



**PSI licensure:certification**  
**3210 E Tropicana**  
**Las Vegas, NV 89121**  
 E-mail: [examschedule@psionline.com](mailto:examschedule@psionline.com)  
<https://home.psiexams.com/#/home>



# STATE OF OREGON



## DIVISION OF FINANCIAL REGULATION CANDIDATE INFORMATION BULLETIN

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Please refer to our website to check for the most updated information at <https://home.psiexams.com/#/home>

## EXAMINATIONS BY PSI

This Candidate Information Bulletin provides you with information about the examination and application process for insurance licensing in the State of Oregon.

The Division of Financial Regulation has contracted with PSI to conduct the examination program. PSI provides examinations through a network of computer examination centers in Oregon. PSI works closely with the State to be certain that examinations meet local as well as national requirements in basic principles and examination development standards.

**The Division of Financial Regulation will begin using State Based Systems (SBS) effective May 7, 2012.** With the SBS implementation we will take the opportunity to implement several NAIC uniformity initiatives as well as the opportunity to streamline many of our processes. SBS also provides a wide array of online tools that allow you to submit, view and print license information on a 24/7 basis. For more information on changes affecting individual and business entity licensing, see <http://www.statebasedsystems.com/ORAnnouncement.pdf>.

## EXAMINATION AND LICENSURE REQUIREMENTS

All candidates must complete the required hours of prelicensure education. You are required to have, in your possession, a valid school Certificate of Completion before contacting PSI to register and schedule for an examination. This certificate must have a valid school code. **THIS CERTIFICATE EXPIRES ONE YEAR TO THE DAY FROM THE DATE IT IS ISSUED. CANDIDATES MUST PASS THE EXAMINATION AND APPLY FOR LICENSURE BEFORE THAT EXPIRATION DATE.**

**General Lines Insurance Adjuster, Health Insurance, Adjuster, and Surplus Lines Insurance Producer are the ONLY examinations that does not require verification.**

Upon passing the examination, the candidate must complete electronic fingerprints, and submit a complete electronic application at <https://nopr.com/>. Upon approval of your licensure, your status will be shown, and you can print a copy of your license online, such as through License Manager available at <https://nopr.com/>.

ALL applicants must provide a set of fingerprints to the Division of Financial Regulation for the purpose of conducting a state and national fingerprint-based criminal history record.

You can be electronically fingerprinted at one of PSI Oregon sites, during regular testing hours, on the day of your examination. The prints will be forwarded electronically to the appropriate review agencies. You will pay the fingerprinting fee at the test site on the day of testing.

The \$61.25 fee is payable by money order, cashier's check, company check, VISA or MasterCard. This payment includes the State processing fee of \$46.25, and the PSI processing fee of \$15.00. Please note: this process may take up to 4 weeks. Ink cards will not be accepted by the Division.

If you have an existing, valid Oregon Insurance License and are testing for another Class of Insurance, you do NOT need to be fingerprinted. Prints expire six months from the date you are printed.

Candidates do not need to be fingerprinted:

- If you have an existing, valid Oregon Insurance License and are testing for another Class of Insurance.

### PRELICENSING EDUCATION REQUIREMENTS

Prelicensing education training must be completed before taking the required examination. Resident producer license candidates must obtain training specific to the class for which they wish to be licensed (see chart below).

License Type	Minimum Hours Required
Life	20 hours
Property	20 hours
Casualty	20 hours
Personal Lines	20 hours
Health	20 hours

**Prelicensing education providers.** A list of approved prelicensing training schools is available on the Division's Web site at [www.dfr.oregon.gov](http://www.dfr.oregon.gov).

**Certificate of Completion.** Once you complete a prelicensing course, the course provider will issue you a Certificate of Completion. The certificate is valid for one year. You must bring the certificate with you to the test center on the day of the examination.

**Waivers and exemptions.** Pre-licensing education is not required for:

- Adjusters and consultants.
- Surplus Lines examination.
- Life, Health, or Life and Health Producer license applicants holding the Chartered Life Underwriter (CLU) designation. Verification of designation must be submitted to the Division with your license application.
- Property and Casualty Producer license applicants holding the Chartered Property Casualty Underwriter (CPCU) designation. Verification of designation must be submitted to the Division with your license application.

You may contact the Division with questions about waivers. If a waiver is issued, you must bring the **original** waiver letter with you to the test center on the day of the examination.

**Relocating to Oregon.** If you were previously licensed in another state, you need not complete any education or examination requirements if you are applying for the same lines authority and your application is received no more than 90 days after the cancellation of your license in the other state and the establishment of your Oregon residency.

**Contact the Division of Financial Regulation at (503) 947-7981 or [dcbs.insmail@oregon.gov](mailto:dcbs.insmail@oregon.gov) for a transfer application.**



## PRODUCER LICENSE

Generally, to qualify to receive an Oregon resident producer license, you must:

- Be at least 18 years old.
- Be a resident of, or maintain a place of business in, Oregon.
- Complete any necessary prelicensing education requirements.
- Pass the appropriate license exam(s), if required.

All applicants for an initial resident license will need to submit the "Criminal Records Request" form, the Individual Insurance License application form, electronic fingerprints, and the correct fee to cover license, application, and background check fees.

Surplus lines producers must also be licensed for property and casualty and take a surplus lines exam. The following table shows the producer license classes in Oregon and the series number of the required exam.

Class of Insurance	Exam Series
Life	12-01
Health	12-02
Life and Health*	12-03
Property and Casualty**	12-04
Property	12-12
Casualty	12-13
Personal Lines	12-14
Surplus Lines	12-05
Credit	None
Credit Life	None
Surety	None
Title	None
Trip Travel	None

\*Those wishing to apply for both Life and Health licenses at the same time may wish to take this combined exam.

\*\*Property and Casualty is equivalent to Property, Casualty, Marine and Transportation, Surety.

In addition to holding a current license in the correct line of insurance, producers who wish to sell insurance must also be employed with or under contract to an authorized insurer or licensed business entity. Producers who are not employed with or under contract to an insurer or business entity retain their licenses but may not transact insurance.

## RESIDENT ADJUSTER LICENSE

Resident Adjuster license applicants must:

- Be a resident of, or maintain a place of business in, Oregon.
- Pass the appropriate license exam as required by statute.

Class of Insurance	Exam Series
Health	12-06
General Lines	12-07
Crop	12-15

After you receive your license, you may begin to adjust insurance claims. If you are employed by or contracted with a licensed adjusting firm or corporation, a Notice of Affiliation (Form 440-2139) must be filed with the Division within 30 days.

## CONSULTANT LICENSE

Generally, to qualify for an Oregon resident consultant license, you must:

- Be a resident of, or maintain a place of business in, Oregon.
- Pass the consultant's examination required for the particular class of insurance. The examination is waived for Oregon Resident Agents in that class of insurance.
- Have five years of experience in the insurance business or equivalent educational qualifications.
- Submit a current certification of errors and omissions coverage with limits of at least \$500,000.

The following table shows the consultant license classes in Oregon and the series number of the required examination.

Class of Insurance	Exam Series
Life	12-08
Health	12-09
Life and Health	12-10
General Lines	12-11

After you receive your license, you may begin working as a consultant. If you are employed by or contracted with any licensed consulting firm or corporation that employs that firm, a Notice of Affiliation (Form 440-2139) must be filed with the Division within 30 days.

## BUSINESS ENTITY LICENSE

A Business Entity License is required of any firm or corporation transacting insurance through an office in Oregon. The business must be properly filed with the Secretary of State's Corporation Division before applying for the insurance license. Resident firms and corporations should obtain the license for their principal Oregon location and provide the Division with the address and location of each branch office.

Business entities must submit a complete electronic application at <https://nopr.com/>.

After issuance of the license, a firm or corporation can transact insurance upon the date of contract with an authorized insurer, and only through an affiliated individual.

The business entity must file a Notice of Affiliation (Form 440-2139) with the Division within 30 days.

## VARIABLE LIFE INSURANCE LICENSE

A Variable Life Insurance license is required before an agent may sell, solicit or negotiate a variable contract. To earn this license, you must pass either exam Series 6 or 7 given by the National Association of Securities Dealers (NASD). In addition, you must be registered with an Oregon securities dealer.

To obtain the Variable Life Insurance license, check the appropriate box on your application form. Oregon will confirm that you are actively registered to an Oregon securities dealer before approving the line of authority.



## NONRESIDENT LICENSE REQUIREMENTS

Nonresidents can be licensed to transact insurance in Oregon as producers, adjusters and consultants. Licenses are issued to individuals, firms or corporations. If you are already a licensed agent or broker in your home state, you are exempt from the prelicensing education and examination requirements. You may only conduct your insurance business as an appointed representative of an insurer in Oregon even though licensed as a broker in your home state. Brokering is not permitted in Oregon.

Producers should submit the application for the individual or business entity license through <https://nopr.com/>.

**Business entities** must obtain a nonresident business entity license before they may transact insurance in any manner in Oregon. They should obtain the license for their principal location in their home state and provide the Division with the address of each branch office in the home state that will do business in Oregon. If the business has offices in other states that will transact insurance in Oregon, those offices must apply for separate licenses. Applications for a business entity license are submitted through <https://nopr.com/>.

## EXAMINATION REGISTRATION AND SCHEDULING PROCEDURES

All questions and requests for information should be directed to PSI.

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3210 E Tropicana  
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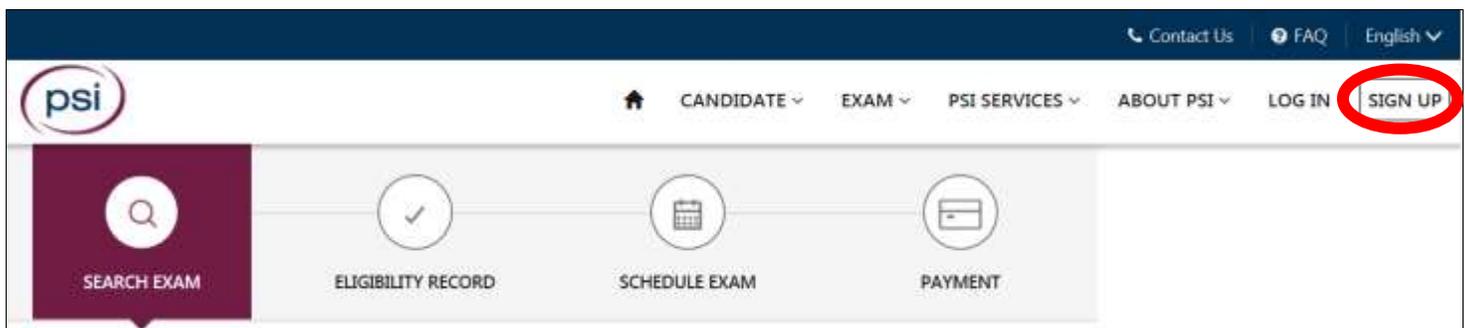
Examination fees may be found on the registration form found at the end of this Candidate Information Bulletin. **REGISTRATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE. REGISTRATION FEES EXPIRE AFTER ONE YEAR OF REGISTERING.**

- All eligibilities are valid for 1 year from the date on the Certificate of Completion. If you do not pass the examination(s) within the 1 year period, you must retake the Prelicensing Education Courses.
- You may take examinations on an unlimited basis during the 1 year period.
- English as a Second Language (ESL) candidates must call PSI at (855) 340-3901 to schedule for their examination, if they wish to receive additional time. Please do not schedule online, as you will not receive the additional time.

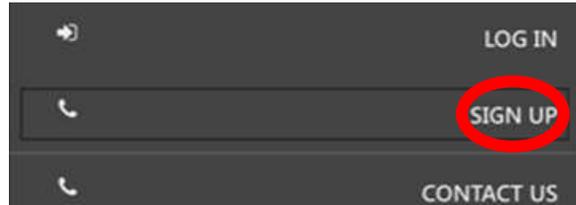
## ONLINE

For the **fastest and most convenient** examination scheduling process, register for your examinations online by accessing PSI's registration Website: [Click Here](#).

1. Select "SIGN UP" to create an account.



2. On a mobile phone, you need to select the icon on the top left corner. Then select “SIGN UP” to create an account.



3. You will be prompted to create an account with PSI

**Personal Details**

First Name \*  Last Name \*

Middle Name  Generation

Email \*

**Password Setup**

Create Password \*

Retype Password \*

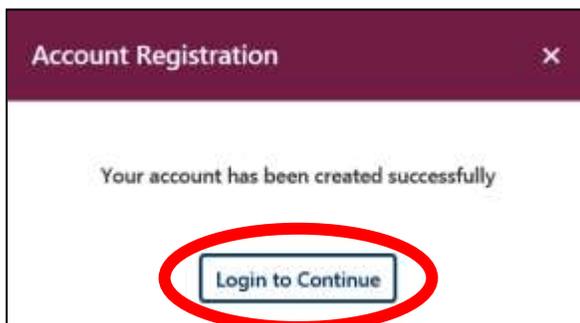
Clear Submit

**Password Rules**

- Must be between
- Must contain a
- Must contain a
- Password can't

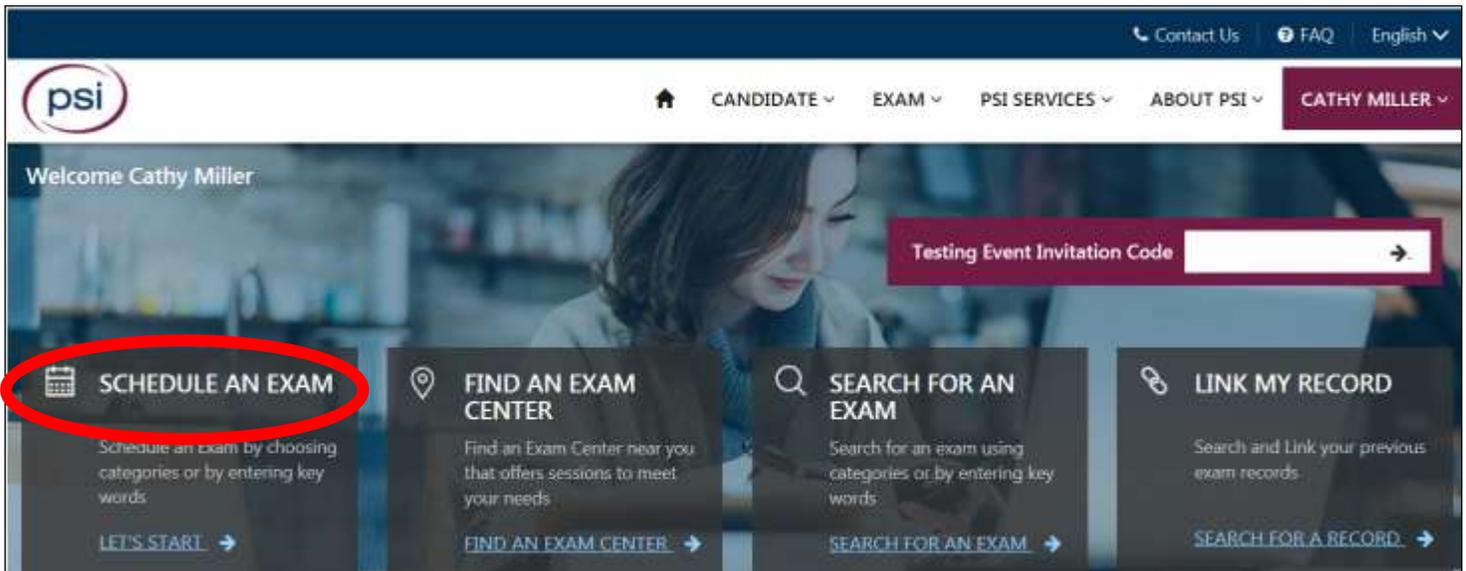
**IMPORTANT**  
You must enter your First and Last name exactly as it is displayed on your government issued ID.

4. After you submit the form, you will get a message that your account was created successfully. Click on “Login to Continue”.



Note: The username is the email address you entered when creating the account.

5. You are now ready to schedule.



6. Select the Organization and the Test.

Select Jurisdiction  
Oregon

Select Account  
OR Insurance

**Classification**

- OR Casualty Insurance Producer
- OR Crop Adjuster
- OR General Lines Insurance Adjuster
- OR General Lines Insurance Consultant
- OR Health Insurance Adjuster
- OR Health Insurance Consultant

7. You will enter your personal information.

SEARCH EXAM    **ELIGIBILITY RECORD**    PAYMENT    SCHEDULE EXAM

Following Information is required for your examination record

★SSN

★First Name  
Cathy

★Last Name  
Miller

8. You will enter payment.

**Payment**

**Credit Card**  
\*\* Please provide credit card holder name, street details in English.  
Please enter a valid Visa, MasterCard, American Express, Discover or JCB card number. Diner 's Club card is currently not accepted.

**Credit Card Number \***  
   
Please enter a valid card number

**Expiration Date \***  **CVV \***  

**Card Holder Name \***

**Billing Street Address \***

**Postal Code \***

I acknowledge that I have read and understood all information and agreements attached, and agree to abide by and be bound by these [Terms & Conditions](#)

**Payment Summary**

Total Amount Due	USD
Balance Amount	USD

9. You will now select if you want to test at a PSI test site or Remotely proctored online from a computer at a remote location.

Please select a delivery mode for scheduling ✕

**Delivery mode**

Test Center 

Remote Online Proctored Exam 

### DELIVERY MODE TEST CENTER

1. Enter the “City or Postal Code” and select “Preferred Month” to take the Exam. Then select “Search Exam Center”.

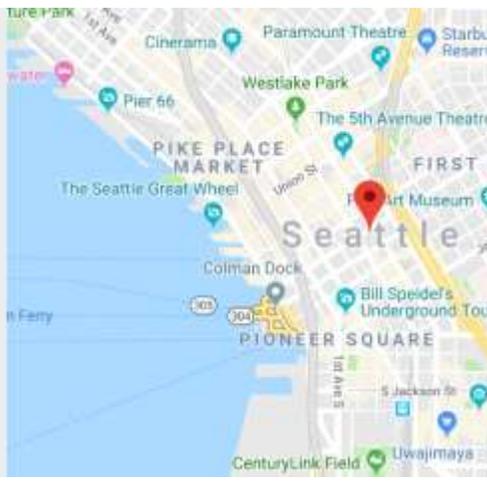
**Find Test Location**

[I have a Test Center Code](#) 

**Country**

**Enter City / Postal Code**  
 

**Preferred Month**



2. Click on the preferred test site.

<b>1. SEATTLE (BELLEVUE)</b> 4122 Factoria Blvd. S.E Suite 303 Newport Place Bellevue WA US 98006	8.69 miles
<b>2. FEDERAL WAY (SEATTLE)</b> 500 SOUTH 336TH STREET STE 220 FEDERAL WAY WA US 98003	20.64 miles
<b>3. EVERETT</b> 1010 SE EVERETT MALL WAY STE 208 EVERETT WA US 98208	21.08 miles

3. Then click on the date and time to make an appointment to take the Exam.

**1. SEATTLE (BELLEVUE)**  
4122 Factoria Blvd. S.E Suite 303 Newport Place Bellevue WA US 98006      8.69 miles      18 September 2019

October 2019

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Available Start Time(s) for 01 October 2019

09:00 AM    01:30 PM

You are now scheduled and will receive an email confirmation.

## DELIVERY MODE REMOTE ONLINE PROCTORED EXAM

1. Select Country and Time zone.

WA Life Producer  
Proctored Exam

WA Life Producer (150 minutes)

Country: United States of America      Timezone: America/Los\_Angeles

You are eligible to take WA Life Producer exam until Sep 12, 2020.

Select the date and time you will be taking the exam. **DO NOT HIT CONTINUE. YOU MUST FIRST CHECK THE COMPATIBILITY OF YOUR COMPUTER** to include Audio/Video Check, Webcam Check and System Check. You must use Google Chrome Browser. Please note that if your computer performs any system update (i.e. software, server, firewall, webcam, etc.) from the time you schedule your exam to when you attempt to launch your exam, you may experience issues with your compatibility. It is best to conduct another compatibility check on the machine that you will be taking your exam at least 24 hours prior to your scheduled exam. You may also check your compatibility before or after registering for your exam by [clicking here](#).

The screenshot shows a scheduling interface. On the left is a calendar for September 2019. The days of the week are labeled Su through Sa. The dates 18, 19, 20, and 21 are highlighted in green, indicating they are available. The date 20 is highlighted in blue, indicating it is the selected date. Below the calendar is a legend: a green square for 'Available Dates' and a blue square for 'Selected Date'. On the right is a panel titled 'Available Start Time(s) for Sep, 20 2019'. It contains a grid of 16 buttons representing start times from 02:00 PM to 09:30 PM in 30-minute increments. The 02:00 PM button is highlighted in blue. A vertical scrollbar is on the right side of the time selection panel.

Before taking a remote online proctored exam, check system compatibility - click [HERE](#)

If you have any questions regarding your compatibility check, or if you experience issues launching your exam, you may contact our remote proctoring technical support team at (844) 267-1017. You may also initiate a chat after you close the Secure Browser Software by [clicking here](#).

**You are now scheduled and will receive an email confirmation.**

### TELEPHONE SCHEDULING

Call (855) 340-3901, PSI registrars are available to receive payment and to schedule your appointment for the examination. Please call Monday through Friday between 4:30 am and 7:00 pm, and Saturday-Sunday between 8:00 am and 2:30 pm, Pacific Time.

### RESCHEDULING/CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your cancellation notice is received 2 days before the scheduled examination date. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may reschedule online at <https://home.psiexams.com/#/home> or call PSI at (855) 340-3901.

**Note: A voice mail message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak directly to a Customer Service Representative.**

### RETAKE A FAILED EXAMINATION

It is not possible to make a new examination appointment on the same day you have taken an examination; this is due to processing and reporting scores. A candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Friday, depending upon space availability. You may schedule online at <https://home.psiexams.com/#/home> or call PSI at (855) 340-3901.

### MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 days before the schedule examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

### EXAM ACCOMMODATIONS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodations will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination must fill out the form at the end of this Candidate Information Bulletin and fax to PSI (702) 932-2666. This form also includes out-of-state testing requests.

### EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (855) 340-3901. Every effort will be made



to reschedule your examination at a convenient time as soon as possible. You may also check our website at <https://home.psiexams.com/#/home>.

### **SOCIAL SECURITY NUMBER CONFIDENTIALITY**

PSI will use your social security number only as an identification number in maintaining your records and reporting your examination scores to the state. A Federal law requires state agencies to collect and record the social security numbers of all licensees of the professions licensed by the state.

## **EXAMINATION SITE LOCATIONS**

The following are the examination centers where you may take the Oregon Insurance Licensing Examination(s).

### **Baker City**

2101 Main Street, #203  
Baker City, OR 97814

From I-84 take Exit 304 onto Campbell Street. On Campbell Street go 1 mile to Main Street, turn left. Test site is a 1/4 of a mile on right side, in a brick building before Broadway in the Basch Sage Mini Mall. Enter from Broadway, go upstairs take a left to the end of hall to Room 203. Parking available between Broadway and Church Street, behind the 'Basche Sage' testing center building

### **Bend**

325 NW Vermont Pl, #106  
Bend, OR 97701

From US-97 going North, take the Revere Ave exit and take a left at the traffic signal. Go one block West to Wall Street and turn left at the traffic light. Continue South on Wall Street for approximately 1/2 mile and turn right onto NW Vermont Pl. The PSI Test Center is the first building on the left.

From US-97 going South, take the Revere Ave exit and go straight at the traffic light. Continue heading South on Wall Street for approximately 1/2 mile and turn right onto NW Vermont Pl. The PSI Test Center is the first building on the left.

