

# Your Exam Content Outline

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

## Connecticut Certified Insurance Consultant's Examination for Property/Casualty Insurance Series 18-06

150 questions – 2.5 hour time limit

### 1.0 Insurance Regulation 7%

#### 1.1 Licensing

- Process (38a-702d, 702e, 769)
- Types of licensees (38a-702f(a), 769)
  - Resident producers (38a-782)
  - Certified insurance consultants (38a-731-733, 786)
  - Nonresident producers (38a-702g, 702n)
  - Temporary (38a-702j)
- Maintenance and duration
  - Renewal (38a-702f(b)(c), 784, 786(b))
  - Change in name or address (38a-771(a))
  - Reporting of actions (38a-702o, 771(b))
  - Assumed names (38a-702i)
  - Continuing education requirements, exemptions and penalties (Reg 38a-782a-2, 10, 13-15)
- Disciplinary actions
  - Cease and desist order (38a-817)
  - Hearings (38a-16, 817, 818)
  - Suspensions, revocations, refusal to issue or renew, fines (38a-2, 702k, 735, 774, 777, 817(b, e), 830)

#### 1.2 State regulation

- Commissioner's general duties and powers (38a-8, 10)
- Company regulation
  - Certificate of authority (38a-41)
  - Capital and surplus requirement (38a-72)
  - Unfair claim settlement practices (38a-816(6))
- Producer regulation
  - Controlled business (38a-782(b))
  - Commissions (38a-702l, 734)
  - Acting as an agent (38a-702m)
  - Representing an unauthorized insurer (38a-275, 703, 714)
  - Failure to remit premiums (38a-712)
- Unfair and prohibited practices
  - Misrepresentation (38a-816(1), (8))
  - False advertising (38a-816(1), (2))
  - Defamation of insurer (38a-816(3))

- Boycott, coercion and intimidation (38a-816(4))
- False financial statements (38a-816(5))
- Failure to maintain complaint record (38a-816(7))
- Unfair discrimination (38a-816(12), (13))
- Rebating (38a-816(9), 825)
- Twisting (38a-826)

- Examination of books and records (38a-769(f))
- Connecticut Insurance Information and Privacy Protection Act (38a-975-999a)

#### 1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (18 USC 1033, 1034)

### 2.0 General Insurance 6%

#### 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
  - 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 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
  - 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 10%

### 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, 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
- 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 Connecticut laws, regulations and required provisions

- Connecticut Insurance Guaranty Association Act (38a-836–853)
- Cancellation and nonrenewal (38a-307, 308(e), 323, 324)
- Binders (38a-309, 322)
- Legal action against insurer (38a-290, 307)
- Concealment or fraud (38a-307)

Appraisal (38a-307)  
Availability of insurance on real property regardless of location (Reg 38a-824-1-3)  
Connecticut Standard Fire Policy (38a-307)  
Connecticut FAIR Plan (Reg 38a-328-1-20)  
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

#### **4.0 Dwelling ('02) Policy 5%**

##### **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 — Connecticut (DP 01 06)  
Automatic increase in insurance (DP 04 11)  
Dwelling under construction (DP 11 43)

##### **4.7 Personal liability supplement**

#### **5.0 Homeowners ('00) Policy 5%**

##### **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 — Connecticut (HO 01 06)  
Permitted incidental occupancies — residence premises (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Limited fungi, wet or dry rot, or bacteria coverage — Connecticut (HO 04 74, HO 04 75, HO 04 76)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)  
Home business — Connecticut (HO 07 05)  
Business pursuits (HO 24 71)

Watercraft (HO 24 75)  
Personal injury — Connecticut (HO 24 79)

#### **6.0 Auto Insurance 9%**

##### **6.1 Laws**

Connecticut Motor Vehicle Financial Responsibility Law

Required limits of liability (RL 14-112(a))  
Required proof of insurance (RL 14-112(b))

Connecticut Automobile Insurance Assigned Risk Plan (38a-329)

Uninsured/underinsured motorist (38a-336)

