## Chapter Ins 26

### APPENDIX 2M – PERSONAL LINES 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
  - 11. 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. Risks
  - 3. Peril (causes of loss)
    - a. Specified (named) perils
      - (1) Standard fire
      - (2) Extended coverage
      - (3) Broad form
    - b. Open perils (all physical loss)
  - 4. Hazards
  - 5. Loss
    - a. Direct
    - b. Indirect
  - 6. Accident
  - 7. Occurrence
  - 8. Indemnity
  - 9. Insurable interest
  - 10. Actual cash value
  - 11. Deductible
  - 12. Limits of liability
  - 13. Replacement cost
  - 14. Negligence
    - a. Contributory
    - b. Comparative
  - 15. Proximate cause
  - 16. Warranties
  - 17. Representations
  - 18. Concealment
  - 19. Liability
  - 20. Bodily injury liability
  - 21. Property damage liability
  - 22. Personal injury liability
  - 23. Incidental contracts
  - 24. Binders
  - 25. Coinsurance
  - 26. Pair and set clause
  - 27. Extensions of coverage
  - 28. Additional coverages
  - 29. Cancellation
  - 30. Nonrenewal
  - 31. Vacancy and unoccupancy
32. Right of salvage
33. Abandonment
34. Negligence

B. Policy provisions
   1. Elements of a contract
   2. Declarations
   3. Insuring agreement
   4. Sources of insurability information
   5. Conditions
   6. Exclusions
   7. Limitations
   8. Warranties, representations, and concealment
      a. Warranty
      b. Affirmative
   9. Promissory
10. Breach of warranty
11. Concealment
12. Binders
13. Definition of the insured
14. Duties of the insured
15. Obligations of the insurance company
16. Mortgagee rights
17. Cancellation and nonrenewal provisions
18. Supplementary payment (additional coverages)
19. Proof of loss
20. Notice of claim
21. Appraisal
22. Assignment
23. Arbitration
24. Pro rata liability (other insurance)
25. Salvage
26. Consent to settle a loss
27. Subrogation
28. Compliance with provisions of Fair Credit Reporting Act

C. Types of policies and related terms
   1. Automobile Insurance – personal & family auto
      a. Bodily injury
      b. Property damage
      c. Limits
         (1) Split
         (2) Single
d. Medical payments
e. Supplementary payments
f. Physical damage
   (1) Collision
   (2) Comprehensive
g. Uninsured motorist
h. Underinsured motorist
i. Named insureds
j. Insureds
k. Owned automobile
l. Nonowned automobile
m. Temporary substitute auto
n. Hired auto
o. Cancellation and nonrenewal
p. Towing and labor
q. Personal auto policy
r. Family auto policy
2. Personal Watercraft
3. Standard fire
4. Personal lines
   a. Dwelling (DP forms)
   b. Homeowners (HO) forms
c. Mobile homes
   5. Homeowners policy
   6. Farm and ranch insurance
   7. Flood insurance
   8. Inland marine – Personal floaters
   9. Earthquake insurance
   10. Personal Umbrella/excess liability

V. Wisconsin Property and Casualty Insurance Law — 2 Hours
   A. General rate standards
   B. Prohibited classification of risks
   C. Surplus lines
      1. Definition
      2. Prohibitions and restrictions
      3. Responsibilities of agents and brokers
   D. Oral contracts
   E. Automobile liability
      1. Financial responsibility
         a. Definition
         b. Persons required to show proof
      2. Required coverages and prohibited exclusions
         a. Uninsured motorist
      3. Cancellation or nonrenewal
      4. Responsibility for minors operating motor vehicles
      5. Wisconsin Automobile Insurance Plan
         F. Definition of loss
         G. Wisconsin Insurance Plan
         H. Valued policy law
         I. Vacancy rule
         J. Time period for filing claim