### **Eugene**

1955 Empire Park Drive, Suite A  
Eugene, OR 97402

From I-5 take Beltline Hwy West to exit #5 Barger Drive. Turn Left at the end of exit ramp. Go .7 miles and turn right onto Empire Park Drive. (JUST before Hwy 99). The first building on the corner is Subway. Second building is PSI exams Suite A. Edward Jones Investments is the other tenant of the building in Suite B.

From Hwy 126 which is also West 11th take Beltline Hwy to exit #5 Barger Drive. Turn right at the end of exit ramp. Go .7 miles and turn Right onto Empire Park Drive. (JUST before HWY 99) The first building on the corner is Subway. Second building is PSI exams Suite A. Edward Jones Investments is the other tenant of the building in Suite B.

Please do not park at or near Subway, but instead park on the left hand side of the building.

### **Independence**

4901 Airport Rd  
Independence State Airport  
Independence, OR 97351

Take I-5 to exit 260A for OR-99E BUS S/Salem Expy and follow, then taking a slight left onto Commercial St NE. Turn right on Marion St NE continuing onto OR-22W/Marion St. Bridge. Follow OR-22W for 5 miles, then turn left onto OR-51S/Independence Hwy. Turn right onto Polk St and continue onto Hoffman Rd. Turn right onto Airport

Rd.

### **Medford**

1236 A North Riverside Ave  
Medford, OR 97501

From I-5 going North, take the Barnett Street off ramp and turn left. Turn right on Riverside Ave, and go approximately 3 miles. The site will be on the right-hand side.

From I-5 going South, take the North exit (#30) and turn right and follow signs to "City Center". Pass McAndrews, and turn left on Manzinita. This dead ends at Riverside. Turn left on Riverside, go one block and site will be on the right-hand side.

### **Portland**

205 Business Center, Suite 258  
8383 NE Sandy Blvd  
Portland, OR 97220

Coming North on I-205: Take the Killingsworth exit. Stay to the left and travel through the first light. PSI is on the right-hand side in the business building across from the Grotto. If you get to NE 82nd Ave., you have gone too far. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office.

Coming South on I-205: Take the Sandy Blvd exit. Stay in the right-hand lane and turn right at signal. Come up to the next signal (Sandy Blvd) and turn right again. PSI is on the right-hand side in the business building across from the Grotto. If you get to NE 82nd Ave., you have gone too far. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office.

Coming East on Sandy Blvd: Just past NE 82nd Ave. across from the Grotto is the business building that PSI is in. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office.

Coming West on Sandy Blvd: Just past Prescot St. and across from the Grotto is the business building that PSI is in. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office.

Coming South on 82nd Ave: Turn right on Sandy Blvd. PSI is in the business building across from the Grotto. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office.

Coming North on 82nd Ave: Turn left on Sandy Blvd. PSI is in the business building across from the Grotto. We are on the 2nd floor which seems to be the 1st floor when entering the building from Sandy Blvd and are the first door on the right. There is signage on the door to our office

### **Wilsonville**

25195 SW Parkway Avenue  
Suite 105  
Wilsonville, OR 97070

Going South: Off I5, take exit 286 (Ellingens/Boones Ferry Rd). Turn left and cross back over the freeway. Turn left at 2nd signal light (Parkway Ave.) Turn into Parkway Plaza parking lot (across the street from Shriner's). We are located in the Main Entrance first door on the right

Going North: Off I5, take exit 286 (Ellingens/Boones Ferry Rd). Turn Right. Turn Left at next signal light (Parkway Ave.) Turn into Parkway Plaza parking lot (across the street from Shriner's). We are located in the Main Entrance first door on the right

Additionally, PSI has examination centers in many other regions across the United States. You may take this examination at any of these locations by calling (855) 340-3901. You will need to speak with a Customer Service Rep to schedule outside of Oregon.



## REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive 30 minutes before your appointment. This extra time is for sign-in, identification, and familiarizing you with the examination process. *If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.*

### REQUIRED IDENTIFICATION AT EXAMINATION SITE

☛ **You must provide 2 forms of identification.** One must be a VALID form of government-issued identification (driver's license, state ID, passport, military ID) which bears your signature and has your photograph. Also acceptable is an interim state driver's license card or an interim state ID card. The second ID must have your signature and preprinted legal name. All identification provided must match the name on the registration form.

#### **PRIMARY IDENTIFICATION (with photo) - Choose One**

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card
- US Government Issued Alien Registration Card
- Canadian Government Issued ID

NOTE: ID must contain candidate's photo, be valid and unexpired.

#### **SECONDARY IDENTIFICATION - Choose One**

- Credit Card (must be signed)
- Social Security Card
- US issued Birth Certificate with Raised Seal

\*NOTE: Student ID and employment ID are **NOT** acceptable forms of identification.

☛ **You must provide your valid school Certificate of Completion.** This certificate must display a valid school code.

(If you have a waiver from the state, please provide the original waiver letter at the test center on the day of testing.) **THE CERTIFICATE OF COMPLETION EXPIRES ONE YEAR TO THE DAY FROM THE DATE IT IS ISSUED. AN ELECTRONIC VERSION OR HARD COPY WILL BE ACCEPTED.**

Crop Insurance Adjuster, General Lines Insurance Adjuster, Health Insurance Adjuster, and Surplus Lines Insurance Producer are the **ONLY** examinations that do not require verification.

☛ This Certificate of Completion must also be presented for a **retake** examination.

*If you cannot provide the required identification, you must call (855) 340-3901 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement.*

## SECURITY PROCEDURES

The following security procedures will apply during the examination:

- Only non-programmable calculators that are silent, battery-operated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet will be allowed in the examination site.
- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include, but are not limited to**, the following items:
  - **Electronic devices of any type**, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
  - **Bulky or loose clothing or coats** that could be used to conceal recording devices or notes, including coats, shawls, heavy jackets, or overcoats.
  - **Hats or headgear not worn for religious reasons** or as religious apparel, including hats, baseball caps, or visors.
  - **Other personal items**, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.
- No smoking, eating, or drinking is allowed in the examination center.
- During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.
- Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.
- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.

- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidate will not receive extra time to complete the examination

## TAKING THE EXAMINATION BY COMPUTER

The examination will be administered via computer. You will be using a mouse and computer keyboard.

### IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

### TUTORIAL

Before you start your examination, an introductory tutorial is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included following the tutorial so that you may practice answering questions and reviewing your answers.

### TEST QUESTION SCREEN

The “Function Bar” at the top of the sample question provides mouse-click access to the features available while taking the examination.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

**IMPORTANT:** After you have entered your responses, you will

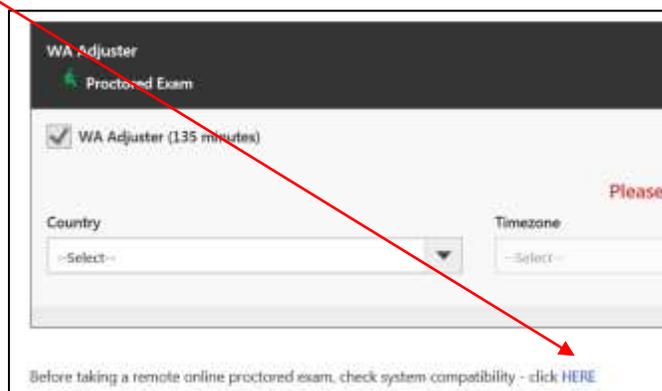


later be able to return to any question(s) and change your response, provided the examination time has not run out.

## REMOTE ONLINE PROCTORED EXAMINATION

Proctors for online testing will communicate with candidates on-screen during the test and pause the exam whenever unauthorized persons or activity appear on video monitors or in audio recordings. The proctor will pause the exam whenever a candidate leaves the testing station, or an interruption occurs. The proctor may end the test if an interruption is not corrected appropriately. Candidates are not allowed to have scratch paper or take breaks during remotely proctored exams. Immediate on-screen results will be displayed on your screen once you complete BOTH your exam AND the survey following the exam. Paper score reports will not be available upon completion of the exam for this remotely proctored location. A military ID will not be accepted for a remotely proctored exam, however, all other Identification noted above are acceptable for this delivery mode.

**BE SURE TO CHECK THE COMPATIBILITY OF YOUR COMPUTER** to include Audio/Video Check, Webcam Check and System Check. Prior to scheduling, click here. You must use Google Chrome Browser.



Please note that if your computer performs any system update (i.e. software, server, firewall, webcam, etc.) from the time you schedule your exam to when you attempt to launch your exam, you may experience issues with your compatibility. It is best to conduct another compatibility check on the machine that you will be taking your exam at least 24 hours prior to your scheduled exam. You may also check your compatibility before or after registering for your exam by [clicking here](#).

REQUIREMENTS	STATUS	YOUR SYSTEM
Webcam	✓	Integrated Camera (04f2:b5ab)
Microphone	✓	Default - Microphone Array (Realtek High Definition Audio)
PSI Communication Protocol	✓	Connected
Testing System Access	✓	Allowed
PSI System Storage	✓	Allowed
PSI Video Streaming	✓	Allowed

System Check		
REQUIREMENTS	STATUS	YOUR SYSTEM
Browser and Version - Chrome 58.0 and above.	✓	Chrome 75.0
Platform - Windows 7, Windows 8, Windows 8.1, Windows 10 or later and Mac OS X 10.10 or later	✓	Windows 10
Javascript - Enabled.	✓	Enabled
Cookies - Enabled.	✓	Enabled
Upload and Download Minimum Bandwidth - At least 250 kbps.	✓	1448282

### LAUNCHING THE EXAMINATION

You can launch the examination up to 30 minutes before the scheduled start time.



If you have any questions regarding your compatibility check, or if you experience issues launching your exam, you may contact our remote proctoring technical support at (844) 267-1017. You may also initiate a chat after you close the Secure Browser Software by [clicking here](#).

### EXPERIMENTAL ITEMS

In addition to the number of questions per examination, a small number of five to ten “experimental” questions may be administered to candidates during the examinations. These questions will not be scored. The administration of such non-scored experimental questions is an essential step in developing future licensing examinations.

### EXAMINATION REVIEW

PSI, in cooperation with the Division of Financial Regulation, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Comments may be entered by clicking the Comments link on the function bar of the test question screen.

These comments will be analyzed by PSI examination development staff. PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. **This is the only review of examination materials available to candidates.**

### SCORE REPORT

You must get 70% correct to pass the examination. Your score will be displayed on screen at the end of the examination and a score report will be emailed to you. If you fail, the emailed score report will include the diagnostic report indicating your strengths and weaknesses by

examination type.

Candidates taking a remotely proctored exam: Please note that you must select to end both the exam portion and survey portion of your test in order to receive your on-screen results and emailed score report. If you do not receive your emailed score report, you may reach out to [scorereport@psionline.com](mailto:scorereport@psionline.com).

You may request a duplicate score report after your examination by emailing [scorereport@psionline.com](mailto:scorereport@psionline.com). Include your name, candidate ID number and confirmation number. Your candidate ID number and confirmation number is on your exam confirmation email. Please allow up to 72 hours to receive your duplicate score report.

**Now you can take the practice exam online at <https://home.psixams.com/#/home> to prepare for your Oregon Insurance Examination**

Please note that practice exams are intended only to help testing candidates become familiar with the general types of questions that will appear on a licensing examination. They ARE NOT a substitute for proper education and study. Furthermore, scoring well on the practice exam does not guarantee a positive outcome on an actual licensing examination.

Note: You may take the practice exams an unlimited number of times; you will need to pay each time.



## TIPS FOR PREPARING FOR YOUR EXAM

The following suggestions will help you prepare for your examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as the basis of your study.
- Read study materials that cover all the topics in the content outline.
- Take notes on what you study. Putting information in writing helps you commit it to memory and it is also an excellent business practice. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 55 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

## EXAMINATION CONTENT OUTLINES

The following outlines describe the content of each of the Oregon Insurance Examinations. These outlines are the basis of the examination. Each examination will contain questions about the subjects in its outline.

The percentages indicate the relative weight assigned to each part of the examination. For example, if a section has 10 percent assigned, 6 questions will be drawn from it on a 60-question examination, 10 on a 100-question examination, and 15 on a 150-question examination.

Sections 1.0 and 2.0 (Insurance Regulation and General Insurance) are common to many of the examinations. Details of these sections appear only once, immediately below.

Note, however, that the section weights differ by examination. Similarly, combination examinations contain all of the content of the single-line examinations they combine and you are referred to the single-line outlines for details. Refer to the outline of the examination you plan to take for the individual section weights.

**LAWS AND REGULATIONS EXAMINATION  
SERIES 12-00**

**50 questions - 1 hour time limit**

**Insurance Regulation 60% (30 items)**

**Licensing**

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053, 731.104)

Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration

Renewal and nonrenewal (ORS 744.072, .074; OAR 836-071-0146)

Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2), .068)

Change of address or telephone number (ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

Company regulation

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079, .081)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Producer regulation

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)

Place of business/records

maintenance (ORS 744.068)

Controlled business (ORS 746.065, .160)

Commissions (ORS 744.076, .077)

Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110; OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

Fraud and false statements including 1033 waiver (18 USC 1033, 1034)

**General Insurance 40% (20 items)**

**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

**Insurers**

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocals

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

**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

**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

**PRODUCERS EXAMINATION FOR LIFE  
INSURANCE  
SERIES 12-01**

**100 questions - 2 hour time limit**

**Insurance Regulation 8% (8 items)**

**Licensing**

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053, 731.104)

Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration



Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)  
 Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)  
 Reinstatement (ORS 744.018, .072(6))  
 Assumed business name (ORS 744.028(2), .068)  
 Change of address or telephone number (ORS 744.028(1), .068)  
 Reporting of actions (ORS 744.089)  
 Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)  
 Replacement (OAR 836-080-0001 to 0043)

Disciplinary actions  
 Cease and desist orders (ORS 731.252)  
 License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)  
 Civil penalty (ORS 731.988)  
 Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

**Company regulation**

Producer appointment (ORS 744.078)  
 Termination of appointment (ORS 744.079, .081)  
 Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

**Producer regulation**

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)  
 Place of business/records maintenance (ORS 744.068)  
 Controlled business (ORS 746.065, .160)  
 Commissions (ORS 744.076, .077; OAR 836-071-0269-0277)  
 Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

**Unfair trade practices**

Misrepresentation (ORS 746.075, .100)  
 False advertising (ORS 746.110; OAR 836-080-0155)  
 Rebating (ORS 746.045)  
 Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)  
 Examination of records (ORS 744.068(2, 3))  
 Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 7% (7 items)**

**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

**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

**Producers and general rules of agency**

Insurer as principal

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Express

Implied

Apparent

Responsibilities to the applicant/insured

**Contracts**

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Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations

Warranties

Concealment

Fraud

Waiver and estoppel

**Life Insurance Basics 20% (20 items)**

Insurable interest (ORS 743.040, .038, .044)

**Personal uses of life insurance**

Survivor protection

Estate creation

Cash accumulation

Liquidity

Estate conservation

**Life settlements (ORS 744.318., .321, .323, .326, .328; OAR 836-014-0200-0330)**

**Determining amount of personal life insurance**

Human life value approach

Needs approach

Types of information gathered

Determining lump-sum needs

Planning for income needs

**Business uses of life insurance**

Buy-sell funding

Key person (ORS 743.228)

Executive bonuses

Deferred compensation funding

**Types of life insurance policies (ORS 731.102, .170)**

Group and individual (ORS 731.150, 743.303,)

Permanent, term, variable and annuities (ORS 731.156, 743.245)

Fixed versus variable life insurance and annuities including regulation of variable products (SEC, FINRA, and Oregon) (ORS 733.220)

**Licensee responsibilities**

Solicitation and sales presentations (OAR 836-051-0005-0020)

Advertising (ORS 746.075, .110, .115)

Oregon Life and Health Insurance

Guaranty Association (ORS 734.750-



.890)

Association (ORS 734.750-.890)  
Illustrations (OAR 836-051-0500-0600)  
Policy summary  
Buyer's guide  
Life insurance policy cost comparison methods  
Replacement (ORS 746.085; OAR 836-080-0001-to 0043)  
Use and disclosure of insurance information (ORS 746.600 to .605, .610, .615 to .630, .635 to .660; OAR 836-080-0430)

Field underwriting  
Notice of information practices  
Application procedures

Delivery  
Policy review  
Effective date of coverage  
Premium collection  
Statement of good health

#### Individual underwriting by the insurer

Information sources and regulation  
Application (ORS 743.039, .318)  
Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)  
Selection criteria and unfair discrimination (OAR 836-081-0005, 0010)  
Sexual orientation prohibited (OAR 836-050-0240)  
Medical and lifestyle questions (OAR 836-050-0245)  
Prohibited discrimination (ORS 746.015)  
Evidence of insurability (ORS 743.321)  
Incontestability (ORS 743.315)  
Suitability in the sale of life insurance (OAR 836-080-0090)

#### Life Insurance Policies 17% (17 items)

##### Term life insurance

Level term  
Annual renewable term  
Level premium term  
Decreasing term

##### Whole life insurance

Continuous premium (straight life)  
Limited payment  
Single premium

##### Flexible premium policies

Adjustable life  
Universal life

##### Specialized policies

Joint life (first-to-die)  
Juvenile life  
Survivorship Life

#### Group life insurance

Characteristics of group plans  
Group underwriting requirements  
Conversion to individual policy(ORS 743.333-.339)  
Incontestability (ORS 743.315)  
Evidence of Insurability (ORS 743.321)  
Misstatement of Age (ORS 743.324)  
Payments under the policy (ORS 743.327)  
Termination of individual coverage (ORS 743.333)  
Continuing coverage (ORS 743.356)  
Prohibited sales practices (ORS 743.348)  
Policies issued to trustees of certain funds (ORS 743.354)

#### Credit life insurance (individual versus group)

#### Life Insurance Policy Provisions, Options and Riders 12% (12 items)

##### Standard provisions

Ownership  
Assignment (ORS 743.043)  
Entire contract (ORS 743.174)  
Modifications  
Right to examine (free look)  
Payment of premiums (ORS 743.162)  
Grace period (ORS 743.165)  
Reinstatement (ORS 743.171)  
Incontestability (ORS 743.168, .315)  
Misstatement of age and gender (ORS 743.180)  
Exclusions  
Suicide exclusion  
Medical examination; autopsy  
Prohibited provisions including backdating (ORS 743.225)

##### Beneficiaries

Designation options  
Individuals  
Classes  
Estates  
Minors

##### Trusts

Succession  
Revocable versus irrevocable  
Common disaster clause  
Spendthrift clause

##### Settlement options

Cash payment  
Interest only  
Fixed-period installments  
Fixed-amount installments  
Life income

#### Single life

Joint and survivor  
Nonforfeiture options (ORS 743.204 to .210)

Cash surrender value  
Extended term  
Reduced paid-up insurance

#### Policy loan and withdrawal options

Cash loans  
Automatic premium loans  
Withdrawals or partial surrenders  
Uses of dividends (ORS 743.183)  
Interest rate (ORS 743.187)

#### Dividend options

Cash payment  
Reduction of premium payments  
Accumulation at interest

One-year term option

Paid-up additions

#### Disability riders

Waiver of premium  
Waiver of cost of insurance  
Disability income benefit  
Payor benefit life/disability (juvenile insurance)

#### Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300-0380, 836-052-0646)

Qualifying events  
Disclosure  
Effect of benefit payment

#### Riders covering additional insureds

Spouse/other-insured term rider  
Children's term rider  
Family term rider

#### Riders affecting the death benefit amount

Accidental death  
Guaranteed insurability  
Cost of living  
Return of premium

#### Annuities 20% (20 items)

##### Annuity principles and concepts

Accumulation period versus annuity period  
Owner, annuitant and beneficiary  
Insurance aspects of annuities  
Suitability in the sale of annuities (OAR 836-080-0090)

##### Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)  
Deferred annuities  
Premium payment options



Nonforfeiture	Contributions and deductible amounts	Disciplinary actions
Surrender charges	Premature distributions (including taxation issues)	Cease and desist orders (ORS 731.252)
Death benefits	Annuity phase benefit payments	License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)
<b>Annuity (benefit) payment options</b>	Amounts received by beneficiary	Civil penalty (ORS 731.988)
Life contingency options	Roth IRAs	Criminal penalty (ORS 731.992)
Pure life versus life with guaranteed minimum	Contributions and limits	<b>State regulation</b>
Single life versus multiple life	Distributions	Director's enforcement authority (ORS 731.256)
Annuities certain (types)	<b>Rollovers and transfers (IRAs and qualified plans) and suitability</b>	Director's inquiries (ORS 731.296)
<b>Annuity products</b>	<b>Section 1035 exchanges and suitability</b>	Company regulation
Fixed annuities	<b>Qualified Plans 7% (7 items)</b>	Producer appointment (ORS 744.078)
General account assets	<b>General requirements</b>	Termination of appointment (ORS 744.079, .081)
Interest rate guarantees (minimum versus current)	<b>Federal tax considerations</b>	Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)
Level benefit payment amount	Tax advantages for employers and employees	Producer regulation
Equity indexed annuities	Taxation of distributions (age-related)	Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)
Market value adjusted annuities	<b>Plan types, characteristics and purchasers</b>	Place of business/records maintenance(ORS 744.068)
<b>Uses of annuities</b>	Simplified employee pensions (SEPs)	Controlled business (ORS 746.065, .160)
Lump-sum settlements	Self-employed plans (HR 10 or Keogh plans)	Commissions (ORS 744.076, .077; OAR 836-071-0269-0277)
Qualified retirement plans including group versus individual annuities	Profit-sharing and 401(k) plans	Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)
Personal uses	SIMPLE plans	Unfair trade practices
Individual retirement annuities (IRAs)	403(b) tax-sheltered annuities (TSAs)	Misrepresentation (ORS 746.075, .100)
Tax-deferred growth		False advertising (ORS 746.110; OAR 836-080-0155)
Retirement income		Rebating (ORS 746.045)
Education funds		Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)
Living benefit riders		Illegal inducement (ORS 746.035)
<b>Federal Tax Considerations for Life Insurance and Annuities 9% (9 items)</b>	<b>PRODUCERS EXAMINATION FOR HEALTH INSURANCE SERIES 12-02</b>	Examination of records (ORS 744.068(2, 3))
<b>Taxation of personal life insurance</b>	<b>100 questions - 2 hour time limit</b>	Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)
Amounts available to policyowner	<b>Insurance Regulation 10% (10 items)</b>	<b>Federal regulation</b>
Cash value increases	<b>Licensing</b>	Fair Credit Reporting Act (15 USC 1681 to 1681d)
Dividends	Purpose	Fraud and false statements including 1033 waiver (18 USC 1033, 1034)
Policy loans	Process (ORS 744.058, .059, .062)	<b>General Insurance 10% (10 items)</b>
Surrenders	Types of licensees	<b>Concepts</b>
Amounts received by beneficiary	Producers (ORS 744.052, .053, 731.104)	Risk management key terms
General rule and exceptions	Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)	Risk
Settlement options	Adjusters (ORS 744.531)	Exposure
Values included in insured's estate	Nonresidents (ORS 744.063)	Hazard
<b>Modified endowment contracts (MECs)</b>	Temporary (ORS 744.073)	Peril
Modified endowment versus life insurance	Maintenance and duration	Loss
Seven-pay test	Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)	Methods of handling risk
Distributions	Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)	Avoidance
<b>Taxation of non-qualified annuities</b>	Reinstatement (ORS 744.018, .072(6))	Retention
Individually-owned	Assumed business name (ORS 744.028(2), .068)	
Accumulation phase (tax issues related to withdrawals)	Change of address or telephone number (ORS 744.028(1), .068)	
Annuity phase and the exclusion ratio	Reporting of actions (ORS 744.089)	
Distributions at death	Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)	
Corporate-owned	Replacement (OAR 836-080-0001 to 0043)	
<b>Taxation of individual retirement annuities(IRAs)</b>		
Traditional IRAs		



