

EXAMINATION CONTENT OUTLINE

MICHIGAN PROPERTY AND CASUALTY COUNSELOR SERIES 16-76

# of Questions	Minimum Passing Score	Time Allowed
150	79% (118 correct)	150 Minutes

CONTENT OUTLINE

Insurance Regulation 17% (26 items)
Licensing
Process (500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)
Types of Licensees (500.1206)
Producer (500.240, 500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)
Counselor (500.1232, .1234, .1236)
Managing General Agent (500.1401(b), .1405)
Limited (R501.157)
Business Entity (500.1201, .1205)
Financial Institutions (500.1206, .1243)
Resident versus Nonresident (500.1201, 500.1201a, 500.1204-.1206b, 500.1240; R500.635)
Temporary (500.1211b)
Maintenance and Duration
Continuation (24.291; 500.1206, .134, .1153)
Change of Name and Address (500.1238(1))
Reporting of Actions (500.1208b, .1239, .1244, .1246, .1247)
Assumed Names (500.1211a)
Continuing Education Requirements (500.1204, .1204c, .1204d, .1204e, .1204f, .1206)
Bond (500.1153, .1407, .1504)
Disciplinary Actions
Cease and Desist Order (500.1244, .2038)
Suspension, Revocation, Refusal to Issue or Renew (500.1200, .1209, .1239, .1244, .1379, .2029, .2043)

Penalties and Fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)
State Regulation
Commissioner's General Duties and Powers (500.102, .200, .202, .210)
Company Regulation
Certificate of Authority (500.108, .402)
Solvency (500.408, .410, .436a, .438)
Rates (500.1609, .1615, .1904, .2106, .2403, 2411, .2603)
Forms and Exceptions (500.2236)
Unfair Claims Settlement Practices (500.2006, .2026)
Producer Appointment (500.1208a, .1208b, .1209, .1411)
Termination of Appointment (500.1208b, .1209)
Producer Regulation
Acting without a License (500.1201a, .1202)
Prohibited Conduct (500.1207, .1216, .2003, .2059, .2062)
Commissions (500.1240, .2011)
Fiduciary Capacity (500.1207)
Types of Compensation - Disclosures
Unfair Insurance Trade Practices (500.1239, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029)
Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)
False Information and Advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064)
Twisting (500.2005(f), .2064(2))
False Financial Statements (500.1015, .2014, .2018, .2055, .2062, .2474, .2666)
Defamation (500.2007, .2009; 600.2911; 750.389; R500.662, .1377(14))
Boycott, Coercion, and Intimidation (500.1242, .2012)
Unfair Discrimination (500.2019, .2020, .2027, .2082)
Rebating (500.2024, .2069, .2070)
Illegal Inducement (500.2024, .2066, .2069, .2070)
Examination of Books and Records (500.222, 249)
Insurance Fraud Regulation (500.2088, .4501, .4503, .4507, .4509, .4511, .8197; 752.1003, .1005)



Consumer Privacy Regulation (500.501, .505, .507, .515, .535, .2005a, .4501, .4507, .4509)
Federal Regulation
Fair Credit Reporting Act (15 USC 1681-1681d)
Patriot Act
Violent Control Act
General Insurance 6% (9 items)
Concepts
Risk Management Key Terms
Risk
Exposure
Hazard
Peril
Loss
Methods of Handling Risk
Avoidance
Retention
Sharing
Reduction
Transfer
Elements of Insurable Risks
Adverse Selection
Law of Large Numbers
Reinsurance
Insurers
Types of Insurers
Stock Companies
Mutual Companies
Lloyd's Associations
Risk Retention Groups
Private versus Government Insurers
Authorized versus Unauthorized Insurers
Domestic, Foreign, and Alien Insurers
Financial Status (independent rating services)
Marketing (distribution) Systems
Producers and General Rules of Agency
Insurer as Principal
Producer/Insurer Relationship

Authority and Powers of Producers
Express
Implied
Apparent
Responsibilities to the Applicant/Insured
Contracts
Elements of a Legal Contract
Offer and Acceptance
Consideration
Competent Parties
Legal Purpose
Distinct Characteristics of an Insurance Contract
Contract of Adhesion
Aleatory Contract
Personal Contract
Unilateral Contract
Conditional Contract
Legal Interpretations affecting Contracts
Ambiguities in a Contract of Adhesion
Reasonable Expectations
Indemnity
Utmost Good Faith
Representations/Misrepresentations
Warranties
Concealment
Fraud
Waiver and Estoppel
Property and Casualty Insurance Basics 12% (18 items)
Principles and Concepts
Insurable Interest
Underwriting
Function
Loss Ratio
Rates
Types
Loss Costs
Components
Hazards



