

PROPERTY & CASUALTY LICENSING MENTOR GUIDE

Welcome! Your role as a licensing candidate mentor is very important. Your role, in a nutshell, is to help keep your candidate on track with the study schedule, answer questions and provide clarification, review pre-study progress, gauge readiness for the state exam and provide moral support throughout the process.

General Information & Purpose

The IA&B Mentor Guide and revised study material have been built in response to our member input. Our members told us that they needed to increase their candidate's chance of passing the exam the first time and needed IA&B to provide them the tools to assist their licensing candidate through the licensing journey. **The result of that input is the NEW Property & Casualty Pre-Licensing Manual, re-designed three-day course format and the accompanying Mentor Guide!**

The first item you must understand is that this exam is **VERY DIFFICULT!** It is extremely important that you recognize this fact and reinforce it with your candidate. No one benefits by presenting this task as less intensive than it really is. The exam consists of 150 multiple-choice questions. A passing score of 70% (105 questions answered correctly) is required and the candidate will have 2.5 hours to complete the exam.

Secondly, remember that pre-study is **ABSOLUTELY NECESSARY!** Our pre-study schedule provided to the candidate and included in the mentor packet is outlined in a 28-day format. This format assumes an average of 2 hours per day of quiet study time. We recommend that you and the candidate use this guide as a *minimum* requirement for pre-study. If your candidate does not have the full 28 days to complete the pre-study prior to the 3-day course, we suggest that you discuss this with the candidate and consider rescheduling the course date to allow ample time to prepare.

Finally, it is imperative that you **TAKE YOUR ROLE SERIOUSLY!** The licensing candidate will benefit immensely by having you as their mentor. With you following the guidelines provided, you will support their licensing journey in all the right ways.

Your Mentor Role

The mentor component to the licensing study program has been added to increase the first-time pass ratio for the licensing candidate. Having a mentor assigned to the candidate provides another level of accountability, specifically as it pertains to the pre-study schedule. With additional focus on the pre-study and having a mentor to gauge the progress throughout, the first time pass ratio will increase. In addition, as a mentor, you can keep the candidate focused on passing the test and studying the material that represents the majority of the test.

The study materials and the classroom schedule are focused on the information needed to pass the licensing exam. With that in mind, the candidate will find class time spent on a topic will directly relate to the number of exam questions on the given topic; more time focused where there are more exam questions and less time where there are fewer. The candidate's Study Schedule/Tracker is included with this mentor guide and includes the number of state licensing exam questions per topic.

We've built the study schedule in a 28-day format because we feel strongly that to be adequately prepared a minimum of 56 hours (2 hours per day for 28 days) is required. There is a lot of information to be learned in the study materials as well as reviewed in the three-day course. It is detrimental to the licensing candidate to shortchange the opportunity for the full pre-study time. ***If your candidate has less than 28 days to prepare prior to the scheduled 3-day course, we strongly recommend that you reconsider their course date and consider a later day and or different location.***

An important part of the pre-study process is completing the chapter quizzes and online quizzes to gauge progress. Although sample questions are important, it is impossible to provide all of the potential exam questions as part of pre-study. The chapter questions are built as an overall representation of the type of information asked on the exam and the formats in which the questions will be asked. Inevitably, your candidate will see questions on the state licensing exam that were not covered as part of the chapter quizzes. However, with a firm grasp and understanding of the material and reviewing the sample questions provided, he/she will be adequately prepared to pass the exam.

Mentor Strategies

- Your mentoring role begins with the delivery of IA&B's Property & Casualty Pre-Licensing Manual - Pennsylvania Text to your candidate. The perfect way to start the licensing process is to review all the materials provided with your candidate. This is not only beneficial for the candidate but also for you as the mentor so you are aware of all the resources provided. As the mentor, you have access to the candidate's textbook online and we strongly recommend that you familiarize yourself with the material and all the resources contained in the book.

