Chapter Ins 26

APPENDIX 2 – PROPERTY INSURANCE COURSE REQUIREMENTS

SECTION A

I. Principles of Insurance — 1 Hour
   A. Definition of risk
   B. Risk management
   C. Insurable and noninsurable risk
   D. Pooling concept—law of large numbers
   E. Types of insurance companies
   F. Reinsurance

II. General Wisconsin Insurance Laws — 4 Hours
   A. Duties and powers of Insurance Commissioner—statutory and rule-making
   B. Knowledge of administrative action process, including hearings and penalties
   C. Purpose of licensing, including procedures and who must be licensed
   D. Record keeping and changes in agent status, including change of name or address
   E. Agent license expiration, revocation, suspension, and limitation
   F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
   G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
   H. Unfair claims methods and practices—timely payment of claims
   I. Fair rating practices
   J. Home and telephone solicitation requirements
   K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
   L. Controlled business
   M. Proper exchange of business
   N. Unfair marketing practices
      1. Misrepresentation
      2. Unfair inducement
      3. Unfair discrimination
      4. Extra charges
      5. Influencing employers
      6. Unfair use of official position
      7. Returning indicia of agency
      8. Churning
      9. Twisting
     10. Restraint of competition
        1. Unfair restriction of contracting parties choice of insurer
   O. Insurance contracts in Wisconsin

III. Ethics — 3 Hours
   A. Fiduciary duties, and responsibilities
   B. Conflict of interest
   C. Ethical marketing practices, including fair and ethical treatment of policyholders
   D. Appropriate claims practices
   E. Suitability of product to client
   F. Social responsibility of insurance agent
   G. Agent/company relationships
   H. Maintaining appropriate insurance expertise

SECTION B

IV. Terms, Concepts, and Policies — 10 Hours
   A. Insurance terms and related concepts
      1. Insurance
      2. Insurable interest
      3. Hazard
         a. Physical
         b. Moral
         c. Morale
      4. Peril (causes of loss)
         a. Specified (named) perils
            (1) Standard fire
            (2) Extended coverage
            (3) Broad form
         b. Open perils (all physical loss)
      5. Loss
         a. Direct
         b. Indirect
      6. Proximate cause
      7. Deductible
      8. Principle of Indemnity
      9. Actual cash value
     10. Replacement cost
     11. Limits of liability
     12. Coinsurance
     13. Pair and set clause
     14. Extensions of coverage
     15. Additional coverages
     16. Accident
     17. Occurrence
     18. Cancellation
     19. Nonrenewal
     20. Vacancy and unoccupancy
     21. Right of salvage
     22. Abandonment
     23. Liability
     24. Negligence
   B. Policy provisions and contract law
      1. Parts of a policy
         a. Declarations
         b. Insuring agreement
      2. Conditions
         a. Warranties, representations, and concealment
      3. Duties of the insured
      4. Obligations of the insurance company
      5. Mortgagee rights
      6. Proof of loss
      7. Notice of claim
      8. Appraisal
      9. Pro rata liability (other insurance)
     10. Assignment
     11. Subrogation
     12. Arbitration
     13. Elements of a contract
     14. Warranties, representations, and concealment
15. Warranty
   a. Affirmative
   b. Promissory
16. Breach of warranty
17. Concealment
18. Binders
19. Sources of insurability information
20. Fair Credit Reporting Act

C. Types of policies
   1. Standard fire
   2. Personal lines
      a. Dwelling (DP forms)
      b. Homeowners (HO) forms
      c. Mobile homes
   3. Homeowners policy
   4. Watercraft
   5. Flood insurance
   6. Commercial Lines
      a. Commercial package policy (CPP)
         (1) Building and personal property coverage Form
         (2) Causes of loss forms
         (3) Business income coverage form
         (4) Extra expense coverage form
         (5) Boiler and machinery coverage form
   7. Inland marine
      a. Personal floaters
      b. Commercial floaters
   8. Other policies
      a. Flood insurance
      b. Personal Watercraft
      c. Farm and ranch insurance
      d. Commercial ocean marine
      e. Earthquake insurance

V. Wisconsin Property Insurance Law −− 2 Hours
   A. General rate standards − use and file provisions
   B. Prohibited classification of risks
   C. Surplus lines
      1. Definitions
      2. Prohibitions and restrictions
      3. Responsibilities of agents and brokers
   D. Oral contracts
   E. Content of forms
   F. Definition of loss
   G. Wisconsin Insurance Plan
   H. Valued policy law
   I. Vacancy rule
   J. Time period for filing claim