Sharing	Fraud	Reinstatement (ORS 743.420)
Reduction	Waiver and estoppel	<b>Uniform optional provisions</b>
Transfer	<b>Health Insurance 6% (6 items)</b>	Change of occupation (ORS 743.450)
Elements of insurable risks	<b>Types of products and benefits</b>	Misstatement of age (ORS 743.453, .489)
Adverse selection	Medical and surgical (ORS 743B.005)	<b>Other general provisions</b>
Law of large numbers	Dental (ORS 731.162, 743B.005)	Right to examine (free look) (ORS 743.492)
Reinsurance	<b>Long-term care (ORS 743B.005, 743.650, OAR 836-052-0516)</b>	Consideration clause
<b>Insurers</b>	Short-term care (ORS 743.652(5))	Renewability clause (ORS 743.495, .498, 743B.125(5))
Types of insurers	Medicare supplements (ORS 743.680, OAR 836-052-0103)	Noncancelable
Stock companies	Accident (ORS 743B.005)	Guaranteed renewable
Mutual companies	Disability	Conditionally renewable
Fraternal benefit societies	Student health (ORS 743.550)	Renewable at option of insurer
Reciprocals	<b>Blanket (ORS 743.536)</b>	Nonrenewable (cancelable, term)
Lloyd's associations	Vision	Cancellation (ORS 743.472, 743B.125(6))
Risk retention groups	<b>Types of health insurance policies</b>	<b>Disability Income and Related Insurance 6% (6 items)</b>
Private versus government insurers	Individual versus group	<b>Qualifying for disability benefits</b>
Admitted versus nonadmitted insurers	Private versus government	Inability to perform duties
Domestic, foreign and alien insurers	TRICARE (ORS 743B.005)	Own occupation
Financial status (independent rating services)	Limited versus comprehensive	Any occupation
Marketing (distribution) systems	Self-insured versus fully insured	Loss of income (income replacement contracts)
<b>Producers and general rules of agency</b>	On exchange/off exchange	Presumptive disability
Insurer as principal	Small group and large group	Requirement to be under physician care
Producer/insurer relationship	Primary or supplemental	<b>Individual disability income insurance</b>
Authority and powers of producer	<b>Policy exclusion provisions</b>	<b>Unique aspects of individual disability underwriting</b>
Express	<b>Producer responsibilities</b>	Occupational considerations
Implied	Marketing requirements	Benefit limits
Apparent	Advertising (OAR 836-020-0200-0305)	Policy issuance alternatives and medical underwriting
Responsibilities to the applicant/insured	Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)	Basic total disability plan
<b>Contracts</b>	Sales presentations	Income benefits (monthly indemnity)
Elements of a legal contract	Outline of coverage (OAR 836-020-0305)	Elimination and benefit periods
Offer and acceptance	Summary benefits and coverage	Waiver of premium feature
Consideration	Field underwriting	Coordination with social insurance, workers compensation benefits and at-work benefits
Competent parties	Nature and purpose	Additional monthly benefit (AMB)
Legal purpose	Disclosure of information about individuals	Social insurance supplement (SIS)
Distinct characteristics of an insurance contract	Application procedures	Occupational versus nonoccupational coverage
Contract of adhesion	Requirements at delivery of policy	Partial disability benefit
Aleatory contract	Common situations for errors/omissions	Residual disability benefit
Personal contract	<b>Individual underwriting on grandfathered plans</b>	Sick leave
Unilateral contract	Pre-existing conditions	Vacation leave
Conditional contract	Creditable coverage	Other provisions affecting income benefits
Legal interpretations affecting contracts	Benefits, limitations and exclusions	Cost of living adjustment (COLA) rider
Ambiguities in a contract of adhesion	Producer liability for errors and omissions	Future increase option (FIO) rider
Reasonable expectations	<b>Individual Health Insurance Policy General Provisions 7% (7 items)</b>	Relation of earnings to insurance (ORS 743.465)
Indemnity	<b>Uniform required provisions</b>	Other cash benefits
Utmost good faith	Incontestability (ORS 743.414, .472)	Accidental death and dismemberment
Representations/misrepresentations	Grace period (ORS 743.417)	
Warranties		
Concealment		

Rehabilitation benefit Medical reimbursement benefit(nondisabling injury)	Out-of-network provider access Primary Care Physician (PPO)	Dependent eligibility Coordination of benefits provision (OAR 836-020-0770-0806) Change of insurance companies or loss of coverage
Exclusions as the policy lists	<b>Oregon requirements (individual and group)</b>	No-loss no-gain Events that terminate coverage
<b>Group disability income insurance</b>	Eligibility requirements Newborn child coverage (ORS 743A.090) Dependent child age limit (ORS 743A.090) Coverage for adopted children (ORS 743A.090)	Extension of benefits Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860) Conversion rights (ORS 743B.343 - .345)
<b>Types of disability term</b>	<b>Health Care Reform (Affordable Care Act)</b>	<b>Small employer medical plans</b>
Short-term disability (STD)	Essential Health Benefits	Definition of small employer (ORS 743B.005 ) Requirements of small employer (ORS 742.360) Basic coverage (ORS 743B.005, 743B.012)
Long-term disability (LTD)	Levels of Coverage	Availability of coverage (ORS 743B.104) Renewability of coverage (ORS 743B.013 (5)) Participation requirements (ORS 743B.013(7))
Unique aspects of group disability underwriting	Payment and Billing	Open enrollment Purchase policy through exchange/marketplace (ORS 743B.010)
Pre-existing conditions	Internal Appeal and External Review	Small group tax credits
Waiting period	Penalties and Fines	<b>Dental Insurance 3% (3 items)</b>
Group total disability benefit	Oregon's Health Insurance Exchange/Marketplace	<b>Pediatric Care (Affordable Care Act)</b>
Income benefits (monthly indemnity)	Definition	Family care Adult care
Elimination and benefit periods	Medicaid	<b>Categories of dental treatment</b>
Waiver of premium feature	Eligibility	Diagnostic and preventive Restorative Oral surgery Endodontics Periodontics Prosthodontics Orthodontics
Coordination with social insurance, workers compensation benefits and at-work benefits	Benefits	<b>Access to Dental Coverage</b>
Additional monthly benefit (AMB)	Subsidies/Tax Credits	Choice of providers Scheduled versus nonscheduled plans
Social insurance supplement (SIS)	<b>HIPAA (Health Insurance Portability and Accountability Act) requirements</b>	<b>Employer group dental expense</b>
Occupational versus nonoccupational coverage	Eligibility	Integrated deductibles versus stand-alone plans Minimizing adverse selection
Sick leave	Guaranteed issue	<b>Insurance for Senior Citizens and Special Needs Individuals 14% (14 items)</b>
Vacation leave	Renewability	<b>Medicare</b>
<b>Business disability insurance</b>	<b>Group Health Insurance 20% (20 items)</b>	Nature, financing and administration Part A – Hospital Insurance
Key employee (partner) disability income	<b>Purpose of group insurance</b> (ORS 743B.003(1) -(8))	Part B – Medical Insurance
Disability buy-sell policy	Issuance of group contract (ORS 743B.010)	
<b>Social Security disability</b>	Provisions of coverage (ORS 743B.011) Experience rating versus community rating	
Qualification for disability benefits	<b>Types of eligible groups</b>	
Definition of disability	Employment-related groups (ORS 743B.010)	
Waiting period	Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)	
Disability income benefits	Self-Funded groups Associations (alumni, professional, other)	
<b>Workers compensation</b>	<b>Marketing considerations</b>	
Eligibility	Advertising	
<b>Medical Plans 17% (17 items)</b>	Regulatory jurisdiction/place of delivery	
<b>Medical plan concepts</b>	<b>Employer group health insurance</b>	
Fee-for-service basis versus prepaid basis	Insurer underwriting criteria	
Benefit schedule versus usual/reasonable/customary charges	Characteristics of group	
Any provider versus limited choice of providers	Plan design factors	
Insureds versus subscribers/participants	Persistency factors	
Deductibles and cost sharing	Administrative capability Eligibility for insurance (ORS 743B.105(4), (5))	
<b>Types of providers and plans</b>	Employee eligibility	
Major medical insurance (indemnity plans)		
Characteristics and plan provisions		
Managed Care		
Preferred provider organizations (PPOs)		
General characteristics and plan provisions		
Open panel or closed panel		
Point-of-service (POS)		

**PRODUCERS EXAMINATION FOR LIFE AND HEALTH INSURANCE  
SERIES 12-03**

**150 questions - 2 hours and 40 minute time limit**

**Insurance Regulation 5% (7-8 items)**

**Licensing**

**Purpose**

Process (ORS 744.058, .059, .062)

**Types of licensees**

Producers (ORS 744.052, .053, 731.104)  
Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

**Maintenance and duration**

Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146

Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2), .068)

Change of address or telephone number (ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)  
Replacement (OAR 836-080-0001 to 0043)

**Disciplinary actions**

Cease and desist orders (ORS 731.252)  
License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

**Company regulation**

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079, .081)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

**Producer regulation**

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)

Place of business/records maintenance (ORS 744.068)

Controlled business (ORS 746.065, .160)

Qualified LTC plans (OAR 836-052-0531)

**Exclusions**

Oregon regulations and required provisions

Training for insurance producers (OAR 836-052-0639)  
Standards for marketing (OAR 836-052-0706)

Advertising (OAR 836-052-0696)

Shopper's guide (OAR 836-052-0786)  
Outline of coverage (ORS 743.655(7); OAR 836-052-0776)

Appropriateness of recommended purchase

Right to return (free look) (ORS 743.655(6))

Replacement (OAR 836-052-0626, 0736)

**Renewal provisions**

Continuation or conversion  
Required disclosure provisions (OAR 836-052-0716)

Inflation protection (OAR 836-052-0616)

Pre-existing conditions (ORS 743.655(3))

Protection against unintentional lapse (OAR 836-052-536(a)(b); 836-052-0740(7))

Partnership provisions (OAR 836-052-0531)

**Prohibited provisions**

**Federal Tax Considerations for Health Insurance 7% (7 items)**

**Personally-owned health insurance**

Disability income insurance

Medical expense insurance

Long-term care insurance

**Employer group health insurance**

Disability income (STD, LTD)

Benefits subject to FICA

Medical and dental expense

Long-term care insurance

Accidental death and dismemberment

**Medical expense coverage for sole proprietors and partners**

**Business disability insurance**

Key person disability income

Buy-sell policy

**Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)**

Definition

Eligibility

Contribution limits

Portability

Individual eligibility requirements

Enrollment

Coverages and cost-sharing amounts

Exclusions

Claims terminology and other key terms

Part C – Medicare Advantage

Part D – Prescription Drug Insurance

**Medicare supplements**

Purpose (OAR 836-052-0103)

Open enrollment (OAR 836-052-0138)

Standardized Medicare supplement plans

Core benefits (OAR 836-052-0133)

Additional benefits

Oregon regulations and required provisions

Standards for marketing (OAR 836-052-0175)

Advertising (ORS 743.687; OAR 836-052-0170)

Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)

Right to return (free look) (ORS 743.686)

Replacement (ORS 743B.300); OAR 836-052-0165, 0190)

Pre-existing conditions (OAR 836-052-0190)

Required disclosure provisions (ORS 743.685; OAR 836-052-0160)

Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)

Buyer's guide (ORS 743.685(6))

Permitted compensation (OAR 836-052-0156)

Medicare SELECT (OAR 836-052-0139)

**Other options for individuals with Medicare**

Employer group health plans

Disabled employees

Employees with kidney failure

Individuals age 65 and older

Medicaid

Eligibility

Benefits

**Long-Term Care (LTC) policies**

Definitions (ORS 743.650 to .665)

Eligibility for benefits

Benefit triggers (ORS 743.652(2))

Activities of daily living requirements (OAR 836-052-0516(1))

Covered services (OAR 836-052-0596)

Benefit periods (ORS 743.665(5))

Benefit amounts (OAR 836-052-0586)

Optional benefits

Guarantee of insurability

Return of premium (ORS 743.665(E))



Commissions (ORS 744.076, .077;  
OAR 836-071-0269-0277)  
Fees (ORS 744.076, .077; OAR  
836-071-0260 to 0277)

Unfair trade practices  
Misrepresentation (ORS 746.075,  
.100)

False advertising (ORS 746.110;  
OAR 836-080-0155)

Rebating (ORS 746.045)  
Unfair discrimination (ORS  
746.015; OAR 836-081-0005,  
0010, 0020, 0030)

Illegal inducement (ORS 746.035)  
Examination of records (ORS  
744.068(2, 3))

Privacy of Consumer Information  
(ORS 746.600, .620, .630, .665;  
OAR 836-080-0501 to 836-080-0551)

#### Federal regulation

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

Fraud and false statements  
including 1033 waiver (18 USC 1033,  
1034)

#### General Insurance 5% (7-8 items)

##### 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

##### 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

#### 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

#### 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

#### Life Insurance Basics 10% (15 items)

Insurable interest (ORS 743.040, .038,  
.044 )

#### Personal uses of life insurance

Survivor protection

Estate creation

Cash accumulation

Liquidity

Estate conservation

Life settlements (ORS 744.318., .321,  
.323, .326,.328; OAR 836-014-0200-  
0330)

#### Determining amount of personal life insurance

Human life value approach

Needs approach

Types of information gathered

Determining lump-sum needs

Planning for income needs

#### Business uses of life insurance

Buy-sell funding

Key person (ORS 743.228)

Executive bonuses

Deferred compensation funding

#### Types of life insurance policies (ORS 731.102, .170)

Group and individual (ORS 731.150,  
743.303,)

Permanent, term, variable and  
annuities (ORS 731.156, 743.245)

Fixed versus variable life insurance  
and annuities including regulation of  
variable products (SEC, FINRA, and  
Oregon) (ORS 733.220)

#### Licensee responsibilities

Solicitation and sales presentations  
(OAR 836-051-0005-0020)

Advertising (ORS 746.075, .110,  
.115)

Oregon Life and Health Insurance  
Guaranty Association (ORS 734.750-  
.890)

Illustrations (OAR 836-051-0500-  
0600)

Policy summary

Buyer's guide

Life insurance policy cost  
comparison methods

Replacement (ORS 746.085; OAR 836-  
080- 0001-to 0043)

Use and disclosure of insurance  
information (ORS 746.600 to .605,  
.610, .615 to .630, .635 to .660;  
OAR 836-080-0430)

Field underwriting

Notice of information practices

Application procedures

Delivery

Policy review

Effective date of coverage

Premium collection

Statement of good health

#### Individual underwriting by the insurer

Information sources and regulation

Application (ORS 743.039, .318)

Medical examinations and lab tests  
(including HIV consent) (OAR 836-  
050-0250)

Selection criteria and unfair  
discrimination (OAR 836-081-0005,  
0010)

Sexual orientation prohibited (OAR  
836-050-0240)

Medical and lifestyle questions (OAR  
836-050-0245)

Prohibited discrimination (ORS  
746.015)

Evidence of insurability (ORS 743.321)

Incontestability (ORS 743.315)



Suitability in the sale of life insurance  
(OAR 836-080-0090)

### **Life Insurance Policies 10% (15 items)**

#### **Term life insurance**

- Level term
- Annual renewable term
- Level premium term
- Decreasing term

#### **Whole life insurance**

- Continuous premium (straight life)
- Limited payment
- Single premium

#### **Flexible premium policies**

- Adjustable life
- Universal life

#### **Specialized policies**

- Joint life (first-to-die)
- Juvenile life
- Survivorship Life

#### **Group life insurance**

- Characteristics of group plans
- Group underwriting requirements
- Conversion to individual policy (ORS 743.333-.339)
- Incontestability (ORS 743.315)
- Evidence of Insurability (ORS 743.321)
- Misstatement of Age (ORS 743.324)
- Payments under the policy (ORS 743.327)
- Termination of individual coverage (ORS 743.333)
- Continuing coverage (ORS 743.356)
- Prohibited sales practices (ORS 743.348)
- Policies issued to trustees of certain funds (ORS 743.354)

#### **Credit life insurance (individual versus group)**

### **5.0 Life Insurance Policy Provisions, Options and Riders 7% (10 - 11 items)**

#### **Standard provisions**

- Ownership
- Assignment (ORS 743.043)
- Entire contract (ORS 743.174)
- Modifications
- Right to examine (free look)
- Payment of premiums (ORS 743.162)
- Grace period (ORS 743.165)
- Reinstatement (ORS 743.171)
- Incontestability (ORS 743.168)
- Misstatement of age and gender (ORS 743.180)
- Exclusions
- Suicide exclusion
- Medical examination; autopsy

Prohibited provisions including  
backdating (ORS 743.225)

#### **Beneficiaries**

- Designation options
- Individuals
- Classes
- Estates
- Minors

#### **Trusts**

- Succession
- Revocable versus irrevocable
- Common disaster clause
- Spendthrift clause

#### **Settlement options**

- Cash payment
- Interest only
- Fixed-period installments
- Fixed-amount installments
- Life income
- Single life
- Joint and survivor

#### **Nonforfeiture options (ORS 743.204 to .210)**

- Cash surrender value
- Extended term
- Reduced paid-up insurance

#### **Policy loan and withdrawal options**

- Cash loans
- Automatic premium loans
- Withdrawals or partial surrenders
- Uses of dividends (ORS 743.183)
- Interest rate (ORS 743.187)

#### **Dividend options**

- Cash payment
- Reduction of premium payments
- Accumulation at interest
- One-year term option
- Paid-up additions

#### **Disability riders**

- Waiver of premium
- Waiver of cost of insurance
- Disability income benefit
- Payor benefit life/disability (juvenile insurance)

#### **Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300-0380, 836-052-0646)**

- Qualifying events
- Disclosure
- Effect of benefit payment

#### **Riders covering additional insureds**

- Spouse/other-insured term rider

Children's term rider

#### **Riders affecting the death benefit amount**

- Accidental death
- Guaranteed insurability
- Cost of living
- Return of premium

### **Annuities 11% (16 - 17 items)**

#### **Annuity principles and concepts**

- Accumulation period versus annuity period
- Owner, annuitant and beneficiary
- Insurance aspects of annuities
- Suitability in the sale of annuities (OAR 836-080-0090)

#### **Immediate versus deferred annuities**

Single premium immediate annuities (SPIAs)

- Deferred annuities
- Premium payment options
- Nonforfeiture
- Surrender charges
- Death benefits

#### **Annuity (benefit) payment options**

- Life contingency options
- Pure life versus life with guaranteed minimum
- Single life versus multiple life
- Annuities certain (types)

#### **Annuity products**

- Fixed annuities
- General account assets
- Interest rate guarantees (minimum versus current)
- Level benefit payment amount
- Equity indexed annuities
- Market value adjusted annuities

#### **Uses of annuities**

- Lump-sum settlements
- Qualified retirement plans including group versus individual annuities
- Personal uses
- Individual retirement annuities (IRAs)
- Tax-deferred growth
- Retirement income
- Education funds
- Living benefit riders

### **Federal Tax Considerations for Life Insurance and Annuities 5% (7 - 8 items)**

#### **Taxation of personal life insurance**

- Amounts available to policyowner
- Cash value increases



Dividends	<b>Long-term care (ORS 743B.005, 743.650, OAR 836-052-0516)</b>	<b>Other general provisions</b>
Policy loans	Short-term care (ORS 743.652(5))	Right to examine (free look) (ORS 743.492)
Surrenders	Medicare supplements (ORS 743.680, OAR 836-052-0103)	Consideration clause
Amounts received by beneficiary	Accident (ORS 743B.005)	Legal actions (ORS 743.441)
General rule and exceptions	Disability	Renewability clause (ORS 743.495, .498, 743B.125(5))
Settlement options	Student health (ORS 743.550)	Noncancelable
Values included in insured's estate	<b>Blanket (ORS 743.536)</b>	Guaranteed renewable
<b>Modified endowment contracts (MECs)</b>	Vision	Conditionally renewable
Modified endowment versus life insurance	<b>Types of health insurance policies</b>	Renewable at option of insurer
Seven-pay test	Individual versus group	Nonrenewable (cancelable, term)
Distributions	Private versus government	Cancellation (ORS 743.472, 743B.125(6))
<b>Taxation of non-qualified annuities</b>	TRICARE (ORS 743B.005)	<b>Disability Income and Related Insurance 2% (3 items)</b>
Individually-owned	Limited versus comprehensive	<b>Qualifying for disability benefits</b>
Accumulation phase (tax issues related to withdrawals)	Self-insured versus fully insured	Inability to perform duties
Annuity phase and the exclusion ratio	On exchange/off exchange	Own occupation
Distributions at death	Small group and large group	Any occupation
Corporate-owned	Primary or supplemental	Loss of income (income replacement contracts)
<b>Taxation of individual retirement annuities(IRAs)</b>	<b>Policy exclusion provisions</b>	Presumptive disability
Traditional IRAs	<b>Producer responsibilities</b>	Requirement to be under physician care
Contributions and deductible amounts	Marketing requirements	<b>Individual disability income insurance</b>
Premature distributions (including taxation issues)	Advertising (OAR 836-020-0200-0305)	<b>Unique aspects of individual disability underwriting</b>
Annuity phase benefit payments	Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)	Occupational considerations
Amounts received by beneficiary	Sales presentations	Benefit limits
Roth IRAs	Outline of coverage (OAR 836-020-0305)	Policy issuance alternatives and medical underwriting
Contributions and limits	Summary benefits and coverage	Basic total disability plan
Distributions	Field underwriting	Income benefits (monthly indemnity)
<b>Rollovers and transfers (IRAs and qualified plans) and suitability</b>	Nature and purpose	Elimination and benefit periods
<b>Section 1035 exchanges and suitability</b>	Disclosure of information about individuals	Waiver of premium feature
<b>Qualified Plans 3%</b>	Application procedures	Coordination with social insurance, workers compensation benefits and at-work benefits
<b>General requirements</b>	Requirements at delivery of policy	Additional monthly benefit (AMB)
<b>Federal tax considerations</b>	Common situations for errors/omissions	Social insurance supplement (SIS)
Tax advantages for employers and employees	<b>Individual underwriting on grandfathered plans</b>	Occupational versus nonoccupational coverage
Taxation of distributions (age-related)	Pre-existing conditions	Partial disability benefit
<b>Plan types, characteristics and purchasers</b>	Creditable coverage	Residual disability benefit
Simplified employee pensions (SEPs)	Benefits, limitations and exclusions	Sick leave
Self-employed plans (HR 10 or Keogh plans)	Producer liability for errors and omissions	Vacation leave
Profit-sharing and 401(k) plans	<b>Individual Health Insurance Policy General Provisions 4% (6 items)</b>	Other provisions affecting income benefits
SIMPLE plans	<b>Uniform required provisions</b>	Cost of living adjustment (COLA) rider
403(b) tax-sheltered annuities (TSAs)	Incontestability (ORS 743.414, .472)	Future increase option (FIO) rider
<b>Health Insurance 3%</b>	Grace period (ORS 743.417)	Relation of earnings to insurance (ORS 743.465)
<b>Types of products and benefits</b>	Reinstatement (ORS 743.420)	<b>Other cash benefits</b>
Medical and surgical (ORS 743B.005)	<b>Uniform optional provisions</b>	Accidental death and dismemberment
Dental (ORS 731.162, 743B.005)	Change of occupation (ORS 743.450)	Rehabilitation benefit
	Misstatement of age (ORS 743.453, .489)	Medical reimbursement

benefit(nondisabling injury)

Exclusions as the policy lists

### Group disability income insurance

Types of disability term

Short-term disability (STD)

Long-term disability (LTD)

Unique aspects of group disability underwriting

Pre-existing conditions

Waiting period

Group total disability benefit

Income benefits (monthly indemnity)