Physical
Moral
Morale
Negligence
Elements of a Negligent Act
Defenses Against Negligence
Damages
Compensatory - Special versus General
Punitive
Absolute Liability
Strict Liability
Vicarious Liability
Causes of Loss (perils)
Named Perils versus Special (open) Perils
Direct Loss
Consequential or Indirect Loss
Blanket versus Specific Insurance
Basic Types of Construction
Loss Valuation
Actual Cash Value
Replacement Cost
Functional Replacement Cost
Market Value/Repair Cost
Agreed Value
Stated Amount
Valued Policy
Policy Structure
Declarations
Definitions
Insuring Agreement or Clause
Additional/Supplementary Coverage
Conditions
Exclusions
Endorsements
Common Policy Provisions
Insureds - Named, First Named, Additional
Policy Period
Policy Territory

Cancellation and Nonrenewal
Deductibles
Other Insurance
Nonconcurrency
Primary and Excess
Pro Rata
Contribution by Equal Shares
Limits of Liability
Per Occurrence (Accident)
Per Person
Split
Combined Single
Aggregate - General versus Products - Completed Operations
Property Limits
Restoration/Nonreduction of Limits
Coinsurance
Vacancy or Unoccupancy
Named Insured Provisions
Duties After Loss
Assignment
Abandonment
Insurer Provisions
Liberalization
Subrogation
Salvage
Claim Settlement Options
Duty to Defend
Third-Party Provisions
Standard Mortgage Clause
Loss Payable Clause
No Benefit to the Bailee
Michigan Laws, Regulations, and Required Provisions
Michigan Property and Casualty Guaranty Association (500.7901-.7949)
Mandatory Fire Policy Provisions (500.2833)
Cancellation and Nonrenewal (500.2833, .3020)
Appraisal (500.2833)



Concealment, Misrepresentation or Fraud (500.2833)
Federal Terrorism Insurance Program (15 U.S.C. 6701; Public Law 107-297, 109-144, 110-160)
Termination Of Authority To Represent Insurer (500.1209)
Essential Insurance Act (500.2101-.2131)
Dwelling Policy ('02) 3% (4 items)
Characteristics and Purpose
Coverage Forms - Perils Insured Against
Basic
Broad
Special
Property Coverages
Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Coverage D - Fair Rental Value
Coverage E - Additional Living Expense
Other Coverages
General Exclusions
Conditions
Selected Endorsements
Special Provisions - Michigan (DP 01 21)
Automatic Increase in Insurance (DP 04 11)
Broad Theft Coverage (DP 04 72)
Dwelling Under Construction (DP 11 43)
Personal Liability Supplement
Homeowners Policy ('00) 3% (5 items)
Coverage Forms
HO-2 through HO-6
Definitions
Section I - Property Coverages
Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Coverage D - Loss Of Use
Additional Coverages
Section II - Liability Coverages
Coverage E - Personal Liability

Coverage F - Medical Payments to Others
Additional Coverages
Perils Insured Against
Exclusions
Conditions
Selected Endorsements
Special Provisions - Michigan (HO 01 21)
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (HO 04 26, HO 04 27)
Permitted Incidental Occupancies - Residence
Earthquake (HO 04 54)
Scheduled Personal Property (HO 04 61)
Personal Property Replacement Cost (HO 04 90)
Home Day Care (HO 04 97)
Business Pursuits (HO 24 71)
Watercraft (HO 24 75)
Personal Injury (HO 24 82)
Home Business Insurance Coverage (HO 07 01)
Automobile Insurance 11% (17 items)
Laws
Michigan Motor Vehicle Financial Responsibility Law
Required Limits of Liability (RL 257.520)
Required Proof of Insurance (RL 257.518)
Michigan Automobile Insurance Placement Facility (500.3301)
No-Fault Automobile Coverage (500.3101)
Personal Injury Protection (500.3107)
Property Protection (500.3121)
Residual Liability (500.3131)
Uninsured/Underinsured Motorist (Reg 500.1502)
Definitions
Bodily Injury
UM/UIM Rejection
Required Limits
Cancellation/Nonrenewal
Grounds (500.3220)
Notice (500.3204, .3224)
Notice of Eligibility In Automobile Insurance Placement



