

Personal Lines Insurance License Outline
Kentucky Property and Casualty Insurance
License Exam Manual
1st Edition 2006
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Unit Assignments

Unit 1	Principles of Insurance (8% of test) - 4 questions <ul style="list-style-type: none">RiskManaging RiskLaw of Large NumbersElements of Insurability<ul style="list-style-type: none">Pure Risk, Speculative RiskInsurable InterestOther Elements of InsurabilityOther Insurance Terms<ul style="list-style-type: none">PerilHazard
Unit 2	The Insurance Contract (6% of test) - 3 questions <ul style="list-style-type: none">Elements of a Valid Contract<ul style="list-style-type: none">Offer and AcceptanceConsiderationCharacteristics of an Insurance Contract<ul style="list-style-type: none">Principle of IndemnityPersonalUnilateralParts of the Insurance Contract<ul style="list-style-type: none">Policy Organization
Unit 3	Insurance Company Organization and Regulation (2% of test) - 1 question <ul style="list-style-type: none">Types of Insurance Organizations<ul style="list-style-type: none">Stock and Mutual CompaniesLines of Insurance<ul style="list-style-type: none">Four Lines of InsuranceInsurance Company Organization<ul style="list-style-type: none">The AgentInsurance Marketing SystemsOther Insurance FunctionsRegulation<ul style="list-style-type: none">Regulation and the CompanyRegulation and the Agent
Unit 4	The Insurance Transaction (8% of test) - 4 questions <ul style="list-style-type: none">ApplicationBindersUnderwriting the Policy<ul style="list-style-type: none">Fair Credit Reporting ActRating the Policy<ul style="list-style-type: none">Judgment and Manual RatingCertificate of InsuranceMisrepresentation, Concealment, and FraudRepresentations and WarrantiesWaiver and EstoppelCancellation and Nonrenewal

Unit 5

Introduction to Property Insurance (6% of test) - 3 questions

- Declarations
 - Who is Insured
 - What Property is Covered and Where
 - How Much Property is Insured for
- Insuring Agreement
 - Property Covered
 - Perils Insured Against
- Exclusions and Limitations
- Conditions
 - Duties Following Loss
 - Valuation
 - Coinsurance
 - Deductible
 - Salvage and Abandonment
 - Subrogation
 - Appraisal and Arbitration
 - Other insurance
 - Assignment

Unit 6

Introduction to Liability Insurance (6% of test) - 3 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 7

Dwelling Insurance (8% of test) - 4 questions

- The Dwelling Policy
 - Perils Insured Against
 - Other Coverages
 - Conditions
 - Basic Policy Coverages
 - Replacement Cost Coverage
 - Other Endorsements

Unit 8

Homeowners Insurance (18% of test) - 9 questions

- The Homeowners Policy
 - Eligibility, Insureds
 - Extent and Scope of Homeowners Coverage
 - HO-3 - Special Form
 - HO-4 - Contents Broad Form
 - HO-6 - Unit-Owners Form
- Section I - Property
 - Coverage C - Personal Property
 - Coverage D - Loss of Use
 - Additional Coverages
 - Perils Insured Against
 - Limits of Liability, Deductible
- Section II - Liability
 - Coverage E - Personal Liability
 - Coverage F - Medical Payments to Others
 - Exclusions
 - Additional Coverages
- Homeowners Endorsements
 - Section I Endorsements
 - Limited Fungi, Wet or Dry Rot, or Bacteria Coverage

Unit 9

Personal Auto Insurance (18% of test) - 9 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
 - Other Provisions
- Parts E and F - Conditions
- Underinsured Motorists Coverage
- Personal Auto Policy Endorsements

Unit 10

Miscellaneous Personal Insurance (12% of test) - 6 questions

- Flood Insurance
 - Coverage
- National Flood Insurance Program
- Earthquake Insurance
- Mobile Home Insurance
- Personal Inland Marine Insurance
 - Personal Inland Marine Forms
- Personal Watercraft Insurance
 - Boatowners and Outboard Motor and Boat Policies
 - Personal Yacht Policies
- Personal Umbrella Insurance
 - Coverage for Excluded Losses
- FAIR Plans

Insurance Code

Kentucky Law (8% of test) – 4 questions

Scope, General Definitions, and Provisions KRS 304.1

Definition of Property Insurance KRS 304.5-050

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

Lender Insurance Requirements KRS 304.12-150

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