<http://www.iabforme.com/pcmanual>

- Establish a study plan which you and the candidate agree using the study schedule provided. It is very important that an individual be given some time to study during the workday while preparing for this exam. This allows them guaranteed, uninterrupted study time as well as the opportunity to ask you, their mentor, questions. Allowing the individual the full 2 hours of study per day to be completed in the office is strongly recommended.
- Upon completion of the candidate's study of each section (including the topic reviews through the online product), plan some time to meet with them to review the section. You can use the section quizzes for reference but also refer to the provided objectives as conversation starters to gauge their understanding of the concepts. This face-to-face section review will determine if you feel the individual is ready to move onto the next section or if additional preparation is needed.
- Once the candidate has completed the pre-study of all 10 sections to your combined satisfaction he/she should take a full practice exam on the ExamFX product included with their materials. This is a full-length practice exam which mimics the state exam. Upon completion, review the results with the candidate and determine any areas of study that need more work.
- Once all the chapters have been completed to the satisfaction of you and the candidate, he/she should begin taking the full practice exams on the ExamFX product. This will appear much more like the exam in that there will be a full 150 questions and they will cover all the information you have studied. We recommend that they consistently score 85% or better on these practice exams to show adequate preparedness for the exam.
- The full pre-study should be completed prior to attending IA&B's 3-day course. The three-day course is used to reinforce the concepts, and should be used as the final step in the pre-licensing study, serving as a wrap-up to all the information and providing an opportunity for additional questions.
- Following the 3-day course and when the individual is consistently scoring 85% on the online practice exams it is time for him/her to take the real exam. Schedule time to meet with your candidate for a final review of the material and also to review the following test taking tips (also provided to the student in their study material).


When Should My Candidate Take the Exam?


We recommend taking the exam the Monday or Tuesday immediately following the completion of the three- day course. You will have a better idea as you review with the candidate whether this timeframe is realistic for them. If you feel that the candidate is progressing as they should during your chapter reviews, have them schedule themselves for the exam in the recommended timeframe. The candidate can schedule his/her exam prior to completing the 3- day course but will need to have completed the course prior to actually sitting for the exam.


Review Guides

The following pages provide a review guide for each of the ten chapters. The information contained in the review guides has also been provided in the candidate's materials as "goals" for each chapter. The outlined items will help you to build a review session with your candidate following each chapter of study and be able to gauge their progress and where they may need some extra support.

Study Schedule / Tracker

Time	Chapter	# of ?s	
Day 1-2 (4 hours)	Insurance Regulation – Chapter 1 <ul style="list-style-type: none"> • Licenses • State Regulation • Federal Regulation 	30	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 3-4 (4 hours)	General Insurance Concepts – Chapter 2 <ul style="list-style-type: none"> • Concepts • Insurers • Producers and General Rules of Agency 	12	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 5-8 (6 hours)	Property & Casualty Insurance Basics – Chapter 3 <ul style="list-style-type: none"> • Principles and Concepts • Policy Structure • Common Policy Provisions • PA Laws/Regulations/Provisions 	21	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 9-10 (4 hours)	Dwelling Policy Concepts – Chapter 4 <ul style="list-style-type: none"> • Dwelling Policy ('14) • Coverage Forms – Perils Insured Against • Property Coverages • General Exclusions • Conditions • Selected Endorsements • Personal Liability Supplement 	6	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 11-14 (8 hours)	Homeowners Policy Concepts – Chapter 5 <ul style="list-style-type: none"> • Homeowners Policy ('11) • Definitions • Property Coverages • Section II – Liability Coverages • Perils Insured Against • Exclusions • Conditions • Selected Endorsements 	10 or 11	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor

