

Risk Management and Insurance Review for 1st Exam

Direct vs. Indirect loss

Peril

Proximate Cause of Loss

Ideal Conditions for Insurance to Exist and how they may be violated in

Some cases giving rise to governmental insurance programs in others where private insurance is denied.

Different types of hazards

Definition of Insurance

Definition of the principle of indemnity

Four basic components to an insurance premium

Adverse Selection

Why catastrophic losses are uninsurable by private insurers

Fundamental vs. particular risks

Dynamic vs. static risks

Pure vs. speculative risks

Why the National Flood Insurance Program is not actuarially sound

Definition of Underwriting

Application of loss prevention, risk assumption, risk transfer or risk avoidance

Steps in the risk management process and which step is the most difficult and important one to execute

Different types of insurance organizations – Lloyd's of London, Mutual vs. Stock Insurers, Fraternal, Reciprocal, Captives

Gramm-Leach-Bliley Act

Direct vs. Indirect Underwriting and Agency

Independent Agency System

Duties of the Insurance Agent

Insurance Accounting – Statutory vs. GAAP Accounting Standards

Role of AM Best in Rating Insurers

New policy provisions since 9-11 with respect to terrorism

State Regulator Objectives with respect to rate regulation

Paul vs. Virginia

Southeastern Underwriter's Case

Public Law 15

Insurable Interest

Principle of Subrogation

Legal Conditions in order for an Insurance Contract to come into existence

Void vs. Voidable insurance contracts

Material Misrepresentation

Principle of indemnity when two policies exist on the same property

Actual Cash Value

Methods of claim settlement on an HO policy

Insurable Interest on a Life Insurance policy as opposed to a Casualty Insurance Policy

Application of a straight deductible to a property loss claim

Medical Payments coverage on an HO-2 policy

Different visitors to property and the standards of care relative to liability
Gross negligence in regards to an attractive nuisance
Definition of a waiver and why it is important in casualty insurance
Different types of exclusions – business pursuits, coverage through other insurance, valued policy [e.g. theft of jewelry], catastrophic loss potential
Special legal principles with respect to insurance - utmost good faith, aleatory, unilateral, contract of adhesion, doctrine of reasonable expectations
Types of HO policies and the different coverages A,B,C,D, E and F
Settlement on loss of personal property on an HO-2 policy
Stolen personal property in a locked car – which policy pays HO, PAP or both?
Friendly vs. Unfriendly fire
Determination of a claim settlement of an HO policy with an 80% coinsurance provision
Property Removal Provision on the HO policy