Definitions

Bodily injury

UM/UIM reduction

Required limits (Reg 38a-334-6(d))

Conversion coverage (38a-336a)

Cancellation/nonrenewal

Reasons (38a-342)

Notice (38a-343, 344)

Notice of eligibility in assigned risk plan (38a-345)

Illegal declination, cancellation or nonrenewal (38a-358, 815, 816(9), 817(b))

Aftermarket parts regulation (38a-355)

Constructive total loss (38a-353)

Arbitration (Reg 38a-10-1-4)

##### **6.2 Personal ('05) 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 — Connecticut (PP 01 54)

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 — Connecticut (PP 13 45)

##### **6.3 Commercial auto ('01)**

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
  - Connecticut changes (CA 01 07)
  - Deductible liability (CA 03 02)
  - Lessor — additional insured and loss payee (CA 20 01)
  - Mobile equipment (CA 20 15)
  - Broad form products (CA 25 01)
  - False pretense coverage (CA 25 03)
  - 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)
  - Employees as insureds (CA 99 33)
  - Pollution liability — broadened coverage (CA 99 48, CA 99 55)
- 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) 24%**

### **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
  - Exclusions
  - Supplementary payments
  - Who is an insured
  - Limits of insurance
  - Conditions
  - Definitions
- Occurrence versus claims-made
- Claims-made features (Connecticut minimum standards) (Reg 38a-327-1-6)
  - Trigger
  - Retroactive date
  - Extended reporting periods
  - Claim information
- Premises and operations
- Products and completed operations
- Insured contract

- Owners and contractors protective liability coverage form (CG 00 09)
- 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
  - Ordinance or law coverage (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)
  - Lessees of safe deposit boxes (CR 04 09)
  - Securities deposited with others (CR 04 10)
  - Guests' property (CR 04 11)
  - Safe depository (CR 04 12)

### **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 ('08)**

- 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 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)
- Exclusions
- Additional coverages
- Limits of insurance
- Conditions
- Definitions

## **8.0 Businessowners ('10) Policy 7%**

### **8.1 Characteristics and purpose**

### **8.2 Businessowners Section I — Property**

- Coverage
- Exclusions
- Limits of insurance
- 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 Workers Compensation Insurance 13%**

### **9.1 Workers compensation laws**

- Types of laws
  - Monopolistic versus competitive
  - Compulsory versus elective
- Connecticut Workers Compensation Law (Title 31 Chapter 568)
  - Exclusive remedy (RL 31-284(a), 293a)
  - Employment covered (required, voluntary) (RL 31-275(9), (10))
  - Covered injuries (RL 31-275(1), (16), 284(a), 294c, 295)
  - Occupational disease (RL 31-275(15))
  - Benefits provided (RL 31-275(12), 283a, 295, 306, 306b, 307, 308, 308a)
  - Second injury fund (RL 31-349-355b)
- 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)

### **9.2 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
- Selected endorsements
  - Voluntary compensation
  - Foreign coverage endorsement

### **9.3 Premium computation**

- Job classification — payroll and rates
- Experience modification factor
- Premium discounts
- Participation (dividend) plans
- Retrospective rating

#### **9.4 Other sources of coverage**

- Connecticut Workers Compensation Insurance Plan
- Self-insured employers (RL 31-285, 286)
- Employers' mutual insurance associations (RL 31-328-339)

### **10.0 Other Coverages and Options 14%**

#### **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

#### **10.3 Surplus lines**

- Definitions and markets
- Licensing requirements
- Exportable list
- Affidavits

#### **10.4 Surety bonds**

- Principal, obligee, surety
- Contract bonds
- License and permit bonds
- Judicial bonds

#### **10.5 Aviation insurance**

- Aircraft hull
- Aircraft liability
- Airport liability
- Hangarkeepers legal liability

#### **10.6 Ocean marine insurance**

- Major coverages
  - Hull insurance
  - Cargo insurance
  - 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
- Difference in conditions

#### **10.9 Alternative funding mechanisms**

- Self-insured
- Pooling
- Risk retention groups
- Captives