Time	Chapter	# of qs	
Day 15-16 (8 hours)	Personal Automobile Policy ('05) – Chapter 6 <ul style="list-style-type: none"> • Motor Vehicle Financial Responsibility • Personal Auto Liability • First Party Benefits • Uninsured/Underinsured 	15	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 17-18	Commercial Automobile Policy ('13) – Chapter 7 <ul style="list-style-type: none"> • Physical Damage • Selected Endorsements • Commercial carrier regulations 	7 or 8	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 19-20 (4 hours)	Commercial Property Policies ('12) – Chapter 8 <ul style="list-style-type: none"> • Commercial Package Policy • Commercial Property ('12) • Commercial Inland Marine • Equipment Breakdown • Farm Property 	10 or 11	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 21-22 (4 hours)	Commercial General Liability ('13) – Chapter 9 <ul style="list-style-type: none"> • Policy Components • CGL Coverages • Occurrence versus Claims-Mae • Claims-Made Features 	10 or 11	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 23 (2 hours)	Commercial Crime ('15) – Chapter 10 <ul style="list-style-type: none"> • Definitions • Coverage Form Classifications Other crime coverages	3	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 24-25 (4 hours)	Businessowners ('13) Policy – Chapter 11 <ul style="list-style-type: none"> • Characteristics and Purpose • Businessowners Section I – Property • Businessowners Section II – Liability • Businessowners Section III – Common Policy Declarations • Selected Endorsements 	4 or 5	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor
Day 26 (2 hours)	Workers Compensation Insurance – Chapter 12 <ul style="list-style-type: none"> • Workers Compensation Laws • Workers Compensation and Employers Liability Insurance Policy • Premium Computation 	7 or 8	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor

Time	Chapter	# of ?s	
Day 27-28 (4 hours)	Other Types of Property & Casualty Insurance – Chapter 13 <ul style="list-style-type: none"> • Specialty Liability Insurance • Surety Bonds • Personal Umbrella/Commercial Umbrella and Excess Policies • Farmowners/Ranchowners Policy • Mobile Home Policy • National Flood Insurance Program • Residual Markets Including FAIR Plans • Alternative Funding Mechanisms • Federal Crop Insurance • Ocean Marine • Other Policies 	12	<input type="checkbox"/> Read the complete chapter, key terms and goals. <input type="checkbox"/> Read the chapter again and take notes <input type="checkbox"/> Complete/Review Chapter Quiz <input type="checkbox"/> Complete ExamFX Online Topic Quiz <input type="checkbox"/> Review Session With Your Mentor

CHAPTER 1 – INSURANCE REGULATION REVIEW

30 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- Explain the purpose of licensing.
- Explain licensing prerequisites.
- What are the qualifications of an applicant?
- What is the licensing fee for an individual resident and an individual non-resident?
- Understand the different lines of authority and how do they apply to a producer?
- Identify and explain the four types of licenses issued?
- Who qualifies for a temporary license?
- How do you maintain an insurance license (renewal fees, education requirements)?
- What are the timeframes for reporting criminal convictions and address changes?
- Explain how license lapse and reinstatement works.
- Explain how the waiver requirement works for the active military and other extenuating circumstances.
- List activities that will carry disciplinary actions from the Insurance Department.
- What are enforcement options for the Insurance Department?
- What is a consent agreement?
- What are the three acts that require someone to have a producer's license?
- What are the general duties and responsibilities of the Insurance Commissioner?
- What is a Certificate of Authority and what does it do?
- What are the three "rules" in rate making? Rates must be _____, _____ and _____.
- Explain the process companies must follow in filing rates and forms in Pennsylvania.
- List prohibited acts that constitute unfair claims practice.
- Explain a producer's fiduciary responsibility.
- Who is allowed to be paid commissions and fees?
- Explain company appointment procedures.
- What are considered unfair insurance practices and what are the potential penalties?
- What are a producer's requirements for maintaining consumer privacy?
- Name Federal Regulations that affect insurance.

CHAPTER 2 – INSURANCE REGULATION REVIEW

12 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is risk management?
- Discuss key terms:
 - Risk
 - Exposure
 - Hazard
 - Peril
 - Loss
- Identify the five methods of handling risk and how they differ.
- What are the seven elements of an insurable exposure?
- What is Adverse Selection and how does it apply to underwriting?
- Explain the Law of Large Numbers.
- Identify and explain the different types of insurers (stock company, mutual company).
- What is the difference between admitted and nonadmitted insurers?
- What is the difference between domestic, foreign and alien insurers?
- Explain the difference between a Representative of the Consumer (formerly broker) and a Representative of the insurer (formerly agent).
- List and provide examples of the three types of authority.
- What are the four elements of a legal contract?
- What is the principle of indemnity?
- What is the difference between misrepresentations and material misrepresentations?
- Additional terms to review: Warranties, Concealment.