Elimination and benefit periods

Waiver of premium feature

Coordination with social insurance, workers compensation benefits and at-work benefits

Additional monthly benefit (AMB)

Social insurance supplement (SIS)  
Occupational versus nonoccupational coverage

Sick leave

Vacation leave

### Business disability insurance

Key employee (partner) disability income

Disability buy-sell policy

### Social Security disability

Qualification for disability benefits

Definition of disability

Waiting period

Disability income benefits

### Workers compensation

Eligibility

### Medical Plans 9% (13 - 14 items)

#### Medical plan concepts

Fee-for-service basis versus prepaid basis

Benefit schedule versus

usual/reasonable/customary charges

Any provider versus limited choice of providers

Insureds versus

subscribers/participants

Deductibles and cost sharing

#### Types of providers and plans

Major medical insurance (indemnity plans)

Characteristics and plan provisions

Managed Care

Preferred provider organizations (PPOs)

General characteristics and plan provisions

Open panel or closed panel

Point-of-service (POS)

Out-of-network provider access

### Primary Care Physician (PPO) Oregon requirements (individual and group)

Eligibility requirements

Newborn child coverage (ORS 743A.090)

Dependent child age limit (ORS 743A.090)

Coverage for adopted children (ORS 743A.090)

### Health Care Reform (Affordable Care Act)

Essential Health Benefits

Levels of Coverage

Payment and Billing

Internal Appeal and External Review

Penalties and Fines

Oregon's Health Insurance Exchange/Marketplace

Definition

Medicaid

Eligibility

Benefits

Subsidies/Tax Credits

### HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue

Renewability

### Group Health Insurance 11% (16 - 17 items)

Purpose of group insurance (ORS 743B.003(1) -(8))

Issuance of group contract (ORS 743B.010)

Provisions of coverage (ORS 743B.011)

Experience rating versus community rating

#### Types of eligible groups

Employment-related groups (ORS 743B.010)

Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)

Self-Funded groups

Associations (alumni, professional, other)

#### Marketing considerations

Advertising

Regulatory jurisdiction/place of delivery

#### Employer group health insurance

Insurer underwriting criteria

Characteristics of group

Plan design factors

Persistency factors

Administrative capability

Eligibility for insurance (ORS 743B.105(4), (5))

Employee eligibility

Dependent eligibility

Coordination of benefits provision (OAR 836-020-0770 to 0806)

Change of insurance companies or loss of coverage

No-loss no-gain

Events that terminate coverage

Extension of benefits

Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860)

Conversion rights (ORS 743B.343 - .345)

### Small employer medical plans

Definition of small employer (ORS 743B.005 )

Requirements of small employer (ORS 742.360)

Basic coverage (ORS 743B.005, 743B.012)

Availability of coverage (ORS 743B.104)

Renewability of coverage (ORS 743B.013 (5))

Participation requirements (ORS 743B.013(7))

Open enrollment

Purchase policy through exchange/marketplace (ORS 743B.010)

Small group tax credits

### Dental Insurance 2% (3 items)

#### Pediatric Care (Affordable Care Act)

Family care

Adult care

#### Categories of dental treatment

Diagnostic and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics

#### Access to Dental Coverage

Choice of providers

Scheduled versus nonscheduled plans

#### Employer group dental expense

Integrated deductibles versus stand-alone plans

Minimizing adverse selection

### Insurance for Senior Citizens and Special Needs Individuals 9% (13 - 14 items)

#### Medicare

Nature, financing and administration

Part A – Hospital Insurance

Individual eligibility requirements



Enrollment  
 Coverages and cost-sharing amounts  
 Part B – Medical Insurance  
 Individual eligibility requirements  
 Enrollment  
 Coverages and cost-sharing amounts  
 Exclusions  
 Claims terminology and other key terms  
 Part C – Medicare Advantage  
 Part D – Prescription Drug Insurance  
**Medicare supplements**  
 Purpose (OAR 836-052-0103)  
 Open enrollment (OAR 836-052-0138)  
 Standardized Medicare supplement plans  
 Core benefits (OAR 836-052-0133)  
 Additional benefits  
 Oregon regulations and required provisions  
 Standards for marketing (OAR 836-052-0175)  
 Advertising (ORS 743.687; OAR 836-052-0170)  
 Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)  
 Right to return (free look) (ORS 743.686)  
 Replacement (ORS 743B.300); OAR 836-052-0165, 0190)  
 Pre-existing conditions  
 Required disclosure provisions (ORS 743.685; OAR 836-052-0160)  
 Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)  
 Buyer's guide (ORS 743.685(6))  
 Permitted compensation (OAR 836-052-0156)  
 Medicare SELECT (OAR 836-052-0139)  
**Other options for individuals with Medicare**  
 Employer group health plans  
 Disabled employees  
 Employees with kidney failure  
 Individuals age 65 and older  
 Medicaid  
 Eligibility  
 Benefits  
**Long-Term Care (LTC) policies**  
 Definitions (ORS 743.650 to .665)  
 Eligibility for benefits  
 Benefit triggers (ORS 743.652(2))  
 Activities of daily living requirements (OAR 836-052-0516(1))  
 Covered services (OAR 836-052-0596)  
 Benefit periods (ORS 743.665(5))

Benefit amounts (OAR 836-052-0586)  
 Optional benefits  
 Guarantee of insurability  
 Return of premium (ORS 743.665(E))  
 Qualified LTC plans (OAR 836-052-0531)  
 Exclusions  
 Oregon regulations and required provisions  
 Training for insurance producers (OAR 836-052-0639)  
 Standards for marketing (OAR 836-052-0706)  
 Advertising (OAR 836-052-0696)  
 Shopper's guide (OAR 836-052-0786)  
 Outline of coverage (ORS 743.655(7); OAR 836-052-0776)  
 Appropriateness of recommended purchase  
 Right to return (free look) (ORS 743.655(6))  
 Replacement (OAR 836-052-0626, 0736)  
 Renewal provisions  
 Continuation or conversion  
 Required disclosure provisions (OAR 836-052-0716)  
 Inflation protection (OAR 836-052-0616)  
 Pre-existing conditions (ORS 743.655(3))  
 Protection against unintentional lapse (OAR 836-052-536(a)(b); 836-052-0740(7))  
 Partnership provisions (OAR 836-052-0531)  
 Prohibited provisions  
**Federal Tax Considerations for Health Insurance 4% (6 items)**  
**Personally-owned health insurance**  
 Disability income insurance  
 Medical expense insurance  
 Long-term care insurance  
**Employer group health insurance**  
 Disability income (STD, LTD)  
 Benefits subject to FICA  
 Medical and dental expense  
 Long-term care insurance  
 Accidental death and dismemberment  
**Medical expense coverage for sole proprietors and partners**  
**Business disability insurance**  
 Key person disability income  
 Buy-sell policy  
**Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)**  
 Definition  
 Eligibility  
 Contribution limits

Portability

**PRODUCERS EXAMINATION FOR PROPERTY AND CASUALTY INSURANCE SERIES 12-04**

**150 questions - 2 hours and 40 minute time limit**

**Insurance Regulation 11%**

**Licensing**

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053, 731.104)

Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration

Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)

Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2), .068)

Change of address or telephone number (ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

Company regulation

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079, .081)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Producer regulation

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)

Place of business/records maintenance (ORS 744.068)

Controlled business (ORS 746.065, .160)

Commissions (ORS 744.076, .077; OAR 836-071-0269-0277)

Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110; OAR 836-080-0155)



- Rebating (ORS 746.045)
- Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)
- Illegal inducement (ORS 746.035)
- Examination of records (ORS 744.068(2, 3))
- Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 10%**

**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

**Insurers**

- Types of insurers
  - Stock companies
  - Mutual companies
  - Fraternal benefit societies
  - Reciprocals
  - 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

**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

**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
- Reasonable expectations
- Indemnity
- Utmost good faith
- Representations/misrepresentations
- Warranties
- Concealment
- Fraud
- Waiver and estoppel

**Property and Casualty Insurance Basics 14%**

**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 – economic versus non-economic
  - Punitive

- Absolute liability
- Strict liability
- Vicarious liability
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
  - Consequential or indirect loss
  - Blanket, specific insurance, and margin clause
- Basic types of construction
- Loss valuation
  - Actual cash value
  - Replacement cost
  - Functional replacement cost
  - Market value
  - Agreed value
  - Stated amount
  - Valued policy

**Policy structure**

- Declarations
- Definitions

- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

**Common policy provisions**

- Insureds – named, first named and additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
  - Concurrent
  - Primary and excess
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate—general versus products—completed operations
  - 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

**Oregon laws, regulations and required provisions**

- Oregon Insurance Guaranty Association (ORS 734.510-.710)
- Cancellation and nonrenewal
  - Commercial liability (ORS 742.700-.710)
  - Property (ORS 742.224, 746.686-687)
  - Automobile (ORS 742.560-.572)
- Binders (ORS 742.043)
- Rates (ORS 737.025, .310; OAR 836-010-0011)
- Policy forms (ORS 742.003, .005)
- Suit against insurer (ORS 742.240)
- Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
- Unfair discrimination (ORS 746.015,.018, .240)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)

**Dwelling Policy 6%**



## Characteristics and purpose

### Coverage forms – Perils insured against

- Basic – Oregon
- Broad
- Special

### 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

### General exclusions

### Conditions

### Selected endorsements

- Special provisions – Oregon
- Automatic increase in insurance
- Broad theft coverage
- Dwelling under construction

### Personal liability supplement

## Homeowners Policy 8%

### Coverage forms

- HO-2 through HO-6
- HO-8

### Definitions

### Section I – Property coverages

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

### Section II – Liability coverages

- Coverage E – Personal liability
- Coverage F – Medical payments to others
- Additional coverages

### Perils insured against

### Exclusions

### Conditions

### Selected endorsements

- Special provisions – Oregon
- Limited fungi, wet or dry rot, or bacteria coverage
- Earthquake
- Scheduled personal property
- Personal property replacement cost
- Permitted incidental occupancies – residence premises – Oregon
- Home day care – Oregon
- Business pursuits
- Watercraft
- Personal injury
- Identify theft

## Auto Insurance 11%

### Laws

- Oregon Motor Vehicle Financial Responsibility Law
- Required motor vehicle limits of liability (ORS 806.070, .075)

- Other ways to prove responsibility (ORS 806.011, .060, .080)
- Personal injury protection (ORS 742.518-.544)

- Medical
- Loss of income
- Funeral
- Essential services
- Exclusions from coverage
- Arbitration
- Day Care

- Uninsured/underinsured motorist (ORS 742.500-.510)

- Definitions
- Bodily injury
- Property damage
- Required limits
- Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
- Credit History (ORS 746.661)
- Total Loss (ORS 742.554, 801.527, 819.014), (OAR 836.080.0240)

### Personal auto policy

- Definitions
- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision (comprehensive)
  - Deductibles
  - Exclusions
  - Rental Reimbursement
- Duties after an accident or loss
- General provisions
- Selected endorsements
  - Amendment of policy provisions – Oregon
  - Towing and labor costs
  - Extended non-owned coverage – vehicles furnished or available for regular use
  - Miscellaneous type vehicle
  - Joint ownership coverage

### Commercial auto

- Commercial auto coverage forms
  - Business auto
  - Garage
  - Business auto physical damage
  - Motor carrier
- Coverage form sections
  - Covered autos
  - Liability coverage
  - Garage keeper's coverage
  - Trailer interchange coverage
  - Physical damage coverage
  - Exclusions
  - Conditions
  - Definitions

### Selected endorsements

- Lessor – additional insured and loss payee
- Mobile equipment
- Auto medical payments coverage/personal injury protection
- Drive other car coverage
- Individual named insured
- Suspension of coverage
- Commercial carrier regulations
- The Motor Carrier Act of 1980
- Endorsement for motor carrier policies of insurance for public liability (MCS-90)

## Commercial Package Policy (CPP) 13%

### Components of a commercial policy

- Common policy declarations
- Common policy conditions
- Interline endorsements
- One or more coverage parts

### Commercial general liability

- 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 insurance
  - Conditions
  - Definitions
  - Exclusions
  - Occurrence versus claims-made
    - Trigger
    - Retroactive date
    - Extended reporting periods – basic versus supplemental
    - Claim information

### Premises and operations

- Products and completed operations
- Insured contract defined/contractual liability
- Pollution liability coverage form

### Commercial property

- 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
  - Spoilage



- Peak season limit of insurance
- Value reporting form
- Commercial crime**
  - 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 coverages
    - Extortion – commercial entities
    - Guests' property
    - Identify theft/data breach
- 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
    - Installation floater
    - Signs
    - Valuable papers and records
  - Transportation coverages
    - Motor truck cargo forms
    - Transit coverage forms
- Equipment breakdown**
  - Equipment breakdown protection coverage form
  - Selected endorsement
    - Actual cash value
- Farm coverage**
  - Farm property coverage form
    - Coverage A – Dwellings
    - Coverage B – Other private structures
    - Coverage C – Household personal property
    - Coverage D – Loss of use
    - Coverage E – Scheduled personal property
    - Coverage F – Unscheduled farm personal property
    - Coverage G – Other farm structures
  - Farm liability coverage form

- Coverage H – Bodily injury and property damage liability
- Coverage I – Personal and advertising injury liability
- Coverage J – Medical payments
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

#### **Businessowners Policy 5%**

##### **Characteristics and purpose**

##### **Businessowners Section I – Property**

- Coverages
- Exclusions
- Limits
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

##### **Businessowners Section II – Liability**

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

##### **Businessowners Section III – Common Policy Conditions**

##### **Selected endorsements**

- Hired auto and non-owned auto liability
- Protective safeguards
- Utility services – direct damage
- Utility services – time element

#### **Workers' Compensation Insurance 11%**

##### **Workers' compensation laws**

- Type of law
  - Monopolistic versus competitive
  - Compulsory versus elective
- Oregon Workers' Compensation Law (ORS Chapter 656)
  - Exclusive remedy (ORS 656.018)
  - Employment covered (required, voluntary, leased) (ORS 656.017, .023, .027-.041)
  - Covered injuries (ORS 656.005(7))
  - Occupational disease (ORS 656.802-.804)
  - Benefits provided (ORS 656.202, .204, .206, .208, .210, .211, .212, .214, .216, .245, .258)
  - Workers' Compensation Handicapped Workers Program (ORS 656.628)

##### **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 endorsement
  - Voluntary compensation

##### **Premium computations**

- Job classification
- Rates
- Payroll
- Adjustment upon audit
- Experience modification factor
- Premium discounts

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

- Oregon Workers' Compensation Fund Insurance Plan (ORS 656.730; OAR 836-043-0001-0091)
- Self-insured employers and employer groups (ORS 656.403, .407)

#### **Other Coverages and Options 11%**

##### **Umbrella/excess liability policies**

- Personal
- Commercial

##### **Specialty liability insurance**

- Errors and omissions
- Professional liability
- Directors and officer's liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

##### **Surplus lines (ORS Sec. 735.410, .415)**

- Definitions and markets
- Licensing requirements

##### **Surety bonds**

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

##### **National Flood Insurance Program**

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

##### **Other policies**

- Boatowners
- Difference in conditions

##### **Recreational vehicles**

##### **Residual markets**

- Joint Underwriting Association (ORS 735.200-.260; 737.390)
- Oregon FAIR Plan Association (ORS 735.005, .015, .045)

**PRODUCERS EXAMINATION FOR PROPERTY  
INSURANCE  
SERIES 12-12**



**Insurance Regulation 13%**

**Licensing**

- Purpose
- Process (ORS 744.058, .059, .062)
- Types of licensees
  - Producers (ORS 744.052, .053, 731.104)
  - Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)
  - Adjusters (ORS 744.531)
  - Nonresidents (ORS 744.063)
  - Temporary (ORS 744.073)
- Maintenance and duration
  - Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)
  - Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)
  - Reinstatement (ORS 744.018, .072(6))
  - Assumed business name (ORS 744.028(2), .068)
  - Change of address or telephone number (ORS 744.028(1), .068)
  - Reporting of actions (ORS 744.089)
- Disciplinary actions
  - Cease and desist orders (ORS 731.252)
  - License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)
  - Civil penalty (ORS 731.988)
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**State regulation**

- Director's enforcement authority (ORS 731.256)
  - Director's inquiries (ORS 731.296)
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  - Termination of appointment (ORS 744.079, .081)
  - Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)
- Producer regulation
  - Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)
  - Place of business/records maintenance (ORS 744.068)
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  - Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)
  - Illegal inducement (ORS 746.035)
  - Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 13%**

**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

**Insurers**

- Types of insurers
  - Stock companies
  - Mutual companies
  - Fraternal benefit societies
  - Reciprocals
  - Lloyd's associations
  - Risk retention groups

- Private versus government insurers
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  - Express
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  - Apparent
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**Contracts**

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  - Offer and acceptance
  - Consideration
  - Competent parties
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- Distinct characteristics of an insurance contract
  - Contract of adhesion
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  - Unilateral contract

- Conditional contract
- Legal interpretations affecting contracts
  - Ambiguities
  - Reasonable expectations
  - Indemnity
  - Utmost good faith
  - Representations/misrepresentations
  - Warranties
  - Concealment
  - Fraud
  - Waiver and estoppel

**Property and Casualty Insurance Basics 16%**

**Principles and concepts**

- Insurable interest
- Underwriting
  - Function
  - Loss ratio
- Rates
  - Types
  - Loss costs
  - Components
- Hazards
  - Physical
  - Moral
  - Morale
- Causes of loss (perils)
  - Named perils versus special (open) perils
  - Direct loss
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  - Blanket, specific insurance, and margin clause
  - Basic types of construction
  - Loss valuation
    - Actual cash value
    - Replacement cost
    - Functional replacement cost
    - Market value
    - Agreed value
    - Stated amount
    - Valued policy

**Policy structure**

- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

**Common policy provisions**

- Insureds – named, first named and additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
- Concurrent
  - Primary and excess

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

**Oregon laws, regulations and required provisions**

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- Cancellation and nonrenewal
  - Commercial liability (ORS 742.700-.710)
  - Property (ORS 742.224, 746.686-687)
- Binders (ORS 742.043)
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- Suit against insurer (ORS 742.240)
- Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
- Unfair discrimination (ORS 746.015, .018, .240)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)

**Dwelling Policy 10%**

**Characteristics and purpose**

**Coverage forms – Perils insured against**

- Basic – Oregon
- Broad
- Special

**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

**General exclusions**

**Conditions**

**Selected endorsements**

- Special provisions – Oregon
- Automatic increase in insurance
- Broad theft coverage
- Dwelling under construction

**Personal liability supplement**

**Homeowners Policy 17%**

**Coverage forms**

- HO-2 through HO-6
- HO-8

**Definitions**

**Section I – Property coverages**

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

**Perils insured against**

**Exclusions**

**Conditions**

**Selected endorsements**

- Special provisions – Oregon
- Limited fungi, wet or dry rot, or bacteria coverage
- Earthquake
- Scheduled personal property
- Personal property replacement cost
- Permitted incidental occupancies – residence premises – Oregon
- Home day care – Oregon

**Commercial Package Policy (CPP) 13%**

**Components of a commercial policy**

- Common policy declarations
- Common policy conditions
- Interline endorsements
- One or more coverage parts

**Commercial property**

- 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
  - Spoilage
  - Peak season limit of insurance
  - Value reporting form

**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
  - Installation floater

- Signs
- Valuable papers and records
- Transportation coverages
  - Motor truck cargo forms
  - Transit coverage forms

**Equipment breakdown**

- Equipment breakdown protection coverage form
- Selected endorsement
  - Actual cash value

**Farm coverage**

- Farm property coverage form
  - Coverage A – Dwellings
  - Coverage B – Other private structures
  - Coverage C – Household personal property
  - Coverage D – Loss of use
  - Coverage E – Scheduled personal property
  - Coverage F – Unscheduled farm personal property
  - Coverage G – Other farm structures
- Mobile agricultural machinery and equipment coverage form
- Livestock coverage form
- Definitions
- Causes of loss (basic, broad and special)
- Conditions
- Exclusions
- Limits
- Additional coverages

**Businessowners Policy 8%**

**Characteristics and purpose**

**Businessowners Section I – Property**

- Coverages
- Exclusions
- Limits
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

**Businessowners Section III – Common Policy Conditions**

**Selected endorsements**

- Protective safeguards
- Utility services – direct damage
- Utility services – time element

**Other Coverages and Options 10%**

**National Flood Insurance Program**

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

**Other policies**

- Boatowners
- Difference in conditions
- Recreational vehicles



## Residual markets

Joint Underwriting Association (ORS 735.200-.260; 737.390)  
Oregon FAIR Plan Association (ORS 735.005, .015, .045)

## PRODUCERS EXAMINATION FOR CASUALTY INSURANCE SERIES 12-13

100 questions - 2 hour time limit

### Insurance Regulation 11%

#### Licensing

Purpose  
Process (ORS 744.058, .059, .062)  
Types of licensees  
Producers (ORS 744.052, .053, 731.104)  
Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)  
Adjusters (ORS 744.531)  
Nonresidents (ORS 744.063)  
Temporary (ORS 744.073)  
Maintenance and duration  
Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146  
Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)  
Reinstatement (ORS 744.018, .072(6))  
Assumed business name (ORS 744.028(2), .068)  
Change of address or telephone number (ORS 744.028(1), .068)  
Reporting of actions (ORS 744.089)

#### Disciplinary actions

Cease and desist orders (ORS 731.252)  
License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)  
Civil penalty (ORS 731.988)  
Criminal penalty (ORS 731.992)

#### State regulation

Director's enforcement authority (ORS 731.256)  
Director's inquiries (ORS 731.296)  
Company regulation  
Producer appointment (ORS 744.078)  
Termination of appointment (ORS 744.079, .081)  
Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)  
Producer regulation  
Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)  
Place of business/records maintenance (ORS 744.068)  
Controlled business (ORS 746.065, .160)  
Commissions (ORS 744.076, .077; OAR 836-071-0269-0277)  
Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

#### Unfair trade practices

Misrepresentation (ORS 746.075, .100)  
False advertising (ORS 746.110; OAR 836-080-0155)  
Rebating (ORS 746.045)  
Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)  
Illegal inducement (ORS 746.035)  
Examination of records (ORS 744.068(2, 3))  
Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

#### Federal regulation

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

### General Insurance 11%

#### 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

#### 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

#### 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

#### 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

Reasonable expectations  
Indemnity  
Utmost good faith  
Representations/misrepresentations  
Warranties  
Concealment  
Fraud  
Waiver and estoppel

### Property and Casualty Insurance Basics 13%

#### 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 – economic versus non-economic  
Punitive  
Absolute liability  
Strict liability  
Vicarious liability

#### Policy structure

Declarations  
Definitions  
Insuring agreement or clause  
Additional/supplementary coverage  
Conditions  
Exclusions  
Endorsements

#### Common policy provisions

Insureds – named, first named and additional  
Policy period  
Policy territory

- Cancellation and nonrenewal
- Deductibles
- Other insurance
- Concurrent
  - Primary and excess
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate—general versus products—completed operations
  - Split
  - Combined single
- Policy limits
- Named insured provisions
  - Duties after loss
  - Assignment
- Insurer provisions
  - Liberalization
  - Subrogation
  - Duty to defend
- Oregon laws, regulations and required provisions**
  - Oregon Insurance Guaranty Association (ORS 734.510-.710)
  - Cancellation and nonrenewal
    - Commercial liability (ORS 742.700-.710)
    - Property (ORS 742.224, 746.686-687)
    - Automobile (ORS 742.560-.572)
  - Binders (ORS 742.043)
  - Rates (ORS 737.025, .310; OAR 836-010-0011)
  - Policy forms (ORS 742.003, .005)
  - Suit against insurer (ORS 742.240)
  - Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
  - Unfair discrimination (ORS 746.015, .018, .240)
  - Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)

