loss valuation
  - Actual cash value
  - Replacement cost
  - Functional replacement cost
  - Market/agreed value
  - Valued amount
  - Stated amount

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, additional
Policy period
Policy territory
Cancellation and nonrenewal
Deductibles
Coinsurance
Other insurance
- Nonconcurrency
- Primary and excess
- Pro rata
- Contribution by equal shares

Limits of liability insurance
- Per occurrence (accident)
- Per person
- Aggregate — general versus products — completed operations
- Split
- Combined single

Restoration/nonreduction of limits
Vacancy or unoccupancy
Named insured provisions
- Duties after loss
- Assignment
- Abandonment

Policy provisions
- Liberalization
- Subrogation
- Salvage
- Claim settlement options
- Replacement cost vs. actual cash value
- Duty to defend

Third-party provisions
- Standard mortgage clause
- Loss payable clause
- No benefit to the bailee
- Additional insured

3.4 Ohio laws, regulations and required provisions

Ohio Valued Policy Law (3929.25)
Ohio Insurance Guaranty Association (3955.01–.10, .12.–.19)
Cancellation and nonrenewal (3929.19–.22, .24; 3937.25 -.41; 3901-1-18(c))
Binders (4509.56; 3901-1-18)
Retaliatory provisions and fees (3901.86; 3905.55)
Concealment, misrepresentation or fraud (3999.31)
Declination of insurance and unfair discrimination (3901.21(L), (M))
Mine subsidence (3929.50–.53, .55, .56, .58–.61; 3901-1-48)
Terrorism Risk Insurance Act, Extension and Program Reauthorization Act of 2007 (15 USC 6701)
Unfair Property/Casualty Claims Settlement Practices (3905.55; 3901-1-54; 3901-1-07)

4.0 Dwelling ('02) Policy 6%

4.1 Characteristics and purpose

Eligibility
Cancellation/nonrenewal
- Reasons
- Notice

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 and definitions

4.6 Selected endorsements

Special provisions — Ohio (DP 01 34)
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 ('11) Policy 14%

5.1 Eligibility and definitions

5.2 Coverage forms

HO-2 through HO-6
HO-8

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 — Ohio (HO 01 34)
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 14%

6.1 Laws

- Ohio Motor Vehicle Financial Responsibility Law (4509.01–.81)
  - Required limits of liability (4509.51)
- Uninsured/underinsured motorist
  - Definitions (3937.18(A)(B),(C))
  - Bodily injury (3937.18(B),(C))
  - Property damage (3937.181)
  - Stacked and non-stacked (3937.18(F),(G))
  - Required limits (4509.51)
  - Intrafamily liability exclusion (3937.46)
- Cancellation/nonrenewal (3937.30–.41)
  - Reasons
  - Notice
  - Prohibition against use of intrafamily liability exclusion (3937.46)
- Use of non-OEM aftermarket crash parts (1345.81)

6.2 Personal ('05) auto policy

- Eligibility, definitions, and conditions
- Liability coverages
  - Combined single limits versus split limits
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Uninsured/underinsured motorist coverage
  - Bodily injury
  - Property damage
  - Required limits
- Coverage for damage to your auto
  - Collision
  - Other than collision
  - Deductibles
  - Transportation expenses
  - Exclusions
  - Substitute transportation
  - Towing and labor (PP 03 03)
- General provisions
- Selected endorsements
  - Amendment of policy provisions — Ohio (PP 01 86)
  - Extended non-owned coverage (PP 03 06)
  - Miscellaneous type vehicle (PP 03 23)
  - Joint ownership coverage (PP 03 34)

6.3 Commercial auto ('13)

- Commercial auto coverage forms
  - Business auto
  - Garage
  - Business auto physical damage
  - Truckers
  - Motor carrier
- Coverage form sections
  - Symbols/covered autos
  - Liability coverage
  - Garagekeepers coverage
  - Trailer interchange coverage
  - Physical damage coverage
  - Eligibility
  - 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)
  - Broad form products coverage
  - Employees as insureds
- Commercial carrier regulations
  - The Motor Carrier Act of 1980
  - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

7.0 Commercial Package Policy (CPP) 12%

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 ('13)

- Commercial general liability coverages
  - Bodily injury and property damage liability
  - Personal and advertising injury liability
  - Medical payments
  - Supplementary payments
  - Fire legal liability
  - Limits of insurance
  - Exclusions
  - Conditions
  - Definitions
- Claims-made features
  - Trigger
  - Retroactive date
  - Extended reporting periods
  - Claim information
- Occurrence versus claims-made
- Premises and operations
- Per occurrence/aggregate
- Products and completed operations
- Insured contract
- Contingent liability
- Pollution liability
  - Coverage form
  - Limited coverage form
  - Extention endorsement