CHAPTER 3 – P&C INSURANCE BASICS REVIEW

21 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is insurable interest?
- Explain the purpose of underwriting and what is reviewed as part of the process?
- What is the difference between a rate and a premium?
- Explain the difference between the following rates:
 - Judgment
 - Manual or Class
 - Merit Rates (experience and retrospective)
- What are the three types of hazards and how do they differ?
- What is a named peril?
 - List basic named perils
 - List broad named perils
- What are open perils?
- Explain direct and indirect losses.
- Contrast specific, blanket and scheduled insurance coverage.
- Describe the different types of construction.
 - Which construction type carries the most expensive premium?
 - Which construction type carries the least expensive premium?
- Name the different types of loss valuation? Explain them.
- What information is found on a Declarations Page?
- Identify and explain the different parts of an insurance policy.
 - Insuring agreement
 - Additional/supplementary coverages
 - Conditions
 - Exclusions
 - Endorsements
- What is a certificate of insurance and who requests them?
- List and explain different types of insureds?
- List and briefly describe three ways a policy may be cancelled.
- Describe the difference between earned and unearned premium.
- What is a deductible and what purpose does it serve?

CHAPTER 3 – REVIEW (CONTINUED)

- Explain Other Insurance (when 2 or more policies cover the same loss) – describe the different ways to handle this situation:
 - Primary/Excess
 - Pro-Rata
 - Contribution by equal shares
- What does nonconcurrency mean and why is this not a desirable circumstance?
- What is the purpose of coinsurance?
- What is the coinsurance formula?
- Explain the differences between vacancy and unoccupancy and the effect on policies.
- What are some insured's duties under a policy?
- Discuss an insured's duties after a loss.
- Identify and explain four insurer provisions found in policies.
- What is assignment regarding policy rights?
- Identify and explain three third-party provisions.
- List the three basis in which legal liability is established.
- What are the four elements of negligence must be present for negligence to exist?
- What are the 4 common law defenses?
- What are the 2 statutory defenses?
- Compensatory damages are made up of what two types of damages? Explain them.
- What are Punitive damages?
- What is strict/absolute and vicarious liability?
- How do limits of liability apply (per person, per occurrence, aggregate, split, combined single)?
- What is the purpose of Pennsylvania Property & Casualty Insurance Guaranty Association? How does it operate?
- Why is the standard fire policy important?
- What is a binder?
- Explain the Insurance Consultation Services Exemption Act.
- Review of the cancellation/nonrenewal chart content.

CHAPTER 4 – DWELLING ('14) POLICY REVIEW

6 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What are the three Dwelling Forms?
- Discuss the eligibility requirements for a Dwelling Policy.
- Describe property covered by Coverage A, B, C, D and E.
- Which Dwelling form offers the least amount of coverage?
 - What perils are covered?
 - What are the Extended Coverage perils? (Hint: WHARVVES)
- Discuss the Broad Form.
 - What perils are covered?
- Discuss the Special Form
- Know the differences in coverage in the forms.
- How are losses paid under the various coverage forms?
- Encourage review of all Dwelling Coverage charts in Chapter 4.
- What “Other Coverages” are included automatically at no additional premium?
- The Broad and Special forms provide coverage for trees, shrubs, plants and lawns for what limited perils? (Hint: FLAVVER)
- Encourage review of Other Coverages Summary Chart in Chapter 4.
- What are the general exclusions? List them.
- What is concurrent causation?
- Review and discuss the conditions.
- Describe the following endorsements:
 - Automatic Increase in Insurance
 - Broad Theft Coverage
 - Dwelling Under Construction
- What is Coverage L and Coverage M under the Personal Liability Supplement?

