

September 26-29, 2024 | Sheraton Boston Hotel



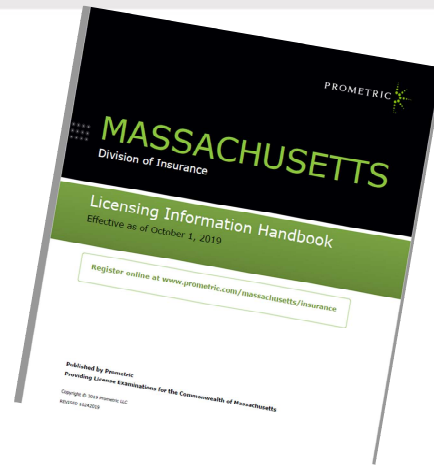
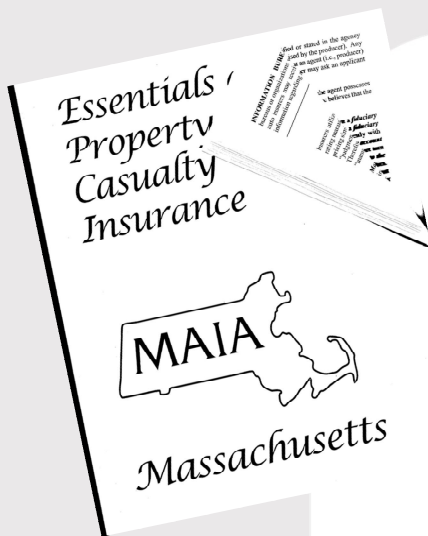
09/26/2024 & 09/27/2024

P&C Licensing Program

9:00 AM - 5:00 PM

Robert Bellenoit

Sponsored by Acadia Insurance



Dear Class Attendees,

Please help fine tune the presentation material presented in these review classes by providing some feedback on your licensing exam experiences.

THIS IS COMPLETELY OPTIONAL FOR YOU. It's simply an attempt to improve these classes.

How did you do on the exams?

Property _____ Casualty _____

Any questions **not** covered in the review class?

Any subject matter you wish was covered in **greater detail** in the review class?

Any other feedback that would help improve the class:



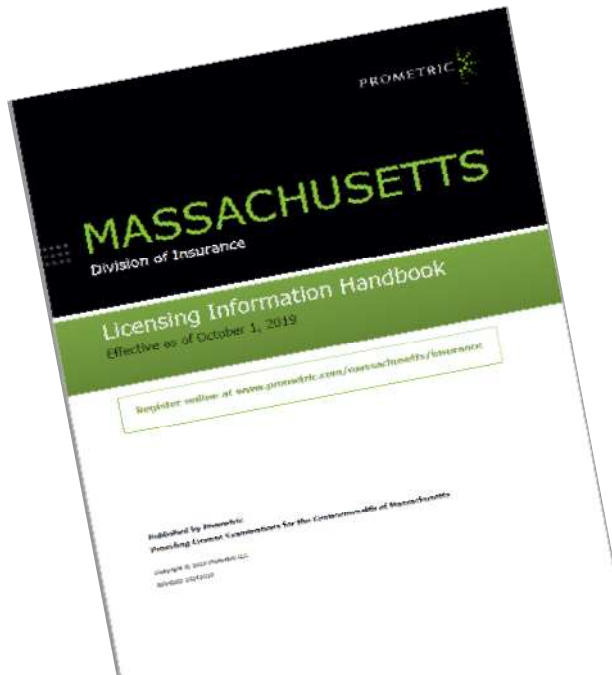
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PLEASE EMAIL THIS PAGE OR YOUR COMMENTS BACK TO

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Massachusetts Property & Casualty Content Outline

The following outline of topical material identifies the subject matter from which State examination questions are developed for the Prometric State examinations.

The Prometric State examinations are extremely challenging. The license candidate must not only familiarize him/herself with the basic concepts and principles of life and health insurance but **MUST** also comprehend the material as well. It is important that the license candidate read through the entire text.