#### Homeowners Policy 10%

##### Coverage forms

- HO-2 through HO-6
- HO-8

##### Definitions

##### Section II – Liability coverages

- Coverage E – Personal liability
- Coverage F – Medical payments to others
- Additional coverages

##### Exclusions

##### Conditions

##### Selected endorsements

- Special provisions – Oregon
- Limited fungi, wet or dry rot, or bacteria coverage
- Permitted incidental occupancies – residence premises – Oregon
- Home day care – Oregon
- Business pursuits
- Watercraft

- Personal injury
- Identify theft

#### Auto Insurance 14%

##### Laws

- Oregon Motor Vehicle Financial Responsibility Law
- Required motor vehicle limits of liability (ORS 806.070, .075)
  - Other ways to prove responsibility (ORS 806.011, .060, .080)
- Personal injury protection (ORS 742.518-.544)
  - Medical
  - Loss of income
  - Funeral
  - Essential services
  - Exclusions from coverage
  - Arbitration
  - Day Care
- Uninsured/underinsured motorist (ORS 742.500-.510)
  - Definitions
  - Bodily injury
  - Property damage
  - Required limits
- Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
- Credit History (ORS 746.661 ~~(6)~~)
- Total Loss (ORS 742.554, 801.527, 819.014), (OAR 836.080.0240) - GINA IS NOT SURE IF THIS IS RELEVANT FOR A PRODUCER

##### Personal auto policy

- Definitions
- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments
  - Exclusions
- Medical payments coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision (comprehensive)
- Deductibles
- Exclusions
- Rental Reimbursement

##### Duties after an accident or loss

##### General provisions

##### Selected endorsements

- Amendment of policy provisions – Oregon
- Towing and labor costs
- Extended non-owned coverage – vehicles furnished or available for regular use
- Miscellaneous type vehicle
- Joint ownership coverage

##### Commercial auto

- Commercial auto coverage forms
  - Business auto
  - Garage
  - Business auto physical damage
  - Motor carrier

##### Coverage form sections

- Covered autos
- Liability coverage
  - Garage keeper's coverage
  - Trailer interchange coverage
  - Physical damage coverage
- Exclusions
  - Conditions
  - Definitions
- Selected endorsements
  - Lessor – additional insured and loss payee
  - Mobile equipment
  - Auto medical payments coverage/personal injury protection
  - Drive other car coverage
  - Individual named insured
  - Suspension of coverage
- Commercial carrier regulations
  - The Motor Carrier Act of 1980
  - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

#### Commercial Package Policy (CPP) 10%

##### Components of a commercial policy

- Common policy declarations
- Common policy conditions
- Interline endorsements
- One or more coverage parts

##### Commercial general liability

- 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 insurance
  - Conditions
  - Definitions
  - Exclusions
  - Occurrence versus claims-made
    - Trigger
    - Retroactive date
    - Extended reporting periods – basic versus supplemental
    - Claim information

##### Premises and operations

- Products and completed operations
- Insured contract defined/contractual liability
- Pollution liability coverage form

##### Commercial crime

##### 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 coverages
  - Extortion – commercial entities
  - Guests' property
  - Identify theft/data breach

**Farm coverage**

- Farm liability coverage form ('06)
  - Coverage H – Bodily injury and property damage liability
  - Coverage I – Personal and advertising injury liability
  - Coverage J – Medical payments
- Definitions
- Exclusions
- Limits
- Additional coverages

**Businessowners Policy 10%**

**Characteristics and purpose**

**Businessowners Section II – Liability**

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

**Businessowners Section III – Common Policy Conditions**

**Selected endorsements**

- Hired auto and non-owned auto liability

**Workers' Compensation Insurance 13%**

**Workers' compensation laws**

- Type of law
  - Monopolistic versus competitive
  - Compulsory versus elective
- Oregon Workers' Compensation Law (ORS Chapter 656)
  - Exclusive remedy (ORS 656.018)
  - Employment covered (required, voluntary, leased) (ORS 656.017, .023, .027-.041)
  - Covered injuries (ORS 656.005(7))
  - Occupational disease (ORS 656.802-.804)
  - Benefits provided (ORS 656.202, .204, .206, .208, .210, .211, .212, .214, .216, .245, .258)
  - Workers' Compensation Handicapped Workers Program (ORS 656.628)

**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 endorsement
  - Voluntary compensation

**Premium computations**

- Job classification
- Rates
- Payroll
- Adjustment upon audit
- Experience modification factor
- Premium discounts

**Other sources of coverage**

- Oregon Workers' Compensation Fund Insurance Plan (ORS 656.730; OAR 836-043-0001-0091)
- Self-insured employers and employer groups (ORS 656.403, .407)

**Other Coverages and Options 8%**

**Umbrella/excess liability policies**

- Personal
- Commercial

**Specialty liability insurance**

- Errors and omissions
- Directors and officer's liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

**Surplus lines (ORS Sec. 735.410, .415)**

- Definitions and markets
- Licensing requirements

**Surety bonds**

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

<b>PRODUCERS EXAMINATION FOR PERSONAL LINES INSURANCE SERIES 12-14</b>
<b>100 questions - 2 hour time limit</b>

**Insurance Regulation 10%**

**Licensing**

- Purpose
- Process (ORS 744.058, .059, .062)
- Types of licensees
  - Producers (ORS 744.052, .053, 731.104)
  - Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)
  - Adjusters (ORS 744.531)
  - Nonresidents (ORS 744.063)
  - Temporary (ORS 744.073)
- Maintenance and duration

- Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)
- Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)
- Reinstatement (ORS 744.018, .072(6))
- Assumed business name (ORS 744.028(2), .068)
- Change of address or telephone number (ORS 744.028(1), .068)
- Reporting of actions (ORS 744.089)

**Disciplinary actions**

- Cease and desist orders (ORS 731.252)
- License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)
- Civil penalty (ORS 731.988)
- Criminal penalty (ORS 731.992)

**State regulation**

- Director's enforcement authority (ORS 731.256)
- Director's inquiries (ORS 731.296)

**Company regulation**

- Producer appointment (ORS 744.078)
- Termination of appointment (ORS 744.079, .081)
- Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

**Producer regulation**

- Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)
- Place of business/records maintenance (ORS 744.068)
- Controlled business (ORS 746.065, .160)
- Commissions (ORS 744.076, .077; OAR 836-071-0269-0277)
- Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

**Unfair trade practices**

- Misrepresentation (ORS 746.075, .100)
- False advertising (ORS 746.110; OAR 836-080-0155)
- Rebating (ORS 746.045)
- Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)
- Illegal inducement (ORS 746.035)

- Examination of records (ORS 744.068(2, 3))
- Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 10%**

**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
- 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
- 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
- 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
  - Reasonable expectations
  - Indemnity
  - Utmost good faith
  - Representations/misrepresentations
  - Warranties
  - Concealment
  - Fraud
  - Waiver and estoppel

**Property and Casualty Insurance Basics 26%**

- 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 – economic versus non-economic
  - Punitive
- Absolute liability
- Strict liability
- Vicarious liability
- Causes of loss (perils)
- Named perils versus special (open) perils
- Direct loss
- Consequential or indirect loss
- Blanket, specific insurance, and margin clause
- Basic types of construction
- Loss valuation
  - Actual cash value
  - Replacement cost
  - Functional replacement cost
  - Market value
  - Agreed value
  - Stated amount
  - Valued policy
- Policy structure**
- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements
- Common policy provisions**
- Insureds – named, first named and additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
- Concurrent
  - Primary and excess
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate—general versus products—completed operations

- 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
- Oregon laws, regulations and required provisions**
- Oregon Insurance Guaranty Association (ORS 734.510-.710)
  - Cancellation and nonrenewal
    - Property (ORS 742.224, 746.686-687)
    - Automobile (ORS 742.560-.572)
- Binders (ORS 742.043)
- Rates (ORS 737.025, .310; OAR 836-010-0011)
- Policy forms (ORS 742.003, .005)
- Suit against insurer (ORS 742.240)
- Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
- Unfair discrimination (ORS 746.015,.018, .240)
- Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)

**Dwelling Policy 13%**

- Characteristics and purpose**
- Coverage forms – Perils insured against**
  - Basic – Oregon
  - Broad
  - Special
- 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
- General exclusions**
- Conditions**
- Selected endorsements**
  - Special provisions – Oregon
  - Automatic increase in insurance
  - Broad theft coverage
  - Dwelling under construction
- Personal liability supplement**



## Homeowners Policy 19%

### Coverage forms

- HO-2 through HO-6
- HO-8

### Definitions

#### Section I – Property coverages

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

#### Section II – Liability coverages

- Coverage E – Personal liability
- Coverage F – Medical payments to others
- Additional coverages

### Perils insured against

### Exclusions

### Conditions

### Selected endorsements

- Special provisions – Oregon
- Limited fungi, wet or dry rot, or bacteria coverage
- Earthquake
- Scheduled personal property
- Personal property replacement cost
- Permitted incidental occupancies – residence premises – Oregon
- Home day care – Oregon
- Business pursuits
- Watercraft
- Personal injury
- Identify theft

## Auto Insurance 16%

### Laws

- Oregon Motor Vehicle Financial Responsibility Law
- Required motor vehicle limits of liability (ORS 806.070, .075)
- Other ways to prove responsibility (ORS 806.011, .060, .080)
- Personal injury protection (ORS 742.518-.544)
- Medical
- Loss of income
- Funeral
- Essential services
- Exclusions from coverage
- Arbitration
- Day Care
- Uninsured/underinsured motorist (ORS 742.500-.510)
- Definitions
- Bodily injury
- Property damage
- Required limits
- Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
- Credit History (ORS 746.661)
- Total Loss (ORS 742.554, 801.527, 819.014), (OAR 836.080.0240)

### Personal auto policy

### Definitions

### Liability coverage

- Bodily injury and property damage
- Supplementary payments
- Exclusions

### Medical payments coverage

### Coverage for damage to your auto

- Collision
- Other than collision (comprehensive)
- Deductibles
- Exclusions
- Rental Reimbursement

### Duties after an accident or loss

### General provisions

### Selected endorsements

- Amendment of policy provisions – Oregon
- Towing and labor costs
- Extended non-owned coverage – vehicles furnished or available for regular use
- Miscellaneous type vehicle
- Joint ownership coverage

## Other Coverages and Options 6%

### Umbrella/excess liability policies

#### Personal

### National Flood Insurance Program

#### Write your own versus government

#### Eligibility

#### Coverage

#### Limits

#### Deductibles

### Other policies

#### Boatowners

#### Difference in conditions

#### Recreational vehicles

### Residual markets

- Oregon FAIR Plan Association (ORS 735.005, .015, .045)

## PRODUCERS EXAMINATION FOR SURPLUS LINES INSURANCE SERIES 12-05

50 questions - 1 hour time limit

## Insurance Regulation 12%

### Licensing regulation for surplus lines

- Purpose (ORS 735.400)
- Definitions (ORS 731.066, .144, 744.052)
- Types of licensees
- Individuals (ORS 735.450(1), 744.053)
- Business entity (ORS 731.116)
- Nonresident (ORS 735.450(2), 744.063)
- Licensing requirements (ORS 735.450(1,2), .455; OAR 836-071-0500)
- Current license

### Prior experience

### Maintenance and duration

#### Renewal (ORS 744.072)

- Change of address (ORS 744.068(4))
- Assumed business names (ORS 744.068(1))
- Continuing education requirements (ORS 744.072(4,5))

### Disciplinary actions

- Hearings (ORS 731.240)
- Cease and desist order (ORS 731.248, .252)
- Suspension, revocation, or refusal to renew (ORS 735.480, 744.074)
- Penalties (ORS 735.485, .490)
- Reinstatement (ORS 744.072(6))

### State regulation

#### Director's general duties and powers (ORS 731.236, 735.420, .475)

#### Unfair trade practices

- Misrepresentation (ORS 746.075, .100)
- False advertising (ORS 746.110; OAR 836-080-0155)

#### Rebating (ORS 746.045)

- Unfair discrimination (ORS 746.015; OAR 836-081-0005 and 0010, 0020, 0030)

#### Illegal inducement (ORS 746.035)

- Suitability (OAR 836-080-0001-0043, 836-080-0090)

#### Examination of records (ORS

744.068(2,3))

- Privacy of Consumer Information (ORS 746.620, .630, .665)

## General Insurance 8%

### 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

### Insurers

#### Types of insurers

##### Stock companies

##### Mutual companies



- Fraternal benefit societies
- Self-insurers
- Surplus lines
- Private versus government insurers
- Admitted versus nonadmitted insurers
- Domestic, foreign and alien insurers
- Financial status (independent rating services)
- Marketing (distribution) systems
- 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
- 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
- Surplus Lines Markets and Practices 80% (40 items)**
  - United States nonadmitted market**
    - Insurance exchanges (ORS 735.415)
    - Foreign nonadmitted market (ORS 735.415)
  - Alien insurers**
    - London market (ORS Sec. 735.415)
    - Underwriters (ORS Sec. 735.415)
    - Other alien markets (ORS Sec. 735.415)
  - Alternative markets**

- Purchasing groups (ORS 735.410, .415, .470)
- Eligible surplus lines insurers**
  - Requirements (ORS 735.410, .415, .470)
  - Ineligibility of Surplus Lines Insurers (ORS 735.420)
  - Service of process (ORS 735.425, .485, .490)
  - Financial Integrity (ORS 735.415)
- Surplus lines coverages**
  - Characteristics and uses
  - Types of coverages available (ORS Sec. 731.144; 735.410)
- Requirements for placement of surplus lines insurance**
  - Diligent search (ORS 735.410, .425)
  - Statements (ORS 735.425, .435)
  - Notice to insured (ORS 735.435)
  - Oregon Insurance Guaranty Association (ORS 734.510-.710)
  - Evidence of insurance (ORS 735.435)
- Binding authority (ORS 735.435)**
- Records of licensee**
  - Content of records (ORS 735.460)
  - Record Maintenance (ORS 735.460)
  - Reporting (ORS 735.425, .465)
- Surplus lines tax (ORS 735.470, .475)**
  - Amount (ORS Sec. 735.470)
  - Collection (ORS Sec. 735.470, .475)
  - Remittance (ORS Sec. 735.470)
- Nonadmitted and Reinsurance Reform Act (NRRRA) of 2010**
  - Purpose
  - Independently procured insurance
- Suspension, revocation, or refusal to renew (ORS 735.480)**
- Function of the Surplus Line Association (ORS 735.430, .455)**

**ADJUSTERS EXAMINATION FOR HEALTH INSURANCE SERIES 12-06**

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**100 questions - 2 hour time limit**

- Insurance Regulation 10% (10 items)**
  - Licensing requirements (ORS 744.505)**
    - Licensing exceptions (ORS 744.515)
    - Qualifications (ORS 744.002, .525)
    - Types of licensees
      - General lines adjuster (ORS 744.531)
      - Nonresident adjuster (ORS 744.528, .538)
      - Temporary adjuster permit (ORS 744.555)
  - Maintenance and duration**
    - Director's general duties and powers (ORS 731.236)

- Renewal (ORS 744.008, .009(1))
- Expiration (ORS 744.007)
- Nonrenewal (ORS 744.009(2))
- Notification of change, deletion, or addition of an assumed business name (ORS 744.028(2))
- Change of address or telephone number (ORS 744.028(1))
- Disciplinary actions**
  - Cease and desist orders (ORS 731.252)
  - License probation, suspension, revocation or refusal to issue or renew (ORS 744.013, .014)
  - Civil penalty (ORS 731.988)
  - Criminal penalty (ORS 731.992)
- Claim settlement laws and regulations**
  - Director's enforcement authority (ORS 731.256)
    - Director's inquiries (ORS 731.296)
  - Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)
  - Misrepresentation and other prohibited claim practices (OAR 836-080-0220)
  - Required claim communications practices (OAR 836-080-0225)
  - Standard for prompt claim investigation (OAR 836-080-0230)
  - Standard for prompt and fair settlements (OAR 836-080-0235)
  - Adjustment of claims under policy issued by unauthorized insurer (ORS 744.541)
- Federal regulation**
  - Fair Credit Reporting Act (15 USC 1681 to 1681d)
  - Fraud and false statements 18 USC 1033, 1034)
- Health Insurance 17% (17 items)**
  - Types of products and benefits**
    - Loss of income from disability
    - Medical and surgical (OAR 836-053; Title 45)
    - Dental (ORS 743A.032)
    - Long-term care (ORS 743B.005, 743.650; OAR 836-052-0516)
    - Accident (ORS 743B)
    - Disability
    - Student health (ORS 743.550)
    - Blanket (ORS 743.536)
    - Vision
  - Types of health insurance policies**
    - Individual versus group
    - Private versus government
    - Limited versus comprehensive
    - Self-insured versus fully insured
    - On exchange/off exchange
    - Small group and large group
    - Primary or supplemental



**Policy exclusion provisions  
Individual underwriting on  
grandfathered plans**

- Pre-existing conditions
- Creditable coverage
- Benefits, limitations and exclusions
- Producer liability for errors and omissions

**Individual Health Insurance Policy  
General Provisions 13% (13 items)**

**Uniform required provisions**

- Incontestability (ORS 743.414, .472)
- Grace period (ORS 743.417)
- Reinstatement (ORS 743.420)

**Uniform optional provisions**

- Change of occupation (ORS 743.450)
- Misstatement of age (ORS 743.453, .489)

**Other general provisions**

- Right to examine (free look) (ORS 743.492)
- Consideration clause
- Legal actions (ORS 743.441)
- Conformity with state statutes (ORS 743.474)
- Renewability clause (ORS 743.495, .498, 743B.125(5))
- Noncancelable
- Guaranteed renewable
- Conditionally renewable
- Renewable at option of insurer
- Nonrenewable (cancelable, term)

**Disability Income and Related Insurance  
10% (10 items)**

**Qualifying for disability benefits**

- Inability to perform duties
- Own occupation
- Any occupation
- Loss of income (income replacement contracts)
- Presumptive disability
- Requirement to be under physician care

**Individual disability income insurance**

- Basic total disability plan
- Income benefits (monthly indemnity)
- Elimination and benefit periods
- Waiver of premium feature
- Coordination with social insurance and workers compensation benefits and at-work benefits
- Additional monthly benefit (AMB)
- Social insurance supplement (SIS)
- Occupational versus nonoccupational coverage
- Partial disability benefit
- Residual disability benefit

**Other provisions affecting income benefits**

- Cost of living adjustment (COLA) rider
- Future increase option (FIO) rider
- Relation of earnings to insurance (ORS 743.465)

**Other cash benefits**

- Accidental death and dismemberment
- Rehabilitation benefit
- Medical reimbursement benefit(nondisabling injury)

**Exclusions as the policy lists  
Unique aspects of individual disability underwriting**

- Occupational considerations
- Benefit limits
- Policy issuance alternatives and medical underwriting

**Group disability income insurance**

- Short-term disability (STD)
- Long-term disability (LTD)

**Business disability insurance**

- Key employee (partner) disability income
- Disability buy-sell policy

**Social Security disability**

- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

**Workers compensation**

- Eligibility

**Medical Plans 10% (10 items)**

**Medical plan concepts**

- Fee-for-service basis versus prepaid basis
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants
- Deductibles and cost sharing

**Types of providers and plans**

- Major medical insurance (indemnity plans)
- Characteristics and plan provisions
- Managed Care
- Preferred provider organizations (PPOs)
- General characteristics and plan provisions
- Open panel or closed panel
- Point-of-service (POS)
- Out-of-network provider access
- Primary Care Physician (PPO)
- Oregon requirements (individual and group)**

**Eligibility requirements**

- Newborn child coverage (ORS 743A.090)
- Dependent child age limit (ORS 743A.090)
- Coverage for adopted children (ORS 743A.090)

**Health Care Reform (Affordable Care Act)**

- Essential Health Benefits
- Levels of Coverage
- Payment and Billing
- Internal Appeal and External Review
- Penalties and Fines
- Oregon's Health Insurance Exchange/Marketplace
- Definition
- Medicaid
- Eligibility
- Benefits
- Subsidies/Tax Credits
- HIPAA (Health Insurance Portability and Accountability Act) requirements**
- Eligibility
- Guaranteed issue
- Creditable coverage
- Renewability

**Group Health Insurance 12% (12 items)**

- Purpose of group insurance** (ORS 743B.003(1) -(8))
- Issuance of group contract (ORS 743B.010)
- Provisions of coverage (ORS 743B.011)
- Experience rating versus community rating

**Types of eligible groups**

- Employment-related groups (ORS 743B.010)
- Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)
- Self-Funded groups
- Associations (alumni, professional, other)

**Marketing considerations**

- Advertising
- Regulatory jurisdiction/place of delivery

**Employer group health insurance**

- Insurer underwriting criteria
- Characteristics of group
- Plan design factors
- Persistency factors
- Administrative capability
- Eligibility for insurance (ORS 743B.105(4), (5))
- Employee eligibility
- Dependent eligibility
- Coordination of benefits provision (OAR 836-020-0770-0806)



Change of insurance companies or loss of coverage	Exclusions Claims terminology and other key terms	Oregon regulations and required provisions
No-loss no-gain		Training for insurance producers (OAR 836-052-0639)
Events that terminate coverage	Part C – Medicare Advantage	Standards for marketing (OAR 836-052-0706)
Extension of benefits	Part D – Prescription Drug Insurance	Advertising (OAR 836-052-0696)
Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860)	<b>Medicare supplements</b>	Shopper's guide (OAR 836-052-0786)
Conversion rights (ORS 743B.343 - .345)	Purpose (OAR 836-052-0103)	Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
<b>Small employer medical plans</b>	Open enrollment (OAR 836-052-0138)	Appropriateness of recommended purchase
Definition of small employer (ORS 743B.005 )	Standardized Medicare supplement plans	Right to return (free look) (ORS 743.655(6))
Basic coverage (ORS 743B.005 ,743B.012)	Core benefits (OAR 836-052-0133)	Replacement (OAR 836-052-0626, 0736)
Availability of coverage (ORS 743B.104)	Additional benefits	Renewal provisions
Renewability of coverage (ORS 743B.013 (5))	Oregon regulations and required provisions	Continuation or conversion
Participation requirements (ORS 743B.013(7))	Standards for marketing (OAR 836-052-0175)	Required disclosure provisions (OAR 836-052-0716)
Open enrollment	Advertising (ORS 743.687; OAR 836-052-0170)	Inflation protection (OAR 836-052-0616)
Purchase policy through exchange/marketplace (ORS 743B.010)	Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)	Pre-existing conditions (ORS 743.655(3))
Small group tax credits	Right to return (free look) (ORS 743.686)	Protection against unintentional lapse (OAR 836-052 0740(7); 836-052-536(a)(b))
<b>Dental Insurance 5% (5 items)</b>	Replacement (ORS 743B.300); OAR 836-052-0165, 0190)	Partnership provisions (OAR 836-052-0531)
<b>Pediatric Care (Affordable Care Act)</b>	Pre-existing conditions (OAR 836-052-0190)	Prohibited provisions
Family care	Required disclosure provisions (ORS 743.685;OAR 836-052-0160)	<b>Federal Tax Considerations for Health Insurance 3% (3 items)</b>
Adult care	Outline of coverage (ORS 743.685(2);OAR 836-052-0160, 0190)	<b>Personally-owned health insurance</b>
<b>Categories of dental treatment</b>	Buyer's guide (ORS 743.685(6))	Disability income insurance
Diagnostic and preventive	Permitted compensation (OAR 836-052-0156)	Medical expense insurance
Restorative	Medicare SELECT (OAR 836-052-0139)	Long-term care insurance
Oral surgery	<b>Other options for individuals with Medicare</b>	<b>Employer group health insurance</b>
Endodontics	Employer group health plans	Disability income (STD, LTD)
Periodontics	Disabled employees	Benefits subject to FICA
Prosthodontics	Employees with kidney failure	Medical and dental expense
Orthodontics	Individuals age 65 and older	Long-term care insurance
<b>Access to Dental Coverage</b>	Medicaid	Accidental death and dismemberment
Choice of providers	Eligibility	<b>Medical expense coverage for sole proprietors and partners</b>
Scheduled versus nonscheduled plans	Benefits	<b>Business disability insurance</b>
<b>Employer group dental expense</b>	<b>Long-Term Care (LTC) policies</b>	Key person disability income
Integrated deductibles versus stand-alone plans	Definitions (ORS 743.650 to .665)	Buy-sell policy
Minimizing adverse selection	Eligibility for benefits	<b>Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)</b>
<b>Insurance for Senior Citizens and Special Needs Individuals 10% (10 items)</b>	Benefit triggers (ORS 743.652(2))	Definition
<b>Medicare</b>	Activities of daily living requirements (OAR 836-052-0516(1))	Eligibility
Nature, financing and administration	Covered services (OAR 836-052-0596)	Contribution limits
Part A – Hospital Insurance	Benefit periods (ORS 743.665(5))	Portability
Individual eligibility requirements	Benefit amounts (OAR 836-052-0586)	<b>Understanding the Language of Medical Reports 10% (10 items)</b>
Enrollment	Optional benefits	<b>Medical terminology and abbreviations</b>
Coverages and cost-sharing amounts	Guarantee of insurability	Location terms
Part B – Medical Insurance	Return of premium (ORS 743.665(E))	Movement terms
Individual eligibility requirements	Qualified LTC plans (OAR 836-052-0531)	Prefixes, suffixes and root words
Enrollment	Exclusions	Abbreviations used in medical reports
Coverages and cost-sharing amounts		

