

**Adjuster Examination Study Outline**  
**March 2012**  
**Kentucky Property and Casualty Insurance License Exam Manual**  
**Kaplan Financial Education 1st Edition 2006**  
**50 Items**

- Unit 1**                    **Principles of Insurance (2% of test) - 1 question**  
Risk  
Managing Risk  
Law of Large Numbers  
Elements of Insurability  
Other Insurance Terms
- Unit 2**                    **The Insurance Contract (2% of test) - 1 question**  
Elements of a Valid Contract  
Characteristics of an Insurance Contract  
Parts of the Insurance Contract
- Unit 4**                    **The Insurance Transaction (2% of test) - 1 question**  
Misrepresentation, Concealment, and Fraud  
Representations and Warranties  
Waiver and Estoppel
- Unit 5**                    **Introduction to Property Insurance (2% of your test) - 1 question**  
Standardized Policies  
Declarations  
Insuring Agreement  
Exclusions and Limitations  
Conditions
- Unit 6**                    **Introduction to Liability Insurance (4% of test) - 2 questions**  
Liability Losses  
Negligence  
Defenses Against Negligence  
Absolute Liability  
Vicarious Liability  
Liability Insurance
- Unit 7**                    **Dwelling Insurance (2% of your test) - 1 question**  
The Dwelling Policy  
Basic Form (DP-1)  
Broad Form (DP-2) and Special Form (DP-3)
- Unit 8**                    **Homeowners Insurance (12% of test) - 6 questions**  
The Homeowners Policy  
Section I-Property  
Section II - Liability  
Homeowners Endorsements

- Unit 9**                      **Personal Auto Insurance (10% of test) – 5 questions**  
Definitions  
Part A - Liability Coverage  
Part B - Medical Payments Coverage  
Part C - Uninsured Motorists Coverage  
Part D - Coverage for Damage to Your Auto  
Parts E and F - Conditions  
Underinsured Motorists Coverage  
Personal Auto Policy Endorsements  
No Fault Insurance
- Unit 10**                    **Miscellaneous Personal Insurance (4% of test) - 2 questions**  
Flood Insurance  
Earthquake Insurance  
Mobile Home Insurance  
Personal Inland Marine Insurance  
Personal Watercraft Insurance  
Personal Umbrella Insurance  
FAIR Plans
- Unit 11**                    **The Commercial Package Policy (2% of test) – 1 question**  
Eligible Coverages  
Common Policy Declarations  
Common Policy Conditions
- Unit 12**                    **The Businessowners Policy (2% of test) - 1 question**  
Eligibility, Policy Organization  
Property Coverage  
Liability and Medical Expenses Coverage  
Conditions  
Endorsements
- Unit 13**                    **Commercial Property Insurance (2% of test) - 1 question**  
Commercial Property Coverage Part  
Building and Personal Property Coverage Form  
Builders Risk Coverage Form  
Condominium Coverage Forms  
Business Income Coverage Forms  
Causes of Loss Forms  
Endorsements
- Unit 15**                    **Commercial General Liability Insurance (4% of test) - 2 questions**  
Business Liability Exposures  
Commercial General Liability Coverage Part  
Occurrence and Claims-Made Forms  
Coverage A - Bodily Injury and Property Damage Liability  
Coverage B - Personal and Advertising Injury Liability  
Coverage A and B Supplementary Payments  
Coverage C - Medical Payments  
Who is an Insured  
Limits of Insurance  
Conditions  
Other Commercial General Liability Coverage Forms and  
Endorsements

- Unit 17 Commercial Crime Insurance (2% of test) - 1 question**  
Types of Crime Forms  
Definitions  
Insuring Agreements and Endorsements  
Exclusions  
Conditions  
Fidelity Bonds
- Unit 18 Workers' Compensation (2% of test) - 1 question**  
Workers' Compensation Laws  
Funding  
Workers' Compensation and Employers Liability Policy  
Federal Workers' Compensation Laws
- Unit 19 Miscellaneous Commercial Insurance (2% of test) - 1 question**  
Farm Insurance  
Boiler and Machinery Insurance  
Aviation Insurance  
Professional Liability Insurance  
Employment Practices Liability Insurance  
Difference in Conditions Insurance  
Commercial Umbrella Insurance  
Surety Bonds  
Federal Terrorism Risk Insurance Act of 2002 (Extension Act of 2007)

