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, Fraternals, Reciprocals, 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 a 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 an 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