Medical specialties

**Basic human anatomy**

Skeletal structure

Nervous system

Respiratory system

Cardiovascular system

Abdominal organs

**Injuries and diseases**

Strains and sprains

Dislocations

Fractures

Soft tissue injuries

Brain injuries

Burn classifications

Cumulative trauma

Repetitive motion injuries

Lung disease

Diabetes mellitus

Glaucoma

Hypertension

Osteoarthritis

Osteomyelitis

Osteoporosis

Stroke

Tachycardia

Atherosclerosis

Coronary thrombosis

**Medical tests**

Laboratory

Radiography (X-ray)

Magnetic resonance imaging (MRI)

Computerized tomography (CT or CAT)

Electromyography (EMG)

Nerve conduction studies

Myelography

Arthroscopy

Electrocardiogram (EKG or ECG)

Electroencephalography (EEG)

## Insurance Regulation 10%

### Licensing requirements (ORS 744.505)

Licensing exceptions (ORS 744.515)

Qualifications (ORS 744.002, .525)

Types of licensees

General lines adjuster (ORS 744.531)

Nonresident adjuster (ORS 744.528, .538)

Temporary adjuster permit (ORS 744.555)

### Maintenance and duration

Renewal (ORS 744.008, .009(1))

Expiration (ORS 744.007)

Nonrenewal (ORS 744.009(2))

Notification of change, deletion, or addition of an assumed business name (ORS 744.028(2))

Change of address or telephone number (ORS 744.028(1))

### Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or refusal to issue or renew (ORS 744.013, .014)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

### Claim settlement laws and regulations

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Misrepresentation and other prohibited claim practices (OAR 836-080-0220)

Required claim communications practices (OAR 836-080-0225)

Standard for prompt claim investigation (OAR 836-080-0230)

Standard for prompt and fair settlements General (OAR 836-080-0235)

Standard for auto total loss (OAR 836-080-0240)

Adjustment of claims under policy issued by unauthorized insurer (ORS 744.541)

Regulation for automobile insurance claims

Designation of repair shop prohibited (ORS 746.280, .290)

Proof and amount of loss determination (ORS 746.295)

Liability for damages; attorney fees (ORS 746.300)

### Federal regulation

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

Fraud and false statements including 1033 waiver (18 USC 1033, 1034)

## Insurance Basics 14%

### 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

Reasonable expectations

Indemnity

Utmost good faith

Representations/misrepresentations

Warranties

Concealment

Fraud

Waiver and estoppel

### Principles and concepts

Insurable interest

Hazard

Physical

Moral

Morale

Negligence

Elements of a negligent act

Defenses against negligence

Damages

Compensatory – economic versus non-economic

Punitive

Absolute liability

Strict liability

Vicarious liability

Causes of loss (perils)

Named perils versus special (open) perils

Direct loss

Consequential or indirect loss

Blanket, specific insurance, and margin clause

Basic types of construction

Loss valuation

Actual cash value

Replacement cost

Functional replacement cost

Market value

Agreed value

Stated amount

Valued policy

### Policy structure

Declarations

Definitions

Insuring agreement or clause

Additional/supplementary coverage

Conditions

Exclusions

Endorsements

### Common policy provisions

Insureds – named, first named and additional

Policy period

ADJUSTERS EXAMINATION FOR GENERAL  
LINES INSURANCE  
SERIES 12-07

150 questions - 2 hours and 40 minute time  
limit



- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
  - Concurrent
  - 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
- Policy limits
- Restoration/nonreduction of limits
- Coinurance
- Vacancy or unoccupancy
- Assignment
- Insurer provisions
  - Liberalization
- Duty to defend
- Third-party provisions
  - Standard mortgage clause
  - Loss payable clause
  - No benefit to the bailee
- Oregon laws, regulations and required provisions**
  - Oregon Insurance Guaranty Association (ORS 734.510 to .710)
  - Cancellation and nonrenewal
    - Commercial liability (ORS 742.700 to .710)
      - Property (ORS 742.224, 746.686-687)
      - Automobile (742.560-.572)
    - Suit against insurer (ORS 742.240)
    - Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)

### **Adjusting Losses 23%**

#### **Role of the adjuster**

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

#### **Claim reporting**

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

#### **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 closure

#### **Liability losses**

- Investigation procedures
  - Verify coverages
  - Determine liability
- Gathering evidence
  - Physical evidence
  - Witness statements
- Determining value of intangible damages

#### **Coverage problems**

- Dealing with coverage disputes
  - Reservation of rights letter
  - Nonwaiver agreement
  - Declaratory judgment action

#### **Claims adjustment procedures**

- Settlement procedures
  - Advance payments
  - Draft authority
  - Execution of releases
- Subrogation procedures
- Alternative dispute resolution
  - Appraisal
  - Arbitration
  - Competitive estimates
  - Mediation
  - Negotiation

### **Dwelling Policy 8%**

#### **Characteristics and purpose**

#### **Coverage forms – Perils insured against**

- Basic
- Broad
- Special

#### **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

#### **General exclusions**

#### **Conditions**

#### **Selected endorsements**

- Special provisions
- Automatic increase in insurance
- Broad theft coverage
- Dwelling under construction

#### **Personal liability supplement**

### **Homeowners Policy 9%**

#### **Coverage forms**

- HO-2 through HO-6

HO-8

#### **Definitions**

#### **Section I – Property coverages**

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

#### **Section II – Liability coverages**

- Coverage E – Personal liability
- Coverage F – Medical payments to others

- Additional coverages

#### **Perils insured against**

#### **Exclusions**

#### **Conditions**

#### **Selected endorsements**

- Special provisions
  - Limited fungi, wet or dry rot, or bacteria coverage
  - Earthquake
  - Scheduled personal property
  - Personal property replacement cost
  - Permitted incidental occupancies – residence premises
  - Home day care – Oregon
  - Business pursuits
  - Watercraft
  - Personal injury
  - Identify theft

### **Auto Insurance 14%**

#### **Laws**

- Oregon Motor Vehicle Financial Responsibility Law
  - Required motor vehicle limits of liability (ORS 806.070, .075)
    - Other ways to prove responsibility (ORS 806.011, .060, .080)
  - Personal injury protection (ORS 742.518-.544)
    - Medical
      - Loss of income
      - Funeral
      - Essential services
    - Exclusions from coverage
    - Arbitration
    - Day Care
  - Uninsured/underinsured motorist (ORS 742.500-.510)
    - Definitions
      - Bodily injury
      - Property damage
    - Required limits
      - Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
        - Total Loss (ORS 742.554, 801.527, 819.014), (OAR 836.080.0240)

#### **Personal auto policy**

#### **Definitions**

- Liability coverage
  - Bodily injury and property damage
  - Supplementary payments



- Exclusions
- Medical payments coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision (comprehensive)
- Deductibles
- Exclusions
- Rental Reimbursement
- Duties after an accident or loss
- General provisions
- Selected endorsements
  - Amendment of policy provisions
  - Towing and labor costs
  - Extended non-owned coverage – vehicles furnished or available for regular use
  - Miscellaneous type vehicle
  - Joint ownership coverage

**Commercial auto**

- Commercial auto coverage forms
  - Business auto
  - Garage
  - Business auto physical damage
  - Motor carrier
- Coverage form sections
  - Covered autos
  - Liability coverage
  - Garage keeper’s coverage
  - Trailer interchange coverage
  - Physical damage coverage
  - Exclusions
  - Conditions
  - Definitions
- Selected endorsements
  - Deductible liability
  - Lessor – additional insured and loss payee
  - Mobile equipment
  - Broad form products
  - False pretense coverage
  - Auto medical payments coverage/personal injury protection
  - Drive other car coverage
  - Hired autos specified as covered autos you own
  - Individual named insured
  - Employees as insureds
  - Pollution liability – broadened coverage
  - Suspension of coverage
- Commercial carrier regulations
  - The Motor Carrier Act of 1980
  - Endorsement for motor carrier policies of insurance for public liability (MCS-90)

**Commercial Package Policy (CPP) 9%**

**Components of a commercial policy**

- Common policy declarations
- Common policy conditions
- Interline endorsements

- One or more coverage parts
- Commercial general liability**
- 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 insurance
  - Conditions
  - Definitions
  - Exclusions
  - Occurrence versus claims-made
    - Trigger
    - Retroactive date
    - Extended reporting periods – basic versus supplemental
    - Claim information

- Premises and operations
- Products and completed operations
- Insured contract defined/contractual liability
- Owners and contractors protective liability coverage form
- Pollution liability
  - Pollution liability coverage form
  - Pollution liability limited coverage form
  - Pollution liability coverage extension endorsement

**Commercial property**

- 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
  - Spoilage
  - Peak season limit of insurance
  - Value reporting form

**Commercial crime**

- 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 coverages
  - Extortion – commercial entities
  - Lessees of safe deposit boxes
  - Securities deposited with others
  - Guests' property
  - Safe depository
  - Identify theft/data breach

**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

**Equipment breakdown**

- Equipment breakdown protection coverage form
- Selected endorsement
  - Actual cash value

**Farm coverage**

- Farm property coverage form
  - Coverage A – Dwellings
  - Coverage B – Other private structures
  - Coverage C – Household personal property
  - Coverage D – Loss of use
  - Coverage E – Scheduled personal property
  - Coverage F – Unscheduled farm personal property
  - Coverage G – Other farm structures
- Farm liability coverage form
  - Coverage H – Bodily injury and property damage liability
  - Coverage I – Personal and advertising injury liability
  - Coverage J – Medical payments



Mobile agricultural machinery and equipment coverage form  
 Livestock coverage form  
 Definitions  
 Causes of loss (basic, broad and special)  
 Conditions  
 Exclusions  
 Limits  
 Additional coverages

**Businessowners Policy 7%**

**Characteristics and purpose**

**Businessowners Section I – Property**

Coverages  
 Exclusions  
 Limits  
 Deductibles  
 Loss conditions  
 General conditions  
 Optional coverages  
 Definitions

**Businessowners Section II – Liability**

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

**Businessowners Section III – Common Policy Conditions**

**Selected endorsements**

Hired auto and non-owned auto liability  
 Protective safeguards  
 Utility services – direct damage  
 Utility services – time element

**Workers' Compensation Insurance 2%**

**Workers' compensation laws**

Type of law  
 Monopolistic versus competitive  
 Compulsory versus elective  
 Oregon Workers' Compensation Law (ORS Chapter 656)  
 Exclusive remedy (ORS 656.018)  
 Federal workers' compensation laws  
 Federal Employers Liability Act (FELA) (45 USC 51-60)  
 U.S. Longshore and Harbor Workers' Compensation Act (33 USC 901-950)  
 The Jones Act (46 USC 688)

**Other sources of coverage**

Oregon Workers' Compensation Fund Insurance Plan (ORS 656.730; OAR 836-043-0001-0091)  
 Self-insured employers and employer groups (ORS 656.403, .407)

**Other Coverages and Options 4%**

**Umbrella/excess liability policies**

Personal  
 Commercial

**Specialty liability insurance**

Errors and omissions  
 Directors and officer's liability

Fiduciary liability  
 Liquor liability  
 Employment practices liability  
**Surplus lines (ORS Sec. 735.410, .415)**  
 Definitions and markets  
 Licensing requirements

**Surety bonds**

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

**Aviation insurance**

Aircraft hull  
 Aircraft liability

**Ocean marine insurance**

Major coverages  
 Hull insurance  
 Cargo insurance  
 Freight insurance  
 Protection and indemnity

**National Flood Insurance Program**

Write your own versus government  
 Eligibility  
 Coverage  
 Limits  
 Deductibles

**Other policies**

Boatowners  
 Difference in conditions  
 Recreational vehicles

**Residual markets**

Joint Underwriting Association (ORS 735.200-.260; 737.390)  
 Oregon FAIR Plan Association (ORS 735.005, .015, .045)

<b>CONSULTANTS EXAMINATION FOR LIFE INSURANCE SERIES 12-08</b>
<b>100 questions - 2 hour time limit</b>

**Insurance Regulation 15% (15 items)**

**Licensing**

Purpose  
 Process (ORS 744.058, .059, .062)  
 Types of licensees  
 Producers (ORS 744.052, .053, 731.104)  
 Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)  
 Adjusters (ORS 744.531)  
 Nonresidents (ORS 744.063)  
 Maintenance and duration  
 Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)  
 Reinstatement (ORS 744.018, .072(6))  
 Assumed business name (ORS

744.028(2), .068)  
 Change of address or telephone number (ORS 744.028(1), .068)  
 Reporting of actions (ORS 744.089)  
 Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)  
 Replacement (OAR 836-080-0001 to 0043)  
 Disciplinary actions  
 Cease and desist orders (ORS 731.252)  
 License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)  
 Civil penalty (ORS 731.988)  
 Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)  
 Director's inquiries (ORS 731.296)  
 Company regulation  
 Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)  
 Unfair trade practices  
 Misrepresentation (ORS 746.075, .100)  
 False advertising (ORS 746.110; OAR 836-080-0155)  
 Rebating (ORS 746.045)  
 Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)  
 Illegal inducement (ORS 746.035)  
 Examination of records (ORS 744.068(2, 3))  
 Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 13% (13 items)**

**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
- Insurers**
  - Types of insurers
    - Stock companies
    - Mutual companies
    - Fraternal benefit societies
    - Reciprocals
    - 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
- 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
- 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

**Life Insurance Basics 18% (18 items)**

Insurable interest (ORS 743.040, .038, .044 )

- Personal uses of life insurance**
  - Survivor protection
  - Estate creation
  - Cash accumulation
  - Liquidity
    - Estate conservation
  - Life settlements (ORS 744.318., .321, .323, .326, .328; OAR 836-014-0200-0330)**
  - Determining amount of personal life insurance**
    - Human life value approach
    - Needs approach
      - Types of information gathered
    - Determining lump-sum needs
    - Planning for income needs
- Business uses of life insurance**
  - Buy-sell funding
  - Key person (ORS 743.228)
  - Executive bonuses
  - Deferred compensation funding
  - Types of life insurance policies (ORS 731.102, .170)**
    - Group and individual (ORS 731.150, 743.303,)
    - Permanent, term, variable and annuities (ORS 731.156, 743.245)
  - Fixed versus variable life insurance and annuities including regulation of variable products (SEC, FINRA, and Oregon) (ORS 733.220)
- Licenses responsibilities**
  - Solicitation and sales presentations (OAR 836-051-0005-0020)
    - Advertising (ORS 746.075, .110, .115)
  - Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)
    - Association (ORS 734.750-.890)
  - Illustrations (OAR 836-051-0500-0600)
  - Policy summary
  - Buyer's guide
  - Life insurance policy cost comparison methods
  - Replacement (ORS 746.085; OAR 836-080-0001-to 0043)
  - Use and disclosure of insurance information (ORS 746.600 to .605, .610, .615 to .630, .635 to .660; OAR 836-080-0430)
- Field underwriting
  - Notice of information practices
  - Application procedures
- Delivery
  - Policy review
- Effective date of coverage
- Premium collection

- Statement of good health
- Individual underwriting by the insurer**
  - Information sources and regulation
    - Application (ORS 743.039, .318)
    - Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)
  - Selection criteria and unfair discrimination (OAR 836-081-0005, 0010)
  - Sexual orientation prohibited (OAR 836-050-0240)
  - Medical and lifestyle questions (OAR 836-050-0245)
  - Prohibited discrimination (ORS 746.015)
  - Evidence of insurability (ORS 743.321)
  - Incontestability (ORS 743.315)
  - Suitability in the sale of life insurance (OAR 836-080-0090)

**Life Insurance Policies 12% (12 items)**

- Term life insurance**
  - Level term
    - Annual renewable term
    - Level premium term
    - Decreasing term
- Whole life insurance**
  - Continuous premium (straight life)
  - Limited payment
  - Single premium
- Flexible premium policies**
  - Adjustable life
  - Universal life
- Specialized policies**
  - Joint life (first-to-die)
  - Juvenile life
  - Survivorship Life
- Group life insurance**
  - Characteristics of group plans
  - Group underwriting requirements
  - Conversion to individual policy (ORS 743.333-.339)
    - Incontestability (ORS 743.315)
    - Evidence of Insurability (ORS 743.321)
    - Misstatement of Age (ORS 743.324)
    - Payments under the policy (ORS 743.327)
    - Termination of individual coverage (ORS 743.333)
    - Continuing coverage (ORS 743.356)
    - Prohibited sales practices (ORS 743.348)
    - Policies issued to trustees of certain funds (ORS 743.354)
- Credit life insurance (individual versus group)**

**Life Insurance Policy Provisions, Options and Riders 10% (10 items)**

- Standard provisions**
  - Ownership



- Assignment (ORS 743.043)
- Entire contract (ORS 743.174)
- Modifications
- Right to examine (free look)
- Payment of premiums (ORS 743.162)
- Grace period (ORS 743.165)
- Reinstatement (ORS 743.171)
- Incontestability (ORS 743.168, .315)
- Misstatement of age and gender (ORS 743.180)
- Exclusions
- Suicide exclusion
- Medical examination; autopsy
- Prohibited provisions including backdating (ORS 743.225)
- Beneficiaries**
  - Designation options
    - Individuals
    - Classes
    - Estates
    - Minors
- Trusts**
  - Succession
  - Revocable versus irrevocable
  - Common disaster clause
  - Spendthrift clause
- Settlement options**
  - Cash payment
  - Interest only
  - Fixed-period installments
  - Fixed-amount installments
  - Life income
    - Single life
    - Joint and survivor
- Nonforfeiture options (ORS 743.204 to .210)**
  - Cash surrender value
  - Extended term
  - Reduced paid-up insurance
- Policy loan and withdrawal options**
  - Cash loans
  - Automatic premium loans
  - Withdrawals or partial surrenders
  - Uses of dividends (ORS 743.183)
  - Interest rate (ORS 743.187)
- Dividend options**
  - Cash payment
  - Reduction of premium payments
  - Accumulation at interest
  - One-year term option
  - Paid-up additions

- Disability riders**
  - Waiver of premium
  - Waiver of cost of insurance
  - Disability income benefit
  - Payor benefit life/disability (juvenile insurance)
- Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300-0380, 836-052-0646)**
  - Qualifying events
  - Disclosure
  - Effect of benefit payment
- Riders covering additional insureds**
  - Spouse/other-insured term rider
  - Children's term rider
  - Family term rider
- Riders affecting the death benefit amount**
  - Accidental death
  - Guaranteed insurability
  - Cost of living
  - Return of premium
- Annuities 18% (18 items)**
  - Annuity principles and concepts**
    - Accumulation period versus annuity period
    - Owner, annuitant and beneficiary
    - Insurance aspects of annuities
      - Suitability in the sale of annuities (OAR 836-080-0090)
  - Immediate versus deferred annuities**
    - Single premium immediate annuities (SPIAs)
    - Deferred annuities
      - Premium payment options
      - Nonforfeiture
      - Surrender charges
      - Death benefits
  - Annuity (benefit) payment options**
    - Life contingency options
      - Pure life versus life with guaranteed minimum
      - Single life versus multiple life
    - Annuities certain (types)
  - Annuity products**
    - Fixed annuities
      - General account assets
      - Interest rate guarantees (minimum versus current)
      - Level benefit payment amount
    - Equity indexed annuities
    - Market value adjusted annuities
  - Uses of annuities**
    - Lump-sum settlements

- Qualified retirement plans including group versus individual annuities
- Personal uses
  - Individual retirement annuities (IRAs)
  - Tax-deferred growth
  - Retirement income
  - Education funds
  - Living benefit riders
- Federal Tax Considerations for Life Insurance and Annuities 7% (7 items)**
- Taxation of personal life insurance**
  - Amounts available to policyowner
    - Cash value increases
    - Dividends
    - Policy loans
    - Surrenders
  - Amounts received by beneficiary
    - General rule and exceptions
    - Settlement options
  - Values included in insured's estate
- Modified endowment contracts (MECs)**
  - Modified endowment versus life insurance
  - Seven-pay test
  - Distributions
- Taxation of non-qualified annuities**
  - Individually-owned
    - Accumulation phase (tax issues related to withdrawals)
    - Annuity phase and the exclusion ratio
    - Distributions at death
  - Corporate-owned
- Taxation of individual retirement annuities (IRAs)**
  - Traditional IRAs
    - Contributions and deductible amounts
    - Premature distributions (including taxation issues)
    - Annuity phase benefit payments
    - Amounts received by beneficiary
  - Roth IRAs
    - Contributions and limits
    - Distributions
- Rollovers and transfers (IRAs and qualified plans) and suitability**
- Section 1035 exchanges and suitability**
- Qualified Plans 7% (7 items)**
- General requirements**
- Federal tax considerations**
  - Tax advantages for employers and employees
  - Taxation of distributions (age-related)
- Plan types, characteristics and purchasers**
  - Simplified employee pensions (SEPs)



Self-employed plans (HR 10 or Keogh plans)  
 Profit-sharing and 401(k) plans  
 SIMPLE plans  
 403(b) tax-sheltered annuities (TSAs)  
 Pension plans  
 Section 457 deferred compensation  
**Special rules for life insurance**  
 Incidental limitation  
 Taxation of economic benefit  
 Taxation of life insurance distributions

Misrepresentation (ORS 746.075, .100)  
 False advertising (ORS 746.110; OAR 836-080-0155)  
 Rebating (ORS 746.045)  
 Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)  
 Illegal inducement (ORS 746.035)  
 Examination of records (ORS 744.068(2, 3))  
 Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

Express  
 Implied  
 Apparent  
 Responsibilities to the applicant/insured

**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

**Health Insurance 11% (11 items)**

**Types of products and benefits**

Medical and surgical (ORS 743B.005)  
 Dental (ORS 731.162, 743B.005)

**Long-term care** (ORS 743B.005, 743.650, OAR 836-052-0516)

Short-term care (ORS 743.652(5))  
 Medicare supplements (ORS 743.680, OAR 836-052-0103)

Accident (ORS 743B.005)

Disability

Student health (ORS 743.550)