1.0 INSURANCE REGULATIONS	Boycott, coercion and intimidation 14-13 False financial statements 14-14 Failure to maintain complaint record 14-14 Under discrimination 14-12 Under Claims Practices 14-12 Rebating 14-11 Insurance fraud regulation 14-12 Insurance Info and Privacy Protection 14-15, 16
1.1 Licensing	1.3 Federal regulation Fair Credit Reporting Act 3-4 Fraud and false statements 1-13
Prerequisites 14-3 Types of licenses 14-1 Producers 14-1 thru 5 Business entity producers 14-1,4 Advisers 14-2 Nonresident producers 14-1,4 Temporary 14-3 Special broker 14-2 Public Insurance Adjusters 14-11 Reinsurance intermediary 14-2 Medical settlement broker 14-2 Maintenance and duration 14-5 Renewal and renewal 14-5 Change in name or address 14-15 Assumed names 14-15 Continuing education requirements, exemptions and penalties 14-6 and 7 Disciplinary actions 14-8 Class and deposit order 14-10 Hearings 14-8 and 9 Production, subpoenas, revocations, refusal to issue or renew 14-7 Producers and firms 14-9 thru 15	2.0 GENERAL INSURANCE
1.2 State regulation	2.1 Concepts Risk management 2-2 Key terms 2-2 Risk 2-2 Exposure 2-2 Hazard 2-3 Peril 2-3 Loss 2-4 Methods of handling risk 2-3 and 2-16 Avoidance 2-3 and 2-16 Retention 2-3 and 2-16 Sharing 2-3 and 2-16 Reduction 2-3 and 2-16 Transfer 2-3 and 2-16 Elements of insurable risks 2-3 Adverse selection 1-6 Law of large numbers 2-1 Reinsurance 2-9
Consistency of general duties and powers 14-5 thru 10 Company regulation 14-8 Certificate of authority 14-6 Solvency 14-9 Policy forms 14-9 Rates 14-9 Under claims settlement practices 14-12, 13 Examination of books and records 14-8, 16 Producer appointments 14-5 Termination of producer appointments 14-5 Producers regulation Voyeurism 14-13 Licensing 14-10 Prohibited acts 14-11 Sharing commissions/Unlicensed persons 14-15 Under and prohibited practices Misrepresentation 14-10 and 11 False advertising 14-13 and 14 Defamation of insurer 14-13	2.2 Insurers Types of insurers 1-9 Stock companies 1-9 Mutual companies 1-9 Fraternal benefit societies 1-10 Self-insurance groups 1-11 Risk retention groups 1-11 Private versus governmental insurers 1-12 Admitted versus nonadmitted insurers 1-10 Domestic, foreign and alien insurers 1-10 Financial status (independent rating services) 1-13 Marketing (distribution) systems 1-13 2.3 Producers and general rules of agency Insurer as principal 1-6 Producer/insurer relationship 1-8 Authority and powers of producers 1-8 and 9 Express 1-8

Number of Questions on Exam by Section

Per Prometric Licensing Information Handbook

Page 3 in Study Guide shows the outline from Handbook

Section	Property Exam	Casualty Exam	Study Guide Chapters
1.0 Insurance Regulation	10	10	14
2.0 General Insurance	10	10	1, 2
3.0 Property and Casualty BASICS	20	18	1, 2, 3, and some others
4.0 Dwelling Policy	4	0	4
5.0 Homeowners Policy	17	16	5, and some of 4
6.0 Auto Insurance	13	15	6, and some of 8 (CL Auto)
7.0 Commercial Package Policy	10	8	8
8.0 Businessowners Policy	11	6	8, pages 25 - 31
9.0 Workers Comp Insurance	0	9	9
10.0 Other Coverages and Options	5	8	10, 11, 12, 13, and some of 8

BOP ELIGIBILITY

Chapter 8 page 26

Mercantile, Wholesalers, Processing Operations

\$3 million payroll
25,000 Sq. ft building space

Wholesalers

max 25% of floor space open to public

Contractors

smaller- under \$300,000 payroll
Most Contractor types are NOT ELIGIBLE

Office Buildings

6 stories or less
100,000 Sq. ft building space
incidental occupancies allowed

Convenience Stores

can have food, can sell gas
gas can't be more than 75% of sales

Small Repair Shops

except Auto Dealers & Service Stations

Apartments and Condo Assoc.

no size limit
Apts - incidental occupancies allowed

Motels

max 3 stories - no floor space limit
no seasonal
no bars or lounges

Self Storage

max 2 stories
no cold storage, no industrial materials,
no chemicals, pollutants or waste

Restaurants & Fast Food

no seasonal operations
limited catering
limited beer/wine; no bar/cocktail lounge
max 7,500 sq.ft

Restaurants - 75 seating capacity limit

sell prepared food- cold
Limited Cooking- only on appliances- no smoke or grease vapors
NO grilling, barbequing, open broiling, deep fat frying

Fast Food - 150 seating capacity limit

limited cooking- grilling, deep fat frying
auto extinguishing system for cooking equipment

NOT ELIGIBLE

Car Wash

Banks

Auto Dealerships

Hospitals

Liquor Stores

Propane Tank refilling

Large Manufacturers

IMPORTANT: Carrier Underwriting may have their own BOP eligibility issues in addition to this.

