

## **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