**Blanket** (ORS 743.536)

Vision

**Types of health insurance policies**

Individual versus group  
 Private versus government  
 TRICARE (ORS 743B.005)

Limited versus comprehensive  
 Self-insured versus fully insured  
 On exchange/off exchange  
 Small group and large group  
 Primary or supplemental

**CONSULTANTS EXAMINATION FOR HEALTH INSURANCE SERIES 12-09**

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**100 questions - 2 hour time limit**

**Insurance Regulation 10% (10 items)**

**Licensing**

Purpose  
 Process (ORS 744.058, .059, .062)  
 Types of licensees  
 Producers (ORS 744.052, .053, 731.104)  
 Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)  
 Adjusters (ORS 744.531)  
 Nonresidents (ORS 744.063)  
 Maintenance and duration  
 Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)  
 Reinstatement (ORS 744.018, .072(6))  
 Assumed business name (ORS 744.028(2), .068)  
 Change of address or telephone number (ORS 744.028(1), .068)  
 Reporting of actions (ORS 744.089)  
 Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)  
 Replacement (OAR 836-080-0001 to 0043)  
 Disciplinary actions  
 Cease and desist orders (ORS 731.252)  
 License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)  
 Civil penalty (ORS 731.988)  
 Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS 731.256)  
 Director's inquiries (ORS 731.296)

**Company regulation**

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Unfair trade practices

**Federal regulation**

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

**General Insurance 10% (10 items)**

**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

**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

**Producers and general rules of agency**

Insurer as principal  
 Producer/insurer relationship  
 Authority and powers of producer



## Policy exclusion provisions

### Producer responsibilities

#### Marketing requirements

Advertising (OAR 836-020-0200-0305)  
Oregon Life and Health Insurance  
Guaranty Association (ORS 734.750-  
.890)

Sales presentations  
Outline of coverage (OAR 836-020-  
0305)

Summary benefits and coverage

#### Field underwriting

Nature and purpose  
Disclosure of information about  
individuals

Application procedures

Requirements at delivery of policy

Common situations for errors/omissions

### Individual underwriting on grandfathered plans

Pre-existing conditions

Creditable coverage

Benefits, limitations and exclusions  
Producer liability for errors and  
omissions

### Individual Health Insurance Policy General Provisions 8% (8 items)

#### Uniform required provisions

Incontestability (ORS 743.414, .472)

Grace period (ORS 743.417)

Reinstatement (ORS 743.420)

#### Uniform optional provisions

Change of occupation (ORS 743.450)

Misstatement of age (ORS 743.453, .489)

#### Other general provisions

Right to examine (free look) (ORS  
743.492)

Consideration clause  
Renewability clause (ORS 743.495, .498,  
743B.125(5))

Noncancelable

Guaranteed renewable

Conditionally renewable

Renewable at option of insurer

Nonrenewable (cancelable, term)  
Cancellation (ORS 743.472,  
743B.125(6))

### Disability Income and Related Insurance 7% (7 items)

#### Qualifying for disability benefits

Inability to perform duties

Own occupation

Any occupation  
Loss of income (income replacement  
contracts)

Presumptive disability

Requirement to be under physician care

## Individual disability income insurance

### Unique aspects of individual disability underwriting

Occupational considerations

Benefit limits

Policy issuance alternatives and medical  
underwriting

Basic total disability plan

Income benefits (monthly indemnity)

Elimination and benefit periods

Waiver of premium feature

Coordination with social insurance,  
workers compensation benefits and at-  
work benefits

Additional monthly benefit (AMB)

Social insurance supplement (SIS)  
Occupational versus nonoccupational  
coverage

Partial disability benefit

Residual disability benefit

Sick leave

Vacation leave

Other provisions affecting income  
benefits

Cost of living adjustment (COLA) rider

Future increase option (FIO) rider

Relation of earnings to insurance (ORS  
743.465)

Other cash benefits

Accidental death and dismemberment

Rehabilitation benefit  
Medical reimbursement  
benefit(nondisabling injury)

Exclusions as the policy lists

### Unique aspects of individual disability underwriting

Occupational considerations

Benefit limits

Policy issuance alternatives

### Group disability income insurance

Short-term disability (STD)

Long-term disability (LTD)

Unique aspects of group disability  
underwriting

Pre-existing conditions

Waiting period

Group total disability benefit

Income benefits (monthly indemnity)

Elimination and benefit periods

Waiver of premium feature

Coordination with social insurance,  
workers compensation benefits and at-  
work benefits

Additional monthly benefit (AMB)

Social insurance supplement (SIS)  
Occupational versus nonoccupational  
coverage

Sick leave

Vacation leave

### Business disability insurance

Key employee (partner) disability  
income

Disability buy-sell policy

### Social Security disability

Qualification for disability benefits

Definition of disability

Waiting period

Disability income benefits

### Workers compensation

Eligibility

### Medical Plans 19% (19 items)

#### Medical plan concepts

Fee-for-service basis versus prepaid  
basis

Benefit schedule versus  
usual/reasonable/customary charges  
Any provider versus limited choice of  
providers

Insureds versus subscribers/participants

Deductibles and cost sharing

#### Types of providers and plans

Major medical insurance (indemnity  
plans)

Characteristics and plan provisions

Managed Care

Preferred provider organizations (PPOs)  
General characteristics and plan  
provisions

Open panel or closed panel

Point-of-service (POS)

Out-of-network provider access

Primary Care Physician (PPO)

### Oregon requirements (individual and group)

Eligibility requirements  
Newborn child coverage (ORS  
743A.090)

Dependent child age limit (ORS  
743A.090)

Coverage for adopted children (ORS  
743A.090)

### Health Care Reform (Affordable Care Act)

Essential Health Benefits

Levels of Coverage

Payment and Billing

Internal Appeal and External Review

Penalties and Fines

Oregon's Health Insurance  
Exchange/Marketplace

Definition

Medicaid

Eligibility

Benefits



Subsidies/Tax Credits	Purchase policy through exchange/marketplace (ORS 743B.010)	743.686)
<b>HIPAA (Health Insurance Portability and Accountability Act) requirements</b>	Small group tax credits	Replacement (ORS 743B.300); OAR 836-052-0165, 0190)
Eligibility	<b>Dental Insurance 3% (3 items)</b>	Pre-existing conditions (OAR 836-052-0190)
Guaranteed issue	Pediatric Care (Affordable Care Act)	Required disclosure provisions (ORS 743.685; OAR 836-052-0160)
Renewability	Family care	Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)
<b>Group Health Insurance 14% (14 items)</b>	Adult care	Buyer's guide (ORS 743.685(6))
<b>Purpose of group insurance</b> (ORS 743B.003(1) -(8))	<b>Categories of dental treatment</b>	Permitted compensation (OAR 836-052-0156)
Issuance of group contract (ORS 743B.010)	Diagnostic and preventive	Medicare SELECT (OAR 836-052-0139)
Provisions of coverage (ORS 743B.011)	Restorative	<b>Other options for individuals with Medicare</b>
Experience rating versus community rating	Oral surgery	Employer group health plans
<b>Types of eligible groups</b>	Endodontics	Disabled employees
Employment-related groups (ORS 743B.010)	Periodontics	Employees with kidney failure
Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)	Prosthodontics	Individuals age 65 and older
Self-Funded groups	Orthodontics	Medicaid
Associations (alumni, professional, other)	<b>Access to Dental Coverage</b>	Eligibility
<b>Marketing considerations</b>	Choice of providers	Benefits
Advertising	Scheduled versus nonscheduled plans	<b>Long-Term Care (LTC) policies</b>
Regulatory jurisdiction/place of delivery	<b>Employer group dental expense</b>	Definitions (ORS 743.650 to .665)
<b>Employer group health insurance</b>	Integrated deductibles versus stand-alone plans	Eligibility for benefits
Insurer underwriting criteria	Minimizing adverse selection	Benefit triggers (ORS 743.652(2))
Characteristics of group	<b>Insurance for Senior Citizens and Special Needs Individuals 13% (13 items)</b>	Activities of daily living requirements (OAR 836-052-0516(1))
Plan design factors	<b>Medicare</b>	Covered services (OAR 836-052-0596)
Persistency factors	Nature, financing and administration	Benefit periods (ORS 743.665(5))
Administrative capability	Part A – Hospital Insurance	Benefit amounts (OAR 836-052-0586)
Eligibility for insurance (ORS 743B.105(4), (5))	Individual eligibility requirements	Optional benefits
Employee eligibility	Enrollment	Guarantee of insurability
Dependent eligibility	Coverages and cost-sharing amounts	Return of premium (ORS 743.665(E))
Coordination of benefits provision (OAR 836-020-0770-0806)	Part B – Medical Insurance	Qualified LTC plans (OAR 836-052-0531)
Change of insurance companies or loss of coverage	Individual eligibility requirements	Exclusions
No-loss no-gain	Enrollment	Oregon regulations and required Provisions
Events that terminate coverage	Coverages and cost-sharing amounts	Training for insurance producers (OAR 836-052-0639)
Extension of benefits	Exclusions	Standards for marketing (OAR 836-052-0706)
Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860)	Claims terminology and other key terms	Advertising (OAR 836-052-0696)
Conversion rights (ORS 743B.343 - .345)	Part C – Medicare Advantage	Shopper's guide (OAR 836-052-0786)
<b>Small employer medical plans</b>	Part D – Prescription Drug Insurance	Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
Definition of small employer (ORS 743B.005 )	<b>Medicare supplements</b>	Appropriateness of recommended purchase
Requirements of small employer (ORS 742.360)	Purpose (OAR 836-052-0103)	Right to return (free look) (ORS 743.655(6))
Basic coverage (ORS 743B.005, 743B.012)	Open enrollment (OAR 836-052-0138)	Replacement (OAR 836-052-0626, 0736)
Availability of coverage (ORS 743B.104)	Standardized Medicare supplement plans	Renewal provisions
Renewability of coverage (ORS 743B.013 (5))	Core benefits (OAR 836-052-0133)	Continuation or conversion
Participation requirements (ORS 743B.013(7))	Additional benefits	Required disclosure provisions (OAR 836-052-0716)
Open enrollment	Oregon regulations and required provisions	Inflation protection (OAR 836-052-0616)
	Standards for marketing (OAR 836-052-0175)	Pre-existing conditions (ORS 743.655(3))
	Advertising (ORS 743.687; OAR 836-052-0170)	Protection against unintentional lapse
	Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)	
	Right to return (free look) (ORS	



(OAR 836-052-0536(a)(b); 836-052-0740(7))  
Partnership provisions (OAR 836-052-0531)

Prohibited provisions

### Federal Tax Considerations for Health Insurance 5% (5 items)

#### Personally-owned health insurance

Disability income insurance  
Medical expense insurance  
Long-term care insurance

#### Employer group health insurance

Disability income (STD, LTD)  
Benefits subject to FICA  
Medical and dental expense  
Long-term care insurance  
Accidental death and dismemberment

#### Medical expense coverage for sole proprietors and partners

#### Business disability insurance

Key person disability income  
Buy-sell policy

#### Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)

Definition  
Eligibility  
Contribution limits  
Portability

### CONSULTANTS EXAMINATION FOR LIFE AND HEALTH INSURANCE SERIES 12-10

150 questions - 2 hours and 40 minute time limit

### Insurance Regulation 8% (12 items)

#### Licensing

Purpose  
Process (ORS 744.058, .059, .062)  
Types of licensees  
Producers (ORS 744.052, .053, 731.104)  
Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)  
Adjusters (ORS 744.531)  
Nonresidents (ORS 744.063)  
Maintenance and duration  
Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)  
Reinstatement (ORS 744.018, .072(6))  
Assumed business name (ORS 744.028(2),.068)  
Change of address or telephone number (ORS 744.028(1), .068)  
Reporting of actions (ORS 744.089)

Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)  
Replacement (OAR 836-080-0001 to 0043)

#### Disciplinary actions

Cease and desist orders (ORS 731.252)  
License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)  
Civil penalty (ORS 731.988)  
Criminal penalty (ORS 731.992)

#### State regulation

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

#### Company regulation

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

#### Unfair trade practices

Misrepresentation (ORS 746.075, .100)  
False advertising (ORS 746.110; OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)

#### Federal regulation

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

### General Insurance 5% (7 - 8 items)

#### 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  
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

### 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

### 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

### Life Insurance Basics 7% (10 - 11 items)

Insurable interest (ORS 743.040, .038, .044)

#### Personal uses of life insurance

Survivor protection  
Estate creation  
Cash accumulation



Liquidity	Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)	Payment of premiums (ORS 743.162)
Estate conservation		Grace period (ORS 743.165)
<b>Life settlements (ORS 744.318., .321, .323, .326,.328; OAR 836-014-0200-0330)</b>	Selection criteria and unfair discrimination (OAR 836-081-0005, 0010)	Reinstatement (ORS 743.171)
<b>Determining amount of personal life insurance</b>	Sexual orientation prohibited (OAR 836-050-0240)	Incontestability (ORS 743.168, .315)
Human life value approach	Medical and lifestyle questions (OAR 836-050-0245)	Misstatement of age and gender (ORS 743.180)
Needs approach	Prohibited discrimination (ORS 746.015)	Exclusions
Types of information gathered	Evidence of insurability (ORS 743.321)	Suicide exclusion
Determining lump-sum needs	Incontestability (ORS 743.315)	Medical examination; autopsy
Planning for income needs	Suitability in the sale of life insurance (OAR 836-080-0090)	Prohibited provisions including backdating (ORS 743.225)
<b>Business uses of life insurance</b>	<b>Life Insurance Policies 7% (10 - 11 items)</b>	<b>Beneficiaries</b>
Buy-sell funding	<b>Term life insurance</b>	Designation options
Key person (ORS 743.228)	Level term	Individuals
Executive bonuses	Annual renewable term	Classes
Deferred compensation funding	Level premium term	Estates
<b>Types of life insurance policies (ORS 731.102, .170)</b>	Decreasing term	Minors
Group and individual (ORS 731.150, 743.303,)	<b>Whole life insurance</b>	<b>Trusts</b>
Permanent, term, variable and annuities (ORS 731.156, 743.245)	Continuous premium (straight life)	Succession
Fixed versus variable life insurance and annuities including regulation of variable products (SEC, FINRA, and Oregon) (ORS 733.220)	Limited payment	Revocable versus irrevocable
	Single premium	Common disaster clause
<b>Licensee responsibilities</b>	<b>Flexible premium policies</b>	Spendthrift clause
Solicitation and sales presentations (OAR 836-051-0005-0020)	Adjustable life	<b>Settlement options</b>
Advertising (ORS 746.075, .110, .115)	Universal life	Cash payment
Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)	<b>Specialized policies</b>	Interest only
Association (ORS 734.750-.890)	Joint life (first-to-die)	Fixed-period installments
Illustrations (OAR 836-051-0500-0600)	Juvenile life	Fixed-amount installments
Policy summary	Survivorship Life	Life income
Buyer's guide	<b>Group life insurance</b>	Single life
Life insurance policy cost comparison methods	Characteristics of group plans	Joint and survivor
Replacement (ORS 746.085; OAR 836-080-0001-to 0043)	Group underwriting requirements	<b>Nonforfeiture options (ORS 743.204 to .210)</b>
Use and disclosure of insurance information (ORS 746.600 to .605, .610, .615 to .630, .635 to .660; OAR 836-080-0430)	Conversion to individual policy(ORS 743.333-.339)	Cash surrender value
Field underwriting	Incontestability (ORS 743.315)	Extended term
Notice of information practices	Evidence of Insurability (ORS 743.321)	Reduced paid-up insurance
Application procedures	Misstatement of Age (ORS 743.324)	<b>Policy loan and withdrawal options</b>
Delivery	Payments under the policy (ORS 743.327)	Cash loans
Policy review	Termination of individual coverage (ORS 743.333)	Automatic premium loans
Effective date of coverage	Continuing coverage (ORS 743.356)	Withdrawals or partial surrenders
Premium collection	Prohibited sales practices (ORS 743.348)	Uses of dividends (ORS 743.183)
Statement of good health	Policies issued to trustees of certain funds (ORS 743.354)	Interest rate (ORS 743.187)
<b>Individual underwriting by the insurer</b>	<b>Credit life insurance (individual versus group)</b>	<b>Dividend options</b>
Information sources and regulation	<b>Life Insurance Policy Provisions, Options and Riders 5% (7 - 8 items)</b>	Cash payment
Application (ORS 743.039, .318)	<b>Standard provisions</b>	Reduction of premium payments
	Ownership	Accumulation at interest
	Assignment (ORS 743.043)	One-year term option
	Entire contract (ORS 743.174)	Paid-up additions
	Modifications	<b>Disability riders</b>
	Right to examine (free look)	Waiver of premium
		Waiver of cost of insurance
		Disability income benefit

Payor benefit life/disability (juvenile insurance)  
**Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300-0380, 836-052-0646)**

Qualifying events

Disclosure

Effect of benefit payment

#### **Riders covering additional insureds**

Spouse/other-insured term rider

Children's term rider

Family term rider

#### **Riders affecting the death benefit amount**

Accidental death

Guaranteed insurability

Cost of living

Return of premium

#### **Annuities 8% (12 items)**

##### **Annuity principles and concepts**

Accumulation period versus annuity period

Owner, annuitant and beneficiary

Insurance aspects of annuities

Suitability in the sale of annuities (OAR 836-080-0090)

##### **Immediate versus deferred annuities**

Single premium immediate annuities (SPIAs)

Deferred annuities

Premium payment options

Nonforfeiture

Surrender charges

Death benefits

##### **Annuity (benefit) payment options**

Life contingency options

Pure life versus life with guaranteed minimum

Single life versus multiple life

Annuities certain (types)

##### **Annuity products**

Fixed annuities

General account assets

Interest rate guarantees (minimum versus current)

Level benefit payment amount

Equity indexed annuities

Market value adjusted annuities

##### **Uses of annuities**

Lump-sum settlements

Qualified retirement plans including group versus individual annuities

Personal uses

Individual retirement annuities (IRAs)

Tax-deferred growth

Retirement income

Education funds

Living benefit riders

#### **Federal Tax Considerations for Life Insurance and Annuities 7% (10 - 11 items)**

##### **Taxation of personal life insurance**

Amounts available to policyowner

Cash value increases

Dividends

Policy loans

Surrenders

Amounts received by beneficiary

General rule and exceptions

Settlement options

Values included in insured's estate

##### **Modified endowment contracts (MECs)**

Modified endowment versus life insurance

Seven-pay test

Distributions

##### **Taxation of non-qualified annuities**

Individually-owned

Accumulation phase (tax issues related to withdrawals)

Annuity phase and the exclusion ratio

Distributions at death

Corporate-owned

##### **Taxation of individual retirement annuities (IRAs)**

Traditional IRAs

Contributions and deductible amounts  
Premature distributions (including taxation issues)

Annuity phase benefit payments

Amounts received by beneficiary

Roth IRAs

Contributions and limits

Distributions

##### **Rollovers and transfers (IRAs and qualified plans) and suitability**

##### **Section 1035 exchanges and suitability**

##### **Qualified Plans 4% (6 items)**

##### **General requirements**

##### **Federal tax considerations**

Tax advantages for employers and employees

Taxation of distributions (age-related)

##### **Plan types, characteristics and purchasers**

Simplified employee pensions (SEPs)  
Self-employed plans (HR 10 or Keogh plans)

Profit-sharing and 401(k) plans

SIMPLE plans

403(b) tax-sheltered annuities (TSAs)

Pension plans

Section 457 deferred compensation

##### **Special rules for life insurance**

Incidental limitation

Taxation of economic benefit

Taxation of life insurance distributions

##### **Health Insurance 7% (10 - 11 items)**

##### **Types of products and benefits**

Medical and surgical (ORS 743B.005)

Dental (ORS 731.162, 743B.005)

Long-term care (ORS 743B.005, 743.650, OAR 836-052-0516)

Short-term care (ORS 743.652(5))  
Medicare supplements (ORS 743.680, OAR 836-052-0103)

Accident (ORS 743B.005)

Disability

Student health (ORS 743.550)

Blanket (ORS 743.536)

Vision

##### **Types of health insurance policies**

Individual versus group

Private versus government

TRICARE (ORS 743B.005)

Limited versus comprehensive

Self-insured versus fully insured

On exchange/off exchange

Small group and large group

Primary or supplemental

##### **Policy exclusion provisions**

##### **Producer responsibilities**

Marketing requirements

Advertising (OAR 836-020-0200-0305)

Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)

Sales presentations

Outline of coverage (OAR 836-020-0305)

Summary benefits and coverage

Field underwriting

Nature and purpose

Disclosure of information about individuals

Application procedures

Requirements at delivery of policy

##### **Common situations for errors/omissions Individual underwriting on grandfathered plans**

Pre-existing conditions

Creditable coverage

Benefits, limitations and exclusions



Producer liability for errors and omissions

### **Individual Health Insurance Policy General Provisions 8% (12 items)**

#### **Uniform required provisions**

Incontestability (ORS 743.414, .472)

Grace period (ORS 743.417)

Reinstatement (ORS 743.420)

#### **Uniform optional provisions**

Change of occupation (ORS 743.450)

Misstatement of age (ORS 743.453, .489)

#### **Other general provisions**

Right to examine (free look) (ORS 743.492)

Consideration clause

Legal actions (ORS 743.441)

Renewability clause (ORS 743.495, .498, 743B.125(5))

Noncancelable

Guaranteed renewable

Conditionally renewable

Renewable at option of insurer

Nonrenewable (cancelable, term)

Cancellation (ORS 743.472, 743B.125(6))

### **Disability Income and Related Insurance 8% (12 items)**

#### **Qualifying for disability benefits**

Inability to perform duties

Own occupation

Any occupation

Loss of income (income replacement contracts)

Presumptive disability

Requirement to be under physician care

#### **Individual disability income insurance**

##### **Unique aspects of individual disability underwriting**

Occupational considerations

Benefit limits

Policy issuance alternatives and medical underwriting

Basic total disability plan

Income benefits (monthly indemnity)

Elimination and benefit periods

Waiver of premium feature

Coordination with social insurance, workers compensation benefits and at-work benefits

Additional monthly benefit (AMB)

Social insurance supplement (SIS)

Occupational versus nonoccupational coverage

Partial disability benefit

Residual disability benefit

Sick leave

Vacation leave

Other provisions affecting income benefits

Cost of living adjustment (COLA) rider

Future increase option (FIO) rider

Relation of earnings to insurance (ORS 743.465)

Other cash benefits

Accidental death and dismemberment

Rehabilitation benefit

Medical reimbursement benefit (nondisabling injury)

Exclusions as the policy lists

##### **Unique aspects of individual disability underwriting**

Occupational considerations

Benefit limits

Policy issuance alternatives

##### **Group disability income insurance**

Short-term disability (STD)

Long-term disability (LTD)

Unique aspects of group disability underwriting

Pre-existing conditions

Waiting period

Group total disability benefit

Income benefits (monthly indemnity)

Elimination and benefit periods

Waiver of premium feature

Coordination with social insurance, workers compensation benefits and at-work benefits

Additional monthly benefit (AMB)

Social insurance supplement (SIS)

Occupational versus nonoccupational coverage

Sick leave

Vacation leave

##### **Business disability insurance**

Key employee (partner) disability income

Disability buy-sell policy

##### **Social Security disability**

Qualification for disability benefits

Definition of disability

Waiting period

Disability income benefits

##### **Workers compensation**

Eligibility

### **Medical Plans 8% (12 items)**

#### **Medical plan concepts**

Fee-for-service basis versus prepaid basis

Benefit schedule versus

usual/reasonable/customary charges

Any provider versus limited choice of providers

Insureds versus subscribers/participants

Deductibles and cost sharing

#### **Types of providers and plans**

Major medical insurance (indemnity plans)