Facility (500.3301, .3365)
Rental Vehicle Coverage
Aftermarket Crash Parts Regulation (RL 257.1361-.1364)
Personal Automobile ('05)
Definitions
Liability Coverage
Bodily Injury and Property Damage
Supplementary Payments
Exclusions
Medical Payments Coverage
Uninsured Motorists Coverage
Coverage for Damage to your Automobile
Collision
Other Than Collision
Deductibles
Transportation Expense
Exclusions
Duties After an Accident or Loss
General Provisions
Selected Endorsements
Amendment of Policy Provisions - Michigan (PP 01 80)
Towing and Labor Costs (PP 03 03)
Miscellaneous Type Vehicle (PP 03 23)
Extended Non-Owned Coverage - Vehicles Furnished or Available for Regular Use - Michigan (PP 03 53)
Personal Injury Protection Coverage - Michigan (PP 05 90)
Property Protection Coverage - Michigan (PP 05 91)
Commercial Automobile ('06)
Commercial Automobile Coverage Forms
Business Automobile
Garage
Business Automobile Physical Damage
Truckers
Motor Carrier
Coverage Form Sections
Covered Automobiles
Liability Coverage
Garagekeepers Coverage

Physical Damage Coverage
Exclusions
Conditions
Definitions
Selected Endorsements
Lessor – Additional Insured and Loss Payee (CA 20 01)
Mobile Equipment (CA 20 15)
Michigan Personal Injury Protection (CA 22 20)
Drive Other Car Coverage (CA 99 10)
Michigan Property Protection Coverage (CA 22 24)
Individual Named Insured (CA 99 17)
Deductible Liability (CA 03 01)
Broad Form Products (CA 25 01)
False Pretense Coverage (CA 25 03)
Hired Automobiles Specified as Covered Automobiles You Own (CA 99 16)
Employees as Insureds (CA 99 33)
Pollution Liability - Broadened Coverage (CA 99 48, CA 99 55)
Commercial Carrier Regulations
The Motor Carrier Act Of 1980
Endorsement of Motor Carrier Policies of Insurance for Public Liability (MCS-90)
Commercial Package Policy (CPP) 815% (22 items)
Components of a Commercial Policy
Common Policy Declarations
Common Policy Conditions
Interline Endorsements
One or More Coverage Parts
Commercial General Liability ('07)
Commercial General Liability Coverage Forms
Bodily Injury and Property Damage Liability
Personal and Advertising Injury Liability
Medical Payments
Exclusions
Supplementary Payments
Who is an Insured
Limits of Insurance



Conditions
Definitions
Occurrence versus Claims-Made
Claims-Made Features
Trigger
Retroactive Date
Extended Reporting Periods - Basic versus Supplemental
Claim Information
Premises and Operations
Products and Completed Operations
Insured Contract
Owners and Contractors Protective Liability Coverage Form (CG 00 09)
Pollution Liability Coverage Extension (CG 04 22)
Commercial Property (07)
Commercial Property Conditions Form
Coverage Forms
Building and Personal Property
Condominium Association
Condominium Commercial Unit-Owners
Builders Risk
Business Income
Legal Liability
Extra Expense
Causes of Loss Forms
Basic
Broad
Special
Selected Endorsements
Ordinance or Law (CP 04 05)
Spoilage (CP 04 40)
Peak Season Limit of Insurance (CP 12 30)
Value Reporting Form (CP 13 10)
Commercial Crime (06)
General Definitions
Burglary
Theft
Robbery

Crime Coverage Forms
Commercial Crime Coverage Forms (Discovery/Loss Sustained)
Government Crime Coverage Forms (Discovery/Loss Sustained)
Coverages
Employee Theft
Forgery or Alteration
Inside The Premises - Theft of Money and Securities
Inside The Premises - Robbery or Safe Burglary of Other Property
Outside the Premises
Computer Fraud
Funds Transfer Fraud
Money Orders and Counterfeit Money
Other Crime Coverages
Extortion - Commercial Entities (CR 04 03)
Lessees of Safe Deposit Boxes (CR 04 09)
Securities Deposited with Others (CR 04 10)
Guests' Property (CR 04 11)
Safe Depository (CR 04 12)
Commercial Inland Marine
Nationwide Marine Definition
Commercial Inland Marine Conditions Form
Inland Marine Coverage Forms
Accounts Receivable
Bailee's Customer
Commercial Articles
Contractors Equipment Floater
Electronic Data Processing
Equipment Dealers
Installation Floater
Jewelers Block
Signs
Valuable Papers and Records
Transportation Coverages
Common Carrier Cargo Liability
Motor Truck Cargo Forms