CHAPTER 5 – HOMEOWNERS ('11 PA VERSION) REVIEW

10 OR 11 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What are the eligibility requirements for the Homeowners Policy?
- Homeowners 2 – Broad Form
 - What perils are covered?
- Homeowners 3 – Special Form
 - What perils are covered?
- Homeowners 4 – Contents Broad Form
 - What perils are covered?
 - For what specific situation is this form designed?
- Homeowners 5 – Comprehensive Form
 - What perils are covered?
 - How does the HO-5 differ from the HO-3?
- Homeowners 6 – Unit-Owners Form
 - What perils are covered?
- Homeowners 8 – Modified Coverage Form
 - What perils are covered?
 - When is this form typically used?
- How are losses paid under the various coverage forms?
- Review of the “definitions” in the Homeowners policies.
 - Bodily injury
 - Business
 - Employee
 - Insured
 - Insured location
 - Motor vehicle
 - Occurrence
 - Property damage
 - Residence employee
 - Residence premises

CHAPTER 5 – REVIEW (CONTINUED)

- Identify the four coverage sections of Section I Property and know the standard % of coverage for each section under the various Homeowners forms
- Define Coverage A – Dwelling
- Define Coverage B – Other Structures and give examples
- What are two exceptions for Business Use under Coverage B – Other Structures?
- Explain Coverage C – Personal Property.
- What are the limitations for personal property off premises?
- Review Special Limits of Liability for Personal Property (chart in Chapter 5).
- Be familiar with the 11 types of personal property not covered.
- Coverage is provided for debris removal for fallen trees under additional coverages. However, the perils insured against are different depending on whose tree it is. What perils is a tree covered for if:
 - It is an insured's tree? (Hint: SWISH)
 - It is the neighbor's tree?
 - What are the coverage limits for fallen trees?
- What are the three coverages included in Coverage D – Loss of Use?
- Trees, Shrubs and Other Plants are also covered as an additional coverage, however, only for certain perils. What are they? (Hint: FLAVVER T)
- Review and know the Additional Coverages Summary Chart in Chapter 5.
- What is covered under Coverage E?
- Discuss Coverage F:
 - How does it differ from Coverage E and who is covered?
 - For how long?
 - What are the exclusions?
- List and explain the four Additional Coverages provided under Section II – Liability.
- Encourage review of Section II Exclusions in section 5.4.
- What types of motor vehicles are covered for liability?
- What types and sizes of watercraft are covered for liability?
- Discuss the Summary of Perils and Policy Comparison charts.
- What are the duties after a loss under the Homeowners Policy? (Hint: PINES)
- Explain how losses are settled for Coverage A, B & C under Section I – Property.

CHAPTER 5 – REVIEW (*CONTINUED*)

- Explain the purpose and coverage provided by:
 - Special Provisions – Pennsylvania
 - Limited Water Back-Up and Sump Discharge or Overflow Discharge
 - Limited Fungi, Wet Or Dry Rot, Or Bacteria
 - Permitted Incidental Occupancy
 - Identity Fraud Expense Coverage
 - Scheduled Personal Property
 - Scheduled Personal Property – Agreed Value
 - Home Day Care
 - Personal Property Replacement Cost – Pennsylvania
 - Business Pursuits
 - Watercraft
 - Personal Injury
- What are the nine property exclusions in Section I – Homeowners?
- What are the additional open perils excluded in the HO-3 and the HO-5?
- . Recognize the exclusions under Section II – Liability (Sections E&F, E only and F only).

CHAPTER 6 – PERSONAL AUTOMOBILE POLICY

15 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is the Pennsylvania Motor Vehicle Financial Responsibility Law?
- What are the minimum limits and coverages required to be carried?
- What is the Pennsylvania Automobile Insurance Plan and what is its purpose?
- What are the Basic First Party Benefits?
- What coverages are available as Added First Party Benefits and what are the limits that are required to be offered?
- What are the First Party Benefits exclusions?
- Explain the difference between Uninsured and Underinsured Motorists Coverage.
- What is covered and what options and selections are required in Pennsylvania?
- Encourage review of the Personal Cancellation/Nonrenewal chart in Chapter 6.
- Explain the difference between the Full Tort Option and the Limited Tort Option.
- What are the seven specific exceptions that turn limited tort into full tort.
- Review the definitions of Non-economic loss” and “serious injury.”
- What is the Pennsylvania specific requirement regarding rental car coverage?
- What are the eligibility requirements for a Personal Auto Policy?
 - Ownership
 - Autos
- Review important definitions including:
 - “you”
 - “your”
 - “we, us and our”
 - “bodily injury”
 - “business”
 - “family member”
 - “occupying”
 - “property damage”
 - “trailer”
 - “your covered auto”
- What are the four specific parts?
 - “newly acquired auto”

