

Review Topics for the Second Exam in Insurance Operations Fall 2013

Consequential/Indirect Loss Coverage in Commercial Lines

Largest category of loss to be included in business interruption insurance

What is covered under a business interruption coverage

Definition of Insurance and the risk characteristics of the ideal insurance coverage

Types of Hazards – Physical, Morale and Moral in Insurance Operation Underwriting

All-risk or named perils insurance --- how are perils defined in relation to exclusions
Homeowner's Policy

Basic Coverages – A,B,C,D Section 1

Information found on the Declarations page of a property casualty insurance policy

Insured perils, excluded perils –e.g. flood, animals, large watercraft, business pursuits

Subrogation, Mortgagee Clause, purpose of co-insurance provision on P&C coverages

Application of an 80% or 90% co-insurance provision in personal or commercial lines coverages

Definition of fire in terms of an insurable event

Coordination of benefits provision

Differences in the methods for settling claims – Actual Cash Value, Cost to Repair or Replace, Insurable Interest

E,F Section 2 Extent of coverage, responsibilities of both parties to the insurance contract

Focus on the Liability Coverages as being most important

What is covered, who is covered, circumstances where exclusions apply

Personal Auto Policy [PAP]

Vicarious liability --- definition and application to claim settlement

Coverages – A,B,C, D, E and F

Application of Split Limit Coverage for Liability Claims

Differences between Uninsured and Underinsurance coverage

Collision versus Non-Collision losses under the insurance contract

Extent of coverage under the liability insuring agreement – defense + payment of liability established in a court of law

Compulsory Liability Insurance Law – requirements, what is its purpose

Commercial Property Package [CPP]

Types of Coverage Afforded Under

Inland Marine; Ocean Marine; Completed Operations; Product Liability

Business Interruption, Comprehensive General Liability, Business Auto Insurance

Scheduled versus class underwriting system for determining premiums

Pro-rata return of premium versus short rate basis when terminating coverage

Proximate cause of loss standard in settling a property insurance claim

Rate Making --- The three factors that must be met with the insurance commissioner in

Receiving approval for a rate on coverage –

Differences between: Prior Approval versus File and Use Laws in Altering Premium Rates

Calculation of A Statutory Underwriting Position on a New Insurance Line

Differences between: Occurrence Based versus Claims Made Underwriting

Reasons for suspending coverage - Increased hazard, material differences in the risks

From what was originally insured

Differences between Permanent Life Insurance [Whole Life, Variable, Universal Life] versus Term Life

Calculation of probabilities for calculating premiums for life insurance products – life annuities and life insurance

Impact age has on the cost of coverage in life insurance

Impact age has on cost of coverage in life annuities

Reason why there is no medical exam for those applying for an annuity, but there is an extensive medical review for those seeking to purchase life insurance coverage

Application of incontestability in life insurance and why it is included in a life insurance policy

Why the misstatement of age is not considered a voidable factor for life insurance, but it is for auto insurance coverage

The purpose of policyholder surplus or capital on the balance sheet of an insurer when considering future claim experience

What is interest rate risk and how does it impact insurance operations

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