

Casualty Insurance License Outline
Kentucky Property and Casualty Insurance
License Exam Manual
1st Edition 2006
www.kaplanfinancial.com

Unit Assignments

Unit 1

Principles of Insurance (8% of test) - 4 questions

- Risk
- Managing Risk
- Law of Large Numbers
- Elements of Insurability
 - Pure Risk, Speculative Risk
 - Insurable Interest
 - Other Elements of Insurability
- Other Insurance Terms
 - Peril
 - Hazard

Unit 2

The Insurance Contract (8% of test) - 4 questions

- Elements of a Valid Contract
 - Offer and Acceptance
 - Consideration
- Characteristics of an Insurance Contract
 - Principle of Indemnity
 - Personal
 - Unilateral
- Parts of the Insurance Contract
 - Policy Organization

Unit 3

Insurance Company Organization and Regulation (2% of test) - 1 question

- Types of Insurance Organizations
 - Stock and Mutual Companies
- Insurance Company Organization
 - The Agent
 - Insurance Marketing Systems
 - Other Insurance Functions
- Regulation
 - Regulation and the Company
 - Regulation and the Agent

Unit 4

The Insurance Transaction (8% of test) - 4 questions

- Application
- Binders
- Underwriting the Policy
 - Fair Credit Reporting Act
- Rating the Policy
 - Judgment and Manual Rating
- Certificate of Insurance
- Misrepresentation, Concealment, and Fraud
- Representations and Warranties
- Waiver and Estoppel
- Cancellation and Nonrenewal

Unit 6

Introduction to Liability Insurance (8% of test) - 4 questions

Negligence
Definition
Establishing Negligence
Defenses Against Negligence
Contributory and Comparative Negligence
Absolute Liability
Vicarious Liability
Liability Insurance
Third Party Losses
Insuring Agreement
Exclusions
Conditions

Unit 8

Homeowners Insurance (4% of test) - 2 questions

Section II - Liability
Coverage E - Personal Liability
Coverage F - Medical Payments to Others
Exclusions
Additional Coverages

Unit 9

Personal Auto Insurance (10% of test) - 5 questions

Definitions
Part A - Liability Coverage
Coverage
Who is an Insured
Supplementary Payments
Exclusions
Part B - Medical Payments Coverage
Exclusions
Part C - Uninsured Motorists Coverage
Definition of Uninsured Motor Vehicle
Exclusions
Other Insurance
Part D - Coverage for Damage to Your Auto
Coverage
Transportation Expenses
Exclusions
Parts E and F - Conditions
Underinsured Motorists Coverage
Personal Auto Policy Endorsements

Unit 10

Miscellaneous Personal Insurance (4% of test) - 2 questions

Personal Watercraft Insurance
Boatowners and Outboard Motor and Boat Policies
Personal Yacht Policies
Personal Umbrella Insurance
Coverage for Excluded Losses

Unit 11

The Commercial Package Policy (4% of test) - 2 questions

Eligible Coverages
Common Policy Declarations
Common Policy Conditions
Cancellation
Changes, Premiums
Examination of Books and Records, Inspections, and Surveys
Transfer of Rights and Duties

Unit 12

The Businessowners Policy (4% of test) - 2 questions

Eligibility, Policy Organization
Ineligible Risks
Liability and Medical Expenses Coverage
Exclusions
Conditions
Endorsements
Hired Auto and Nonowned Auto Liability

Unit 15

Commercial General Liability Insurance (8% of test) - 4 questions

Business Liability Exposures
Premises and Operations Exposure
Products - Completed Operations Exposure
Exposures Covered by Commercial General Liability Insurance
Commercial General Liability Coverage Part
Occurrence and Claims-Made Forms
Claims-Made Form
Coverage A - Bodily Injury and Property Damage Liability
Coverage
Exclusions
Coverage B - Personal and Advertising Injury Liability
Coverage C - Medical Payments
Coverage
Limits of Insurance
Conditions
Duties in the Event of Occurrence, Offense, Claim, or Suit
Other Insurance

Unit 16

Commercial Auto Insurance (4% of test) - 2 questions

Commercial Auto Coverage Part
Business Auto Coverage Form
Definitions
Covered Autos
Liability Coverage
Physical Damage Coverage
Garage Coverage Form
Liability Coverage
Garagekeeper Coverage
Physical Damage Coverage
Truckers Coverage Form
Covered Autos
Trailer Interchange Coverage
Motor Carrier Coverage Form
Motor Carrier Act of 1980

Unit 17

Commercial Crime Insurance (2% of test) - 1 question

Fidelity Bonds
Parties to a Bond
Types of Fidelity Bonds

Unit 18

Workers' Compensation (10% of test) - 5 questions

Workers' Compensation Laws
Occupations Covered
Benefits Provided
Compensable Injuries
Types of Disability
Compulsory vs. Elective
Workers' Compensation and Employers Liability Policy
Coverages
Exclusions

Unit 19

Miscellaneous Commercial Insurance (6% of test) - 3 questions

Farm Insurance
Aviation Insurance
 Liability Coverage
Professional Liability Insurance
Employment Practices Liability Insurance
Commercial Umbrella Insurance
Surety Bonds
 Contract Bonds
 Judicial Bonds
Federal Terrorism Risk Insurance Act of 2002 (Extension Act of 2007)
Background

Insurance Code

Kentucky Law (10% of test) - 5 questions

Scope, General Definitions, and Provisions KRS 304.1
Agent Licensing
 Definitions KRS 304.9-020 to 051
 Licensing Requirements KRS 304.9-080 to 120
 Change of Address KRS 304.9-200
 License Renewal KRS 304.9-260
 Continuing Education KRS 304.9-295
 Record Retention KRS 304.9-390
 Suspension or Revocation of License KRS 304.9-440
 Reporting of Criminal or Administrative Actions KRS 304.9-467
 Prohibited Practices in Replacement or Repair of Automobile Glass;
 Penalties KRS 304.9-470
Surplus Lines KRS 304.10
Unfair Practices, Advertising, Illegal Inducements KRS 304.12-010 to 110
Unfair Claims Settlement Practices KRS 304.12-230
Auto Insurance Plan KRS 304.13-151
Insurance Contract KRS 304.14
Personal Auto Policies Declination, Nonrenewal, and Cancellation
 KRS 304.20-040
Declination, Nonrenewal, and Cancellation KRS 304.20-300 to 350
Insurance Guaranty Fund KRS 304.36-030
Motor Vehicle Insurance No-Fault KRS 304.39
Insurance Fraud KRS 304.47-020
Conversion of Premium KRS 304.99-010
Workers' Compensation KRS 342