CHAPTER 6 – REVIEW (*CONTINUED*)

- Discuss how coverage applies to replacement autos versus additional autos.
- What are the four parts of “Who is an Insured” under the Personal Auto Policy Liability Section?
- What are the supplementary payments and how do they affect the limits of liability?
- Discuss Part A – Liability Exclusions (13)
- What is the definition of an uninsured motor vehicle and an underinsured motor vehicle?
- What are the exclusions for UM & UIM?
- What is the difference between stacked and non-stacked UM/UIM benefits?
- Discuss Coverage D For Damage to Your Covered Auto:
 - Insuring agreement
 - What is collision?
 - What is covered under Other Than Collision (OTC)
 - What is the two part definition of nonowned auto?
- What are the two parts of transportation expense and what are the limits?
- Discuss exclusions under Coverage D For Damage to Your Covered Auto.
- What are the Duties After an Accident or Loss (Part E)?
- Review the following endorsements:
 - Amendment of Policy Provisions – Pennsylvania
 - Towing and Labor Costs
 - Extended Non-Owned Coverage – Vehicles Furnished or Available For Regular Use
 - Miscellaneous Type Vehicle
 - Joint Ownership Coverage

CHAPTER 7 – COMMERCIAL AUTOMOBILE POLICY ('13)

7 OR 8 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- Describe the following Commercial Auto Policies and explain the coverage provided by:
 - Business Auto Coverage Form
 - Auto Dealers Coverage Form
 - Motor Carrier Coverage Form
- Identify Symbols 1 thru 19.
- Discuss who is an insured and who is not under a Business Auto Policy.
- Review the following Commercial Auto Endorsements:
 - Drive Other Car coverage – Broadened Coverage for Named Insureds
 - Lessor – Additional Insured & Loss Payee
 - Individual Named Insured
 - Pollution – MCS – 90 Endorsement
- Supplementary Payments
- Motor Carrier Act of 1980
- MCS – 90 –Endorsement
- Limits of Transportation Expenses

CHAPTER 8 – COMMERCIAL PROPERTY POLICIES ('12)

10 OR 11 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- Identify and discuss the components of a Commercial Package Policy.
- Identify information included on Common Policy Declarations?
- What are Common Policy Conditions?
- Define interline endorsements and name two.
- Identify the Farm Coverage Forms
- Identify the losses to livestock covered under the Broad Form that are not covered under the Basic Form.
- Identify three perils unique to Farm Coverage that are covered under the Basic Farm Property Form that are not covered under the Commercial Building and Personal Property Basic Cause of Loss Form.
- Define Livestock
- Define Farming
- How does the vacancy provision in the Farm Form differ from other policies?
- Review Farm Coverage
 - Coverage A – Dwellings
 - Coverage B – Other Private Structures
 - Coverage C – Household Personal Property
 - Coverage D – Loss of Use
 - Coverage E – Scheduled Farm Personal Property
 - Coverage F – Unscheduled Farm Personal Property
 - Coverage G – Barns, Outbuildings and Other Farm Structures
- Identify Commercial Property Coverage Forms:
 - Building and Personal Property Coverage Form
- Describe property covered under Building.
- Describe property covered under Business Personal Property.
- Describe property not covered (17 types).
- Identify the six additional coverages and the six coverage extensions.
- What valuation method is used to pay claims under the Business Personal Property Coverage Form?
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CHAPTER 8 – REVIEW (CONTINUED)