Building Perils

Contents = Broad Form *

Dwelling Policies			Homeowners				
DP 1 BASIC	DP 2 BROAD	DP 3 SPECIAL	HO 2 BROAD	HO 3 SPECIAL	HO 5 SPECIAL	HO 4 Tenant	HO 6 Condo

Fire, Lightning, Removal Explosion, <i>Internal only</i>	included		
<i>WHARVVES</i> "Extended Coverages" Windstorm Hail Aircraft Riot Vehicles Volcanic Eruption Explosion, <i>Internal & External</i> Smoke	Optional	included	included
Vandalism	optional		
Theft	optional	optional	optional
<i>BIG AFFECT</i> Burglary (60 day vacant - NO) Ice, Sleet, Snow... weight of Glass Breakage Accidental discharge of water Freezing Falling Objects Electrical Current Collapse Tearing...Sudden Cracking e.g. Hot Water Heaters	not available	included	included
"Open Perils" or "All Risk" All Perils unless EXCLUDED	not available	not available	

Building & Contents Broad	Building Special Contents Broad*	BOTH Building & Contents Special	NO Building CONTENTS ONLY Broad*	Building & Contents Broad*
				optional by endorsement

* Contents can be endorsed "open" or "all risk" in HO forms 3, 4, 6
HO 5 is "open"/"all risk" for both building & contents

Explosion DOES NOT include steam boilers

E.G. OF OPEN PERILS COVERAGES not covered in Named Perils forms

Left window open...rain/snow entering w/out building damage

Dropping can of paint on floor/rugs

Dropping crystal bowl

Chapter 14, MA Law

Fines & Penalties

Licensing, pp 1-3

		<u>FINE</u>	<u>PRISON</u>	<u>OTHER</u>
Advisor	Acting as advisor without license	\$50 - \$500	0 - 6 months	
Special Broker	fails to submit reports of transactions	100 - 500	0 - 1 year	
Reinsurance Intermediary	Acting as ReInt. Without license	0 - 1,000	0 - 6 months	
	non-resident ReInt... w/o license	0 - 10,000		& make restitution

Disciplinary Action, P 7

Cease & Desist	for unfair sales practices - violate order	10,000 per violation		
	failing to appear to hearing	1,000	0 - 1 year	plus suspension/revocation of license

State Regulation, p 12

Producer Regulation

Impersonation	Advertising "something they are not" (only name on license allowed)	10 - 100 per violation		plus suspension/revocation of license
Larceny	co mingling of funds, not paying carrier	0 - 1,000		
Unlicensed Compensation <i>also "Sharing Commissions" p 17</i>	Sharing or accepting commissions/fees with an unlicensed person	50 - 500		

Unfair-Deceptive Insurance Practices, p. 12

penalties apply to all below but only after a hearing

		0 - 1,000	0 - 6 months	court may also award punitive damages up to 25% of claim
Misrepresentation incl "Twisting"	false written/oral statements on terms/conditions			
False Advertising	keep copies for 4 years			
Defamation of Insurer	similar to 'false statements' below			
Boycott, Coercion, Intimidation	need to buy loan to get insurance			
False Financial Statements	about a carrier of other persons			
Failure to Maintain Complaint Record	must keep for 2 years of complaint			
Unfair Discrimination	premium rates			
Unfair Claim Settlement Practices	timeliness payments, forms, etc	may suspend insurer authority		
Rebating	offering something of value for purchase			

Insurance Fraud, p 16

Fraud	false statement, concealment, using funds of another	100 - 500	1 month - 1 year
Perjury	sworn statements (e.g., claim form)	100 - 1,000	

Chapter 14, MA Law

Time Lines

MA Law, p 19 - 21

Property

	<u>Notices sent 1st class mail w cert of mailing</u>	<u>timeline</u>
Insured Cancels	Short Rate return premium HO pro rata	anytime
company cancels	Pro Rata return premium	
Non payment		10 days
within 60 days	any reason	5 days
after 60 days	only for: Fraud Increase in Hazard Changes to property, e.g vacant +60 days Crime (e.g., storing illegal weapons, etc)	
Non Renewal	notice to insured	45 days
Mortgagee Notices		
Cancellation	notice to mortgagee	20 days
Non Renewal	notice to mortgagee	10 days

binder	can extend	up to 30 days
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Vacancy	<i>no fire & lightning coverage... if vacant more than</i>	
	Residential 3 or less units	60 days
	Residential more than 3 units	30 days

Loss Payment	once received proof of loss, co must pay within	30 days
	Co has right to repair or replace, must tell ins. within	15 days

Replacement Cost	<i>Insured selects ACV, (e.g. chooses not to repair)</i>	
	can change his mind and go back to repl cost, within	6 months
	has to complete repair within	2 years

