

## 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
      - c. Conditions
      - d. Exclusions
    - 2. Definition of the insured
    - 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