7.3 Commercial property ('12)

- Definitions, conditions, exclusions
- 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 (CP 04 05)
- Spoilage (CP 04 40)
- Peak season limit of insurance (CP 12 30)
- Value reporting form (CP 13 10)

7.4 Crime and fidelity ('13)

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)
- Lessees of safe deposit boxes
- Securities deposited with others
- Guests' property
- Safe depository

7.5 Commercial inland marine ('04)

Nationwide marine definition

Inland marine conditions forms

Commercial 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 ('13)

Definitions, coverages and exclusions (EB 00 20)

Selected endorsements
- Business income — Report of values (EB R 002)
- Actual cash value (EB 99 59)

7.7 Farm coverage

Farm property coverage forms ('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 forms ('06)
- Coverage H — Bodily injury and property damage liability
- Coverage I — Personal and advertising injury liability
- Coverage J — Medical payments

Livestock coverage form

Mobile agricultural machinery and equipment coverage form

Causes of loss (basic, broad and special)

Additional coverages

Eligibility

Exclusions

Additional coverages

Limits of insurance

Conditions

Definitions

8.0 Businessowners ('13) Policy 8%

8.1 Eligibility

8.2 Businessowners Section I — Property
- Eligibility and definitions
- General conditions
- Loss conditions
- Exclusions
- Coverage
- Limits of insurance
- Deductibles
- Optional coverages

8.3 Businessowners Section II — Liability
- Coverages
- Exclusions
- 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 Workers Compensation Insurance 4%

9.1 Workers compensation laws

- Types of laws
  - Compulsory versus elective (4123.12, .35, .54)
  - Monopolistic versus competitive
- Ohio Workers Compensation Law (Chapter 4123)
  - Exclusive remedy (4123.54)
  - Employment coverage (required, voluntary, elective) (4123.01, .28, .54)
  - Covered injuries (4123.54, .55, .84)
  - Occupational disease (4123.01(F))
  - Benefits provided (4123.30, .54, .55–.59, .60–.61, .66)
  - Second/subsequent injury fund
- Federal workers compensation laws
  - U.S. Longshore and Harbor Workers Compensation Act (33 UC 904)
  - Federal Employers Liability Act
  - Workers' Compensation Act
  - The Jones Act

9.2 Workers compensation and employer liability insurance policy

- Part One — Workers compensation insurance
- Part Two — Employers liability insurance
- Part Three — Other states insurance
- Part Four - Your duty if injury occurs
- Part Five - Premium
- Part Six - Conditions

9.3 Selected endorsements and rating factors

- Foreign coverage
- Voluntary compensation
- All states
- Job classification
- Payroll
- Experience modification factor
- Premium discounts
- Participation plans

10.0 Other Coverages and Options 7%

10.1 Umbrella/excess liability policies

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

10.2 Specialty liability insurance

- Professional liability
- Errors and omissions
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability
- Employee benefits
- Identity fraud expense coverage

10.3 Surplus lines

- Eligibility, definitions and non-admitted markets
- Licensing requirements

10.4 Surety bonds

- Nature of bonds
  - Bond period
  - Discovery bond
  - Limit of liability
  - Termination of coverage
- Parties to a bond
  - Principal, obligee, surety
- Purpose of bonds
  - Surety, fidelity
- Types of fidelity bonds
  - Employee theft, public official, financial institution, fiduciary
- Types of surety bonds
  - Contract, license, judicial, permit

10.5 Aviation insurance

- Aircraft liability
  - Hull, cargo freight
  - Implied warranties
  - Perils
  - General and particular average

10.6 Ocean marine insurance

- Policy provisions
  - Hull, cargo freight insurance
  - Protection and indemnity
  - Implied warranties
  - Perils
- General and particular average

10.7 National Flood Insurance Program

- "Write your own" versus government
- Eligibility
- Coverage
- Limits
- Deductibles

10.8 Other policies

- Boatowners
  - Personal watercraft
  - Recreational vehicles
- Difference in conditions

10.9 Residual markets

- Insurance Underwriting Plan
- FAIR plans (3929.41–.49; 3901-1-18)
- Commercial Insurance Joint Underwriting Association (3930.01–.18)
- Ohio Automobile Insurance Plan (4509.70)