- What coverages does the Business Income Form provide?
- Define Business Income.
- Name three optional Business Income forms.
 - Business Income (Without Extra Expense) Coverage Form
 - Extra Expense Coverage Form
- Describe the Legal Liability Coverage Form.
- List and explain the three Causes of Loss Forms
 - Basic Causes of Loss Form
 - Broad Causes of Loss Form
 - Special Causes of Loss Form
- Explain the following endorsements:
 - Ordinance and Law Coverage
 - Spoilage
 - Peak Season Limit of Insurance
 - Value Reporting Form
- Define Inland Marine.
- What are the 5 specific groups for which Inland Marine insurance can be provided?
- Explain the two different kinds of conditions under the Commercial Inland Marine Conditions Form.
- What is the difference between filed and unfiled Inland Marine Coverage Forms?
- Name and describe the six Filed Inland Marine Coverage Forms.
- Give examples of unfiled Inland Marine Forms.
- Explain the three different motor truck cargo forms and the two transportation policy forms.
- Understand what a “breakdown” is and is not.
- What is considered “Covered Equipment?”
- Discuss the exclusions in Equipment Breakdown.
- The suspension condition is unique to the Equipment Breakdown Policy. What makes it so unusual?

CHAPTER 9 – COMMERCIAL GENERAL LIABILITY

10 OR 11 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What are the two types of Commercial General Liability (CGL) forms and what is the difference between them?
- What are the two major sublines of the CGL and give examples of each.
- Contractual liability is generally excluded from the CGL, however there is coverage for 6 insured contracts. Name them. (Hint: LEASE-T)
- Discuss Coverage B – Personal and Advertising Injury Liability
- Discuss Coverage C – Medical Payments
- Describe Supplementary Payments and coverages to which they apply.
- Who is an insured under a CGL? (Review chart in Chapter 7)
- What are the six Limits of Insurance for the CGL policy?
- Review these important definitions:
 - Advertisement
 - Auto
 - Bodily injury
 - Coverage territory
 - Employee
 - Executive officer
 - Impaired property
 - Insured Contract
 - Loading or unloading
 - Mobile equipment
 - Occurrence
 - Personal and advertising injury
 - Products and completed operations hazard
 - Property damage
 - Temporary worker
 - Volunteer worker
 - Your product
 - Your work

CHAPTER 9 – REVIEW (*CONTINUED*)

- Identify and define the following features of a claims made policy:
 - Trigger
 - Retroactive date
 - Extended reporting periods
 - Basic extended reporting period
 - Supplemental extended reporting period

CHAPTER 10 – COMMERCIAL CRIME ('15)

3 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- Define “Burglary,” “Robbery,” “Theft,” “Employee,” and “money and securities.”
- Explain the difference between the two Crime Coverage Forms
 - Discovery Form
 - Loss Sustained Form
- Describe the following:
 - Employee Theft
 - Forgery or Alteration
 - Inside the Premises – Theft of Money and Securities
 - Inside the Premises – Robbery and Safe Burglary of Other Property
 - Outside the Premises
 - Computer Fraud
 - Funds Transfer Fraud
 - Money Orders and Counterfeit Paper Currency
- What is the difference between burglary and safe burglary?
- What are the two methods of writing employee theft?
- Discuss the 4 Other Crime Coverages.
 - Lessees of Safe Deposit Boxes (CR 04 09)
 - Securities Deposited With Others
 - Guests’ Property
 - Safe Depository
- Encourage review of the Crime Coverage Summary Chart.

CHAPTER 11 – BUSINESSOWNERS ('13) POLICY

4 OR 5 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is the purpose of the Businessowners Policy (BOP)?
- Name the coverages automatically included in the BOP.
- What risks are eligible for coverage?
- What risks are ineligible?
- Describe what property is included under the Building.
- Discuss property covered and not covered.
- Review, in detail, the Additional Coverages Charts.
- List and describe the Coverage Extensions for the Businessowners Policy (also in chart format).
- Discuss the Causes of Loss
- Be familiar with Section I – Exclusions.
- What are the Concurrent Causation exclusions?
- What is the limit of insurance for outdoor signs attached to the building?
- How much coverage is provided under Business Personal Property Limit – Seasonal Increase?
- How does vacancy affect the Property Coverage?
- Explain the Loss Valuation Clause under Section I.
- Discuss the following Optional Coverages:
 - Outdoor signs
 - Money and securities
 - Employee dishonesty
 - Equipment Breakdown
- What are the coverages under Section II – Liability?
- How does the Businessowners Policy Liability coverage format differ from CGL?
- Identify the Supplementary Payments.
- What are the two differences in exclusions under the BOP compared to the CGL?
- What is the Professional Services Exclusion?
- Who is an insured? (Encourage review of chart in Chapter 8)
- Name the five limits within the Businessowners Liability.