**CROP REFERENCES**

**Crop-Hail Policy General Provisions 2011 - NCIS 3**  
**Crop-Hail Insurance Kentucky Amendatory Endorsement 2009 - NCIS 3KY**  
**Optional Fire and Lightning Coverage on Crops Planted in Small Grain Crop, Stubble or Residue 2007 – NCIS 457**  
**Crop-Hail Policy Jacket 2010 - NCIS 5**  
**Crop-Hail Policy Basic Form Special Provisions Kentucky 2007 - NCIS 616K**  
**Crop-Hail Policy - Unharvested and Harvested Tobacco Form Special Provisions Kentucky 2005 - NCIS 641K**  
**Common Crop Insurance Policy, Basic Provisions - Reinsured Version (11-BR)**  
**FCIC 98-041 - Coarse Grains Crop Provisions**  
**FCIC 09-CAT - Multiple Peril Catastrophic Risk Protection Endorsement**

**Crop-Hail (4% of test) – 2 questions**  
Policy Provisions of Crop-Hail  
Crop-Hail Provisions  
Crop-Hail Basic Policy Special Provisions Kentucky  
Kentucky Crop-Hail Endorsements  
Coverage Available Multiple Peril Crop Insurance (MPCI)  
Claim Settlement

**CLAIM BASICS**

**Claims Continuing Education Course  
Kaplan Financial Education  
3rd Edition 2006**

|               |  |
|---------------|--|
| <b>Unit 1</b> | <b>Adjuster Claims (14% of test) – 7 questions</b> |
| <b>Unit 2</b> | The Claims Function                                |
| <b>Unit 3</b> | Claim Handling Skills                              |
| <b>Unit 4</b> | Claim Investigation                                |
| <b>Unit 5</b> | Claim Evaluation and Disposition                   |
|               | Ethical Issues in Claim Handling                   |

**KRS 342 and Guidebook to Workers' Compensation Kentucky 2008**

**Workers' Compensation (10% of test) – 5 questions**

State Administration of Workers' Compensation  
Employer-Employee Relationship  
Occupations Covered/Occupations Excluded  
Which Employers Must Be Covered  
Voluntary Coverage  
Coverage Options  
Compulsory vs. Elective  
Who is an Employee  
Officers/Sole Proprietors  
Loaned/Leased Employees  
Up-the-Ladder Doctrine  
Compensable Injuries/Disease/Cumulative Trauma  
Determining What is Compensable  
Compensable Diseases  
Cumulative Trauma Injuries  
Types of Disability  
Standards for Disability  
Definitions  
Special Defenses  
Benefits Provided  
When Benefits are Due; When Benefits End  
Medical Benefits  
Rehabilitation  
Death Medical and Burial Benefit  
Income Benefits (formulas)  
Protection of Benefits from Creditors  
Offsets (Social Security/Disability)  
Black Lung (Pneumoconiosis) Provisions  
Special Fund/Assessments  
Claims Investigation and Handling  
First Reports, Other Reporting to OWC  
Statute of Limitations  
Basis for Denial/Reduction  
Indemnity and Subrogation  
Wrongful Discharge/ADA Provisions  
Parts of Policy  
Coverages  
Exclusions  
Endorsements

**Insurance Code**

**Kentucky Law (16% of test) – 8 questions**

Scope, General Definitions, and Provisions KRS 304.1

Adjuster Licensing Applicable Laws

Definitions KRS 304.9-020

Change of Address KRS 304.9-200

License Renewal KRS 304.9-260

Continuing Education KRS 304.9-295

Adjuster's License: Qualifications; Examination; Catastrophe

Adjustments KRS 304.9-430

Public Adjuster KRS 304.9-430(12)

Apprentice KRS 304.9-432

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

Unfair Practices KRS 304.12-010

Unfair Claims Settlement Practices KRS 304.12-230; 806 KAR 12:095

Time of Payment of Claims KRS 304.12-235

Insurance Contract KRS 304.14

Motor Vehicle Insurance No-Fault KRS 304.39

Insurance Fraud KRS 304.47

Workers' Compensation Unfair Claims Settlement 803 KAR 25:240

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