

## Topics for Review

### Fundamental Principles

- Types of Risks – Objective/Subjective, Pure/Speculative, Dynamic/Static, Fundamental/Particular – which are insurable?
- Characteristics of an Insurable Risk, application of the law of large numbers
- Principle of Indemnity
- Definition of Insurance
- Definition of Hazard – how may particular hazards be treated from the insurer's perspective?
- Adverse Selection
- What types of contractual arrangements seek to reinforce the principle of indemnity?
- Fitting the type of risk to the appropriate risk management technique
- Steps to the Risk Management Process

### Legal Concepts

- Conditions for an insurance contract to exist? Void/voidable
- Insurable interest Casualty/Life policies
- Waiver
- Estoppel
- Laws of Agency
- Special Contract features – Adhesion, Aleatory, Unilateral, Utmost Good Faith, Doctrine of Reasonable expectations
- Definition of Negligence
- Types of Visitors to Property – standards of care
- Vicarious liability
- Claims Made vs. Occurrence Based Underwriting; Long vs. short-tail claims
- Two different definitions of disability
- Paul vs. Virginia, Southeastern Underwriters cases
- Implications of Public Law 15
- Appleton Rule – compartmentalization of insurance
- Definition of material misrepresentation – how is this applied to casualty vs. life insurance?

### Insurance Organizations

- Mutual vs. Stock Insurers
- Reinsurers – types of reinsurance arrangements, primary vs. ceding insurer
- Captive Insurers
- Lloyd's Exchange

## Casualty Insurance

Types of HO policies and where they are applicable

Types of coverages for the HO policies

Coverages on an HO policy; direct vs. indirect coverages

Differences between liability insurance in the HO policy versus medical payments

Methods of settlement on a HO

Requirements for the insured in settling an HO claim

Exclusions under an HO policy

How an HO policy would settle for small claim loss with a coinsurance provision

General Format of a casualty insurance policy - declarations, insuring agreements, exclusions, conditions

Settlement of a casualty claim where there are two policies on a covered loss -

## Personal Auto Policy [PAP]

Types of Coverages

Differences between the liability coverage and medical payments

Split limits – application

Collision versus non-collision loss settlement

Uninsured versus underinsured motorist coverage

## Life Insurance

Financial Planning Principles

Term vs. permanent life insurance

Different Types of annuities

Characteristics of universal life coverage

Mandatory provisions in the life insurance contract – incontestability, suicide clause,

Grace period, reinstatement, non-forfeiture provisions, entire contract clause

## Health Insurance

Differences between an indemnity plan vs. managed care plan

Application of coinsurance, co-payments, deductibles to control medical care costs

Definition of pre-existing condition

Definitions of disability – conservative vs. liberal language

Major Medical Insurance Coverage --- why it is important

## Financial Planning

Reasons why you should purchase life insurance on a homemaker

## Retirement planning

Defined benefit vs. defined contribution retirement plans - differences

What causes interest rate risk - changes in the value of fixed income securities due to changes in interest rates