Transit Coverage Forms
Equipment Breakdown ('08)
Equipment Breakdown Protection Coverage Form (EB 00 20)
Selected Endorsement
Actual Cash Value (EB 99 59)
Farm Coverage
Farm Property Coverage Form ('03)
Coverage A - Dwellings
Coverage B - Other Private Structures
Coverage C - Household Personal Property
Coverage D - Loss of Use
Coverage E - Scheduled Farm Personal Property
Coverage F - Unscheduled Farm Personal Property
Coverage G - Other Farm Structures
Coverage H - Bodily Injury and Property Damage Liability
Coverage I - Personal and Advertising Injury Liability
Coverage J - Medical Payments
Mobile Agriculture Machinery and Equipment Coverage Form
Livestock Coverage Form
Definitions
Causes of Loss (Basic, Broad, and Special)
Conditions
Exclusions
Limits
Additional Coverages
Businessowners Policy ('06) 6% (9 items)
Characteristics and Purpose
Businessowners Section I - Property
Coverage
Exclusions
Limits of Insurance
Deductibles
Loss Conditions
General Conditions
Optional Coverages
Definitions
Businessowners Section II - Liability

Coverages
Exclusions
Who is an Insured
Limits of Insurance
General Conditions
Definitions
Businessowners Section III - Common Policy Conditions
Selected Endorsements
Protective Safeguards (BP 04 30)
Utility Services - Direct Damage (BP 04 56)
Utility Services - Time Element (BP 04 57)
Hired Automobile and Non-Owned Automobile Liability (BP 04 04)
Workers' Compensation Insurance 15% (22 items)
Workers' Compensation Laws
Types of Laws
Monopolistic versus Competitive
Compulsory versus Elective
Michigan Worker's Disability Compensation Act (Ch. 418)
Exclusive Remedy (418.131)
Employer Covered (Required) (418.115)
Covered Injuries (418.301)
Occupational Disease (418.401, .405, .411, .415, .425, .431, .435, .441)
Benefits Provided (418.301, .315, .321, .345, .351)
Second Injury Fund (418.521)
Federal Workers' Compensation Laws
Federal Employer Liability Act (FELA) (45 USC 51-60)
US Longshore and Harbor Workers Compensation Act (33 USC 904)
The Jones Act (46 USC 688)
Workers' Compensation and Employers Liability Insurance Policy
General Section
Part One - Workers' Compensation Insurance
Part Two - Employers Liability Insurance
Part Three - Other States Insurance
Part Four - Your Duties If Injury Occurs



Part Five - Premium
Part Six - Conditions
Selected Endorsements
Voluntary Compensation
Foreign Coverage Endorsement
Premium Computation
Job Classification - Payroll and Rates
Experience Modification Factor
Premium Discounts
Participating (dividend) Plans
Retrospective Rating
Other Sources of Coverages
Self-Insured Employers and Employer Groups (408.43-.43m; 418.611)
Other Coverages and Options 12% (18 items)
Umbrella/Excess Liability Policies
Personal (DL 98 01)
Commercial (CU 00 01)
Specialty Liability Insurance
Errors and Omissions
Professional Liability
Directors and Officers Liability
Fiduciary Liability
Liquor Liability
Employment Practices Liability
Surplus Lines
Definitions and Markets
Licensing Requirements
Surety Bonds
Principal, Obligee, Surety
Contract Bonds
License and Permit Bonds
Judicial Bonds
National Flood Insurance Program
"Write Your Own" versus Government
Eligibility
Coverage
Limits

Deductibles
Other Policies
Boatowners
Difference in Conditions
Ocean Marine Insurance
Major Coverages
Cargo Insurance
Freight Insurance
Hull Insurance
Protection and Indemnity
Implied Warranties
Perils
General and Particular Average
Residual Markets
Joint Underwriting or Joint Reinsurance Pool (500.2464, .2658)
Aviation Insurance
Aircraft Hull
Aircraft Liability
Airport Liability
Hangarkeepers Legal Liability
Alternative Funding Mechanisms
Self-Insured
Pooling
Risk Retention Groups (500.1801)
Captives