MA Law, p 21 - 23

Casualty













Comparative Negligence	less than 50% at fault, and not higher than any other
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<u>Workers Comp</u>	Total/Permanent pays out 66 2/3 % of pay Temporary/Partial pays out 60 % of pay <i>Pay calculated on pay of last...</i>	"two thirds" 26 weeks
	Self Insured Reporting Injury	must be in business... employer to Dept of Industrial Accident within...
Pay Benefit to employee	company must pay within...	14 days of injury

Limits & Coverages Differences

	Dwelling Policies			Homeowners			
	DP 1 BASIC	DP 2 BROAD	DP 3 SPECIAL	HO 2 BROAD	HO 3 SPECIAL	HO 4 Tenant	HO 6 Condo
Other Structures Coverage B 10% Cov A	reduces Cov A limit "Not Additional Insurance"	additional insurance		additional insurance		NOT APPLICABLE	No Cov B Included in Cov A
Cov D Loss of Rents Cov E Add'l Living Exp. <i>(HO both Rents & ALE covered under Cov D Loss of Use)</i>	20% of Cov A Cov D - Rents 1/12 mo limit <i>Cov E must be added by endorsement</i>	20% of Cov A additional insurance		30% of Cov A additional insurance		30% of Cov C additional insurance	50% of Cov C additional insurance
Debris Removal	Incl. in Cov A limit "Not Additional Insurance"	Included in Cov A limit		Included in Cov A limit (5% of Cov A available if total loss)		not applicable	Incl. in Cov A limit (5% of Cov A if total loss)
Property Removal	5 days	30 days		30 days		30 days	30 days
Worldwide Contents Cov	10% Cov C	Cov C limit		Cov C limit		Cov C Limit	Cov C Limit
Improvement & Betterments Covered Under Cov A, But if a TENANT...	10% of Cov C reduces Cov C limit	10% of Cov C additional insurance		Full Coverage under Cov A		10% of Cov C additional insurance	Full Coverage under Cov A
Vehicle Damage	fence not included	fence included if hit by others, not the insured		fence included if hit by others, not the insured		not applicable	
<i>Loss Valuation</i> Building Contents	ACV ACV	Replacement Cost ACV		Replacement Cost ACV		not applicable ACV	Repl. Cost ACV
	Repl Cost Contents NOT Available in ANY Dwelling Fire Form			Repl Cost Contents Available & SHOULD BE ADDED...Always!			

**“Motor Vehicles” and how they’re treated on
HOMEOWNERS & AUTO POLICIES**

				
	Section I — Property Coverage of HO Policy	Section II — Per- sonal Liability Coverage of HO Policy	Liability Coverage under Auto Policy	Physical Damage Coverage with Auto Policy
Camper Trailer Travel Utility 	<i>\$1,500 of coverage.</i> No coverage for off- premises theft	<i>No coverage while being towed.</i> Coverage when detached 	Covered as a “covered auto” if being pulled or towed by your auto 	Not covered unless notice provided
Mo Mi Cat 	Not covered	No coverage unless in dead storage	No automatic cover- age. May be endorsed	No automatic cover- age. May be endorsed
Motorcyc, Motorize 	Not covered	Not covered	Not covered. May be endorsed.	Not covered. May be endorsed.
Golf Carts 	Not covered	Covered on premises and <i>while golfing on golf course</i>	Not covered. May be endorsed.	Not covered. May be endorsed
ATV, All-Terrain Bike, Dune Buggy 	Not covered	Covered on premises. No cover- age off premises unless on an insured location.	Not covered. May be endorsed.	No automatic cover- age. May be endorsed
Snowmobiles 	Not covered	Covered on premises. Not cov- ered off premises unless on an insured location.	Not covered. 	Not covered. 

**Part 3 & Part 12
Uninsured & Underinsured BI**

"Go Home to find your limit"

Do You Have a policy of your own?	
YES you get that limit	NO?

Does anyone in your household have a policy?	
YES You Get the highest limit in the house	NO You get the limit in the car you were in

<u>Family Household</u>	
<u>Part 3 or 12 Limit</u>	
Dad	250/500
Mom	100/300
Son #1	50/100
Daughter	no policy

**Son #2 no car/policy
lives by himself in Boston**

Watercraft Liability Limitations

Type of Watercraft	Outboard Motors	Inboard or I/O Motors	Sail Boats
OWNED	COVERED IF 25 HP OR LESS	NOT COVERED X	COVERED IF LESS THAN 26 FEET
RENTED	COVERED ALL HP SIZES ✓	COVERED IF 50 HP or LESS	COVERED IF LESS THAN 26 FEET
BORROWED	COVERED NO HP LIMITATION ✓	COVERED NO HP LIMITATION ✓	COVERED NO SIZE LIMITATION ✓
LIMITATIONS DO NOT APPLY TO STORED WATERCRAFT			
HO 24 75 WATERCRAFT LIABILITY ENDORSEMENT REMOVES LIMITATIONS			