Characteristics and plan provisions

Managed Care

Preferred provider organizations (PPOs)

General characteristics and plan provisions

Open panel or closed panel

Point-of-service (POS)

Out-of-network provider access

Primary Care Physician (PCP)

#### **Oregon requirements (individual and group)**

Eligibility requirements

Newborn child coverage (ORS 743A.090)

Dependent child age limit (ORS 743A.090)

Coverage for adopted children (ORS 743A.090)

#### **Health Care Reform (Affordable Care Act)**

Essential Health Benefits

Levels of Coverage

Payment and Billing

Internal Appeal and External Review

Penalties and Fines

Oregon's Health Insurance Exchange/Marketplace

Definition

Medicaid

Eligibility

Benefits

Subsidies/Tax Credits

#### **HIPAA (Health Insurance Portability and Accountability Act) requirements**

Eligibility

Guaranteed issue

Renewability

### **Group Health Insurance 8% (12 items)**

#### **Purpose of group insurance (ORS 743B.003(1) -(8))**

Issuance of group contract (ORS 743B.010)

Provisions of coverage (ORS 743B.011)

Experience rating versus community rating

#### **Types of eligible groups**

Employment-related groups (ORS 743B.010)

Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)

Self-Funded groups

Associations (alumni, professional, other)

#### **Marketing considerations**

Advertising



Regulatory jurisdiction/place of delivery	Integrated deductibles versus stand-alone plans	Definitions (ORS 743.650 to .665)
<b>Employer group health insurance</b>	Minimizing adverse selection	Eligibility for benefits
Insurer underwriting criteria	<b>Insurance for Senior Citizens and Special Needs Individuals 5% (7 - 8 items)</b>	Benefit triggers (ORS 743.652(2))
Characteristics of group	<b>Medicare</b>	Activities of daily living requirements (OAR 836-052-0516(1))
Plan design factors	Nature, financing and administration	Covered services (OAR 836-052-0596)
Persistency factors	Part A – Hospital Insurance	Benefit periods (ORS 743.665(5))
Administrative capability	Individual eligibility requirements	Benefit amounts (OAR 836-052-0586)
Eligibility for insurance (ORS 743B.105(4), (5))	Enrollment	Optional benefits
Employee eligibility	Coverages and cost-sharing amounts	Guarantee of insurability
Dependent eligibility	Part B – Medical Insurance	Return of premium (ORS 743.665(E))
Coordination of benefits provision (OAR 836-020-0770-0806)	Individual eligibility requirements	Qualified LTC plans (OAR 836-052-0531)
Change of insurance companies or loss of coverage	Enrollment	Exclusions
No-loss no-gain	Coverages and cost-sharing amounts	Oregon regulations and required provisions
Events that terminate coverage	Exclusions	Training for insurance producers (OAR 836-052-0639)
Extension of benefits	Claims terminology and other key terms	Standards for marketing (OAR 836-052-0706)
Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860)	Part C – Medicare Advantage	Advertising (OAR 836-052-0696)
Conversion rights (ORS 743B.343 - .345)	Part D – Prescription Drug Insurance	Shopper's guide (OAR 836-052-0786)
<b>Small employer medical plans</b>	<b>Medicare supplements</b>	Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
Definition of small employer (ORS 743B.005 )	Purpose (OAR 836-052-0103)	Appropriateness of recommended purchase
Requirements of small employer (ORS 742.360)	Open enrollment (OAR 836-052-0138)	Right to return (free look) (ORS 743.655(6))
Basic coverage (ORS 743B.005, 743B.012)	Standardized Medicare supplement plans	Replacement (OAR 836-052-0626, 0736)
Availability of coverage (ORS 743B.104)	Core benefits (OAR 836-052-0133)	Renewal provisions
Renewability of coverage (ORS 743B.013 (5))	Additional benefits	Continuation or conversion
Participation requirements (ORS 743B.013(7))	Oregon regulations and required provisions	Required disclosure provisions (OAR 836-052-0716)
Open enrollment	Standards for marketing (OAR 836-052-0175)	Inflation protection (OAR 836-052-0616)
Purchase policy through exchange/marketplace (ORS 743B.010)	Advertising (ORS 743.687; OAR 836-052-0170)	Pre-existing conditions (ORS 743.655(3))
Small group tax credits	Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)	Protection against unintentional lapse (OAR 836-052-536(a)(b); 836-052-0740(7))
<b>Dental Insurance 2% (3 items)</b>	Right to return (free look) (ORS 743.686)	Partnership provisions (OAR 836-052-0531)
Pediatric Care (Affordable Care Act)	Replacement (ORS 743B.300); OAR 836-052-0165, 0190)	Prohibited provisions
Family care	Pre-existing conditions (OAR 836-052-0190)	<b>Federal Tax Considerations for Health Insurance 3% (4 - 5 items)</b>
Adult care	Required disclosure provisions (ORS 743.685; OAR 836-052-0160)	<b>Personally-owned health insurance</b>
<b>Categories of dental treatment</b>	Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)	Disability income insurance
Diagnostic and preventive	Buyer's guide (ORS 743.685(6))	Medical expense insurance
Restorative	Permitted compensation (OAR 836-052-0156)	Long-term care insurance
Oral surgery	Medicare SELECT (OAR 836-052-0139)	<b>Employer group health insurance</b>
Endodontics	<b>Other options for individuals with Medicare</b>	Disability income (STD, LTD)
Periodontics	<b>Medicare</b>	Benefits subject to FICA
Prosthodontics	Employer group health plans	Medical and dental expense
Orthodontics	Disabled employees	Long-term care insurance
<b>Access to Dental Coverage</b>	Employees with kidney failure	Accidental death and dismemberment
Choice of providers	Individuals age 65 and older	<b>Medical expense coverage for sole proprietors and partners</b>
Scheduled versus nonscheduled plans	Medicaid	<b>Business disability insurance</b>
<b>Employer group dental expense</b>	Eligibility	Key person disability income
	Benefits	
	<b>Long-Term Care (LTC) policies</b>	

Buy-sell policy  
**Health Savings Accounts (HSAs) and  
Health Reimbursement Accounts (HRAs)**

Definition  
Eligibility  
Contribution limits  
Portability

**CONSULTANTS EXAMINATION FOR GENERAL  
LINES INSURANCE  
SERIES 12-11**

150 questions - 2.5 hour time limit

**Insurance Regulation 12%**

**Licensing**

Purpose  
Process (ORS 744.058, .059, .062)  
Types of licensees  
Producers (ORS 744.052, .053,  
731.104)  
Consultants (ORS 744.605, .609, .626;  
OAR 836-071-0150)  
Adjusters (ORS 744.531)  
Nonresidents (ORS 744.063)  
Maintenance and duration  
Renewal and nonrenewal (ORS  
744.072, .074) OAR 836-071-0146)  
Reinstatement (ORS 744.018, .072(6))  
Assumed business name (ORS  
744.028(2), .068)  
Change of address or telephone  
number (ORS 744.028(1), .068)  
Reporting of actions (ORS 744.089)  
Disciplinary actions  
Cease and desist orders (ORS 731.252)  
License probation, suspension,  
revocation or refusal to issue or renew  
(ORS 744.074)  
Civil penalty (ORS 731.988)  
Criminal penalty (ORS 731.992)

**State regulation**

Director's enforcement authority (ORS  
731.256)  
Director's inquiries (ORS 731.296)  
Company regulation  
Unfair claim settlement practices (ORS  
746.230; OAR 836-080-0205 to 0250)  
Unfair trade practices  
Misrepresentation (ORS 746.075, .100)  
False advertising (ORS 746.110; OAR  
836-080-0155)  
Rebating (ORS 746.045)  
Unfair discrimination (ORS 746.015;  
OAR 836-081-0005, 0010, 0020, 0030)  
Illegal inducement (ORS 746.035)  
Examination of records (ORS 744.068(2,  
3))  
Privacy of Consumer Information (ORS  
746.600, .620, .630, .665; OAR 836-080-  
0501 to 836-080-0551)

**Federal regulation**

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

**General Insurance 8%**

**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

**Insurers**

Types of insurers  
Stock companies  
Mutual companies  
Fraternal benefit societies  
Reciprocals  
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

**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

**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

Reasonable expectations  
Indemnity  
Utmost good faith  
Representations/misrepresentations  
Warranties  
Concealment  
Fraud  
Waiver and estoppel

**Property and Casualty Insurance Basics 13%**

**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 – economic versus non-  
economic  
Punitive  
Absolute liability  
Strict liability  
Vicarious liability  
Causes of loss (perils)  
Named perils versus special (open) perils  
Direct loss

Consequential or indirect loss  
Blanket, specific insurance, and margin  
clause

**Basic types of construction**

Loss valuation  
Actual cash value  
Replacement cost  
Functional replacement cost  
Market value  
Agreed value  
Stated amount  
Valued policy

**Policy structure**

Declarations  
Definitions  
Insuring agreement or clause  
Additional/supplementary coverage  
Conditions  
Exclusions  
Endorsements

**Common policy provisions**

Insureds – named, first named and  
additional  
Policy period



- Policy territory
- Cancellation and nonrenewal
- Deductibles
- Other insurance
- Concurrent
  - Primary and excess
- Limits of liability
  - Per occurrence (accident)
  - Per person
  - Aggregate—general versus products—completed operations
  - 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

**Oregon laws, regulations and required provisions**

- Oregon Insurance Guaranty Association (ORS 734.510-.710)
- Cancellation and nonrenewal
  - Commercial liability (ORS 742.700-.710)
  - Property (ORS 742.224, 746.686-687)
  - Automobile (ORS 742.560-.572)
- Binders (ORS 742.043)
- Rates (ORS 737.025, .310; OAR 836-010-0011)
- Policy forms (ORS 742.003, .005)
- Suit against insurer (ORS 742.240)
- Concealment, misrepresentation or fraud (ORS 742.013, .208, .562(1)(b), .702(1)(b); 746.075, .100, .110)
  - Unfair discrimination (ORS 746.015,.018, .240)
  - Federal Terrorism Insurance Program (15 USC 6701; Public Law 109-144, 110-160)

**Dwelling Policy 5%**

**Characteristics and purpose**

**Coverage forms – Perils insured against**

- Basic – Oregon
- Broad
- Special

**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

**General exclusions**

**Conditions**

**Selected endorsements**

- Special provisions – Oregon
- Automatic increase in insurance
- Broad theft coverage
- Dwelling under construction

**Personal liability supplement**

**Homeowners Policy 4%**

**Coverage forms**

- HO-2 through HO-6
- HO-8

**Definitions**

**Section I – Property coverages**

- Coverage A – Dwelling
- Coverage B – Other structures
- Coverage C – Personal property
- Coverage D – Loss of use
- Additional coverages

**Section II – Liability coverages**

- Coverage E – Personal liability
- Coverage F – Medical payments to others
- Additional coverages

**Perils insured against**

**Exclusions**

**Conditions**

**Selected endorsements**

- Special provisions – Oregon
- Limited fungi, wet or dry rot, or bacteria coverage
- Earthquake
- Scheduled personal property
- Personal property replacement cost
- Permitted incidental occupancies – residence premises – Oregon
- Home day care – Oregon
- Business pursuits
- Watercraft
- Personal injury
- Identify theft

**Auto Insurance 8%**

**Laws**

- Oregon Motor Vehicle Financial Responsibility Law
- Required motor vehicle limits of liability (ORS 806.070, .075)
  - Other ways to prove responsibility (ORS 806.011, .060, .080)
- Personal injury protection (ORS 742.518-.544)
  - Medical
  - Loss of income
  - Funeral
  - Essential services
  - Exclusions from coverage
  - Arbitration

- Day Care
- Uninsured/underinsured motorist (ORS 742.500-.510)
  - Definitions
  - Bodily injury
  - Property damage
  - Required limits
- Aftermarket Crash Parts Act (ORS 746.287, .289, .292)
- Credit History (ORS 746.661 (6))

**Personal auto policy**

**Definitions**

**Liability coverage**

- Bodily injury and property damage
- Supplementary payments
- Exclusions
- Medical payments coverage
- Coverage for damage to your auto
  - Collision
  - Other than collision (comprehensive)
- Deductibles
- Exclusions
- Rental Reimbursement

**Duties after an accident or loss**

**General provisions**

**Selected endorsements**

- Amendment of policy provisions – Oregon
- Towing and labor costs
- Extended non-owned coverage – vehicles furnished or available for regular use
- Miscellaneous type vehicle
- Joint ownership coverage

**Commercial auto**

**Commercial auto coverage forms**

- Business auto
- Garage
- Business auto physical damage
- Motor carrier

**Coverage form sections**

- Covered autos
- Liability coverage
- Garage keeper’s coverage
- Trailer interchange coverage
- Physical damage coverage

**Exclusions**

**Conditions**

**Definitions**

**Selected endorsements**

- Lessor – additional insured and loss payee
- Mobile equipment
- Auto medical payments coverage/personal injury protection
- Drive other car coverage
- Individual named insured
- Suspension of coverage
- Commercial carrier regulations
- The Motor Carrier Act of 1980



Endorsement for motor carrier policies of insurance for public liability (MCS-90)

### **Commercial Package Policy (CPP) 18%**

#### **Components of a commercial policy**

Common policy declarations  
Common policy conditions  
Interline endorsements  
One or more coverage parts

#### **Commercial general liability**

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 insurance  
Conditions  
Definitions  
Exclusions  
Occurrence versus claims-made  
Trigger  
Retroactive date  
Extended reporting periods – basic versus supplemental  
Claim information  
Premises and operations  
Products and completed operations  
Insured contract defined/contractual liability  
Pollution liability coverage form

#### **Commercial property**

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  
Spoilage  
Peak season limit of insurance  
Value reporting form

#### **Commercial crime**

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 coverages  
Extortion – commercial entities  
Guests' property  
Identify theft/data breach

#### **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  
Installation floater  
Signs  
Valuable papers and records  
Transportation coverages  
Motor truck cargo forms  
Transit coverage forms

#### **Equipment breakdown**

Equipment breakdown protection coverage form  
Selected endorsement  
Actual cash value

#### **Farm coverage**

Farm property coverage form  
Coverage A – Dwellings  
Coverage B – Other private structures  
Coverage C – Household personal property  
Coverage D – Loss of use  
Coverage E – Scheduled personal property  
Coverage F – Unscheduled farm personal property  
Coverage G – Other farm structures

#### **Farm liability coverage form**

Coverage H – Bodily injury and property damage liability  
Coverage I – Personal and advertising injury liability  
Coverage J – Medical payments  
Mobile agricultural machinery and equipment coverage form  
Livestock coverage form  
Definitions  
Causes of loss (basic, broad and special)  
Conditions

Exclusions

Limits

Additional coverages

### **Businessowners Policy 6%**

#### **Characteristics and purpose**

#### **Businessowners Section I – Property**

Coverages  
Exclusions  
Limits  
Deductibles  
Loss conditions  
General conditions  
Optional coverages  
Definitions

#### **Businessowners Section II – Liability**

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

#### **Businessowners Section III – Common Policy Conditions**

#### **Selected endorsements**

Hired auto and non-owned auto liability  
Protective safeguards  
Utility services – direct damage  
Utility services – time element

### **Workers' Compensation Insurance 13%**

#### **Workers' compensation laws**

Type of law

Monopolistic versus competitive  
Compulsory versus elective

Oregon Workers' Compensation Law (ORS Chapter 656)

Exclusive remedy (ORS 656.018)  
Employment covered (required, voluntary, leased) (ORS 656.017, .023, .027-.041)

Covered injuries (ORS 656.005(7))  
Occupational disease (ORS 656.802-.804)

Benefits provided (ORS 656.202, .204, .206, .208, .210, .211, .212, .214, .216, .245, .258)

Workers' Compensation Handicapped Workers Program (ORS 656.628)

#### **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 endorsement

Voluntary compensation

#### **Premium computations**

Job classification



Rates  
Payroll  
Adjustment upon audit  
Experience modification factor  
Premium discounts

**Other sources of coverage**

Oregon Workers' Compensation Fund Insurance Plan (ORS 656.730; OAR 836-043-0001-0091)  
Self-insured employers and employer groups (ORS 656.403, .407)

**Other Coverages and Options 13%**

**Umbrella/excess liability policies**

Personal  
Commercial

**Specialty liability insurance**

Errors and omissions  
Professional liability  
Directors and officer's liability  
Fiduciary liability  
Liquor liability  
Employment practices liability

**Surplus lines (ORS Sec. 735.410, .415)**

Definitions and markets  
Licensing requirements

**Surety bonds**

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

**National Flood Insurance Program**

Write your own versus government  
Eligibility  
Coverage  
Limits  
Deductibles

**Other policies**

Boatowners  
Difference in conditions  
Recreational vehicles

**Residual markets**

Joint Underwriting Association (ORS 735.200-.260; 737.390)  
Oregon FAIR Plan Association (ORS 735.005, .015, .045)

**ADJUSTERS EXAMINATION FOR CROP INSURANCE SERIES 12-15**

**50 questions - 1 hour time limit**

**Insurance Regulation 10%**

**Licensing requirements (ORS 744.505)**

Licensing exceptions (ORS 744.515)  
Qualifications (ORS 744.002, .525)  
Types of licenses  
Nonresident adjuster (ORS 744.528, .538)

Records Retention (ORS 744.024(3))  
**Maintenance and duration**  
Renewal (ORS 744.008, .009(1))  
Expiration (ORS 744.007, OAR836-071-0130(1))  
Nonrenewal (ORS 744.009(2))  
Notification of change, deletion, or addition of an assumed business name (ORS 744.028(2))  
Change of address or telephone number (ORS 744.028(1))

**Disciplinary actions**

Cease and desist orders (ORS 731.252)  
Suspension, revocation, and nonrenewal, probation (ORS 744.013, .014)  
Civil penalty (ORS 731.988)  
Criminal penalty (ORS 731.992)

**Claim settlement laws and regulations**

Director's general duties and powers (ORS 731.236)  
Unfair claim practices (ORS 746.230; OAR 836-080-0205)  
Misrepresentation and other prohibited claim practices (OAR 836-080-0220)  
Required claim communications practices (OAR 836-080-0225)  
Standard for prompt claim investigation (OAR 836-080-0230)  
Standard for prompt and fair settlements (OAR 836-080-0235)  
General (OAR 836-080-0235)  
Adjustment of claims under policy issued by unauthorized insurer (ORS 744.541)  
Proof and amount of loss determination (ORS 746.295)  
Liability for damages; attorney fees (ORS 746.300)

**Federal regulation**

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

**Insurance Basics 20%**

**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  
Waiver and estoppel

**Principles and concepts**

Insurable interest

Negligence  
Elements of a negligent act  
Defenses against negligence  
Causes of loss (perils)  
Named perils versus special (open) perils  
Direct loss  
Loss valuation  
Market value  
Agreed value  
Stated amount

**Policy structure**

Declarations  
Definitions  
Insuring agreement or clause  
Additional/supplementary coverage  
Conditions  
Exclusions  
Endorsements

**Common policy provisions**

Insureds - named, first named and additional  
Policy period  
Policy territory  
Cancellation and nonrenewal  
Deductibles  
Other insurance  
Pro rata  
Contribution by equal shares  
Policy limits  
Abandonment  
Assignment of Indemnity  
Loss payable clause  
Insurer provisions  
Subrogation

**2.5 Oregon laws, regulations and required provisions**

Oregon Insurance Guaranty Association (ORS 734.510-.710)  
Suit against insurer (ORS 742.240)  
Concealment, misrepresentation or fraud (ORS 742.013, .208) (2010-NCIS 3OR)

**Power of Attorney**

**Crop-Hail Insurance 45%**

**General Provisions (2011-NCIS 3)**

Agreement to Insure  
Coverage  
Insurance Period  
Duties after Loss  
Insured's Duties  
Insurer's Duties  
Loss Payment  
Reduction of Insurance  
Appraisal/Inspection  
Liberalization  
Variation in Acreage in Case of Loss  
Entire Agreement, Waiver or Change of Policy Provisions  
Assignment of Interest  
Assignment of Indemnity



Concealment or Fraud  
Cancellation of Policy  
Exclusions  
Abandonment of Crop  
Suit against Us  
Conformity to Statutes  
Pre-Judgment Interest

**Special Provisions**

Perils Insured Against  
Minimum Loss  
Catastrophe Loss Award  
Crop Specific Coverage  
Replanting Destroyed Crops  
Optional Provisions  
Expiration of Insurance

**Oregon Amendatory Endorsement (2010-NCIS 3OR)**

**Multiple Peril Crop Insurance (MPCI) 20%**

**Policy Structure**

Priorities of Conflicts between Provisions  
Catastrophic Risk Protection Endorsement  
Special Provisions  
Basic Provisions

**Definitions**

**Life of Policy, Cancellation and Termination (Important Dates)**

**Coverage Levels and Price**

**Contract Changes**

**Acreage Reporting**

**Eligibility**

Insureds  
Crops

**Ownership Share**

**Causes of Loss**

**Replanting Provisions**

**Loss Adjustment Responsibilities**

Insured  
Insurer

**Production Records**

**Planting Coverage**

Late  
Prevented

**Written Agreements**

**Transfer of Rights to Coverage**

**Assignment of Indemnity**

**Unit Structure**

**Organic Farming Practices**

**Inspections**

**Mediation/Arbitration**

**Claim Settlement**

**Oversight Organizations 5%**

Federal Crop Insurance Corporation (FCIC)  
Risk Management Agency (RMA)  
National Crop Insurance Services (NCIS)

**EXAMINATION FOR CROP INSURANCE**

The reference materials listed below were used to prepare the questions for this examination. This examination is CLOSED BOOK. These references are not allowed in the examination center.

- Common Crop Insurance Policy, Basic Provisions - Reinsured Version (11-BR)
- 2011 Crop Insurance Handbook
- Crop Insurance Plan Comparison
  
- FCIC 09-CAT - Multiple Peril Catastrophic Risk Protection Endorsement
- Loss Adjustment Manual (LAM) Standards Handbook
- Crop Hail Insurance Policy General Provisions (NCIS 3)
- NCIS 457 - Optional Fire and Lightning Coverage on Crops Planted in Small Grain Crop, Stubble or Residue
- Crop Hail Insurance Policy Jacket (NCIS 5)
- NCIS 646 - Crop-Hail Policy - Basic Form, Special Provisions (Idaho, Oregon, Utah, Washington)
- Oregon Administrative Rules, Chapter 836 - Department of Consumer and Business Services, Insurance Division
- Oregon Revised Statutes Chapter 744 - Insurance Producers
- Oregon Revised Statutes Chapter 746 - Insurance Producers
- Oregon Statutes, Chapters 731, 734, 735
- About the Risk Management Agency - Program Aid 1667-02
- 18 USC Chapter 47, Sections 1033 and 1034

**REFERENCE LIST FOR ADJUSTERS**





The following sections are Mandatory.

14. Examination: You may only take one examination at a time; please check one. (\*Includes Law)

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Laws and Regulations (\$45)                      | <input type="checkbox"/> Life Insurance Producer* (\$45)             | <input type="checkbox"/> Health Insurance Producer* (\$45)         |
| <input type="checkbox"/> Life & Health Insurance Producer* (\$55)         | <input type="checkbox"/> Crop Insurance Adjuster (\$45)              | <input type="checkbox"/> Surplus Lines Insurance Producer (\$45)   |
| <input type="checkbox"/> Health Insurance Adjuster (\$45)                 | <input type="checkbox"/> General Lines Insurance Adjuster (\$45)     | <input type="checkbox"/> Life Insurance Consultant (\$45)          |
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| <input type="checkbox"/> Property Insurance Producer* (\$45)              | <input type="checkbox"/> Casualty Insurance Producer* (\$45)         | <input type="checkbox"/> Personal Lines Producer* (\$45)           |
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