CHAPTER 11 – REVIEW (*CONTINUED*)

- Know the definition of Products and Completed Operations hazard and how it differs from CGL.
- Discuss Common Policy Conditions such as:
 - Changes and who can make them.
 - Other Insurance – how does it differ from the CGL?
 - Recovery Against Others to Us (Subrogation)
 - Rights and Duties Under This Policy (Assignment)
 - Examination of Books
- Review the following endorsements:
 - Hired and Non-Owned Auto Liability
 - Protective Safeguards
 - Utility Services – Direct Damage
 - Utility services – Time Element

CHAPTER 12 –WORKERS’ COMPENSATION INSURANCE

7 OR 8 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is the purpose of Workers Compensation Insurance?
- What are the five common law obligations that employers have to their employees?
- What are the three common law defenses of an employer?
- Explain the No-Fault concept.
- What is a monopolistic state? List them.
- What is the penalty if employers fail to comply with the law?
- What are the seven compliance requirements for employers?
- Under the Pennsylvania Workers Compensation Act, what employment is covered?
- What types of employment are exempt from coverage?
- What are the four types of benefits provided under Workers Compensation?
- Can an injured worker use a healthcare provider of their choice?
- Explain income benefits.
- What are the four types of disability?
- Under death benefits, how much is the burial allowance and know the survivors benefits.
- What is covered under Rehabilitation Benefits?
- What is the Subsequent Injury Fund and what is the purpose of the Fund?
- Discuss the Federal Workers Compensation Laws
 - Federal Employers Liability
 - U.S. Longshore and Harbor Workers Compensation Act
 - The Jones Act – The Merchant Marine Act of 1920.
- Item #3 is divided into 3 major sections. What are they?
- Identify the Limits of Insurance under 3B – Employers Liability.
- Name 4 situations where Employers Liability will pay.
- Name the Employers Liability Exclusions.
- What is the purpose of Part Three – Other States Insurance?
- What is the purpose of the Voluntary Compensation - Employer Liability Coverage Endorsement?
- Explain Job Classification.

CHAPTER 12 – REVIEW (*CONTINUED*)

- What is an Experience Modification Factor and how is it derived?
- What is SWIF?

CHAPTER 13 – OTHER TYPES OF PROPERTY AND CASUALTY INSURANCE

12 EXAM QUESTIONS

The following topics can be used as discussion points for review:

- What is an Umbrella/Excess Liability Policy and describe coverage provided?
- What is underlying coverage and SIR in Umbrellas?
- Describe the following Liability Policies and who needs them:
 - Professional Liability
 - Directors and Officers Liability
 - Employee Benefits
 - Employment Practices Liability
- What conditions must be met before coverage can be placed in the surplus lines market?
- Who are the three parties to a surety bond?
- What three criteria do bond underwriters use to determine if they will provide a bond to a principal?
- Discuss the following types of bonds:
 - Contract bonds
 - Name three types of contract bonds.
- Explain the Aircraft Hull coverage.
- What are the Major Coverages under Ocean Marine Insurance?
- What is Protection and Indemnity (P&I)
- Who is eligible for Flood Insurance?
- How is WYO different than Government.
- What is the purpose of Flood Insurance?
- What is the standard deductible on a flood policy and how does it differ from other property policies?
- Discuss the limits of Flood Insurance and how they differ between the Emergency Program and the Regular Program.
- What is a Risk Retention Group?
- What are Risk Purchasing Groups?
- What is Federal Crop Insurance?
- What is Boatowners/Personal Watercraft, Recreational Vehicle and Mobile Home policies.
- What is the FAIR Plan? What does FAIR stand for?