

Michigan Property and Casualty Counselor		Revised May 1, 2020
Series 16-76		
150 Items - 2 1/2 Hours		
80% (120 Correct to Pass)		
Insurance Regulation 10% (15 items)		
Counselor Regulation		
Duties (500.1232)		
Types of Compensation - Disclosures (500.1236)		
Counselor Written Agreement (500.1236)		
Maintenance and Duration		
Change of Name and Address (500.1206(5), .1238(1))		
Annual Fee (500.240)		
Disciplinary Actions		
Cease and Desist Order (500.1244, .2038)		
Suspension, Revocation, Refusal to Issue or Renew (500.1200, .1242, .1244, .1379, .2029, .2043)		
Penalties and Fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)		
Unfair and Prohibited Insurance Trade Practices (500.1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029, .2059, .2062)		
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 Statement (500.1015, .2014, .2018, .2055, .2062, .2474, .2666)		
Defamation (500.2007, .2009; 600.2911; .1377(14))		
Boycott, Coercion, and Intimidation (500.1242, .2012)		
Unfair Discrimination (500.2019, .2020, .2027, .2082)		
Rebating (500.2024, .2066, .2069, .2070)		
Forgery (500.1200, .1234)		
Insurance Fraud Regulation (500.2088, .4501, .4503, .4507)		
Consumer Privacy Regulation (500.533; R500.551 -.560)		
General Insurance 10% (15 items)		
Concepts		
Risk Management Key Terms		
Risk		
Hazard		
Peril		
Loss		
Methods of Handling Risk		
Avoidance		
Retention		
Sharing		
Reduction		
Transfer		
Elements of Insurable Risks		
Adverse Selection		
Law of Large Numbers		
Reinsurance		
Risk Management Process		
Identification		
Analysis		
Control		
Implementation and Monitoring		
Insurers		
Types of Insurers		

Stock Companies
Mutual Companies
Lloyd's Associations/Reciprocal
Risk Retention Groups
Private versus Government Insurers
Authorized versus Unauthorized Insurers
Domestic, Foreign, and Alien Insurers
Financial Status (Independent Rating Services)
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 15% (23 items)
Principles and Concepts
Insurable Interest
Underwriting
Function
Loss Ratio
Rates
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
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 (500.2123, .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)
Essential Insurance Act (500.2101-.2131)
Homeowners and Dwelling Policies 7% (10 items)
Dwelling
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
Automatic Increase in Insurance
Broad Theft Coverage
Dwelling Under Construction
Personal Liability Supplement
Homeowners
Coverage Forms
HO-2 through HO-8
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
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
Permitted Incidental Occupancies - Residence
Earthquake
Scheduled Personal Property/Personal Articles Floater
Home Day Care
Business Pursuits
Watercraft
Home Business Insurance Coverage
Automobile Insurance 15% (23 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)
Cancellation and Nonrenewal
Grounds (500.3220)
Notice (500.3204, .3224)
Notice of Eligibility in Automobile Insurance Placement Facility (500.3301, .3365)
Rental Vehicle Coverage (500.3009, .3105(2))
Aftermarket Crash Parts Regulation (RL 257.1361-.1364)
Personal Automobile
Definitions
Liability Coverage
Bodily Injury and Property Damage
Supplementary Payments
Exclusions
Medical Payments Coverage
Uninsured/Underinsured Motorists Coverage
Definitions
Bodily Injury
UM/UIM Rejection
Required Limits
Coverage for Damage to your Automobile
Collision
Other than Collision (Comprehensive)
Deductibles
Transportation Expense
Exclusions
Duties after an Accident or Loss

General Provisions
Selected Endorsements
Amendment of Policy Provisions - Michigan
Towing and Labor Costs
Miscellaneous Type Vehicle
Extended Non-Owned Coverage - Vehicles Furnished or Available for Regular Use - Michigan
Personal Injury Protection Coverage - Michigan
Property Protection Coverage - Michigan
Commercial Automobile
Commercial Automobile Coverage Forms
Business Automobile
Garage
Business Automobile Physical Damage
Truckers
Motor Carrier
Coverage Form Sections
Covered Automobiles
Garagekeepers Coverage
Physical Damage Coverage
Exclusions
Conditions
Definitions
Employees as Insureds
Selected Endorsements
Lessor - Additional Insured and Loss Payee
Mobile Equipment
Michigan Personal Injury Protection
Drive Other Car Coverage
Individual Named Insured
Deductible Liability
Broad Form Products
False Pretense Coverage
Hired Automobiles Specified as Covered Automobiles You Own
Pollution Liability - Broadened Coverage
Commercial Carrier Regulations
The Motor Carrier Act of 1980
Endorsement of Motor Carrier Policies of Insurance for Public Liability
Commercial Package Policy (CPP) 14% (21 items)
Components of a Commercial Policy
Common Policy Declarations
Common Policy Conditions
Interline Endorsements
One or More Coverage Parts
Commercial Property
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
Spoilage
Peak Season Limit of Insurance
Value Reporting Form
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
Motor Truck Cargo Forms
Transit Coverage Forms
Equipment Breakdown
Equipment Breakdown Protection Coverage Form
Selected Endorsement
Actual Cash Value
Farm Coverage
Farm Property Coverage Form
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
Commercial General Liability
Commercial General Liability Coverage Forms

Bodily Injury and Property Damage Liability
Personal and Advertising Injury Liability
Medical Payments
Exclusions
Supplementary Payments
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
Insured Contract
Owners and Contractors Protective Liability Coverage Form
Pollution Liability Coverage Extension
Commercial Crime
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 - Robbery or Safe Burglary of Other Property
Outside the Premises
Computer Fraud
Money Orders and Counterfeit Money
Other Crime Coverages
Extortion - Commercial Entities
Lessees of Safe Deposit Boxes
Securities Deposited with Others
Guests' Property
Safe Depository
Businessowners Policy 5% (7 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
Utility Services - Direct Damage
Utility Services - Time Element
Hired Automobile and Non-Owned Automobile Liability
Workers' Compensation Insurance 10% (15 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 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
Participating (Dividend) Plans
Retrospective Rating
Other Sources of Coverages
Self-Insured Employers and Employer Groups (408.43-.43m; 418.611)
Michigan Workers' Compensation Placement Facility
Other Coverages and Options 14% (21 items)
Umbrella/Excess Liability Policies
Personal
Commercial
National Flood Insurance Program
"Write Your Own" versus Government
Eligibility

Coverage
Limits
Deductibles
Other Policies
Boatowners/Watercraft
Recreational Vehicles
Difference in Conditions
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, Obligor, Surety
Contract Bonds
License and Permit Bonds
Judicial Bonds
Ocean Marine Insurance
Major Coverages
Cargo 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
Hangarkeepers Legal Liability
Alternative Funding Mechanisms
Self-Insured
Pooling
Risk Retention Groups (500.1801)
Captives
Cyber Issues

Items have been updated, effective July 2, 2020, to reflect the 2020 changes to Michigan No-Fault Laws.