



Professional Training Institution

www.PTIschool.com

Insurance Law Property & Casualty



Attention: This packet coordinates with the state law manual and the state law study videos. You can find the study videos at www.ptischool.com/moodle/. Login information is provided with your material. It is highly recommended for Webinar/Classroom students to go through the state law material before the class begins. Self-Study students should go through state law material before receiving certification.

Contact us at, (812)422-4068, toll free number (800)293-0784, or email us at info@ptischool.com

You can also visit us at our website:

www.ptischool.com

Indiana State Law – Property and Casualty

Section I – Structure of the Insurance Industry

1. Department of Insurance
 - a. _____ regulated agency
 - b. Part of the _____ branch of government
 - i. Responsible for the regulation, organization, supervision, examination, rehabilitation, liquidation and/or conservation of all insurance companies, agencies or agents
 - ii. Purposed to protect the public
 - c. Executive branch enforces law, legislative branch creates law
2. Insurance Commissioner
 - a. Chief administrative officer of the Department of Insurance
 - b. State Government Position:
 - i. _____ by the Governor of Indiana
 - ii. Holds term at the _____ of the Governor
 - iii. Takes an oath of office
 - iv. \$50,000 bond required
 - c. Must be a member of the National Association of Insurance Commissioners (_____)
 - i. An association consisting of all insurance commissioners throughout the nation
 - ii. Helps bring uniformity and standardization across the states
 - d. Powers of the Department include:
 - i. Fine
 - ii. Probation
 - iii. Restitution
 - iv. Revocation
 - v. Suspension
 - vi. Cease and desist
 - e. Powers do not include:
 - i. Jail sentences
 - ii. However they can recommend your case to the state Attorney General, who can impose a jail sentence
 - f. If the Commissioner Receives a Complaint:
 - i. Commissioner must respond within ____ business days
 1. Either require the insurer to investigate situation or call a meeting with an agent
 2. Inform the one who gave the complaint of the commissioner's course of action
 - ii. If the Insurer is contacted by the commissioner
 1. Company has ____ business days to investigate and respond to the commissioner

- iii. If the agent is contacted by the commissioner
 - 1. Commissioner gives at least ____ days notice of a meeting with an agent
 - 2. Agent may request an appeal within ____ days of meeting, if the agent has been penalized
 - 3. The requested appeal will be granted within ____ days of asking
- 3. Admission of Insurance Companies
 - a. _____ insurer – located and organized in Indiana
 - b. _____ – located and organized in another state or U.S. territory
 - c. _____ – located and organized in another country
 - d. Authorized/Admitted – approved to do business within the state
 - e. Certificate of authority – proof of admittance
 - f. Unauthorized/Nonadmitted – not approved
- 4. Examination of Admitted Companies
 - a. May be examined as often as necessary
 - b. Must be examined every ____ years
 - c. May accept examination from state of domesticity
 - i. Other state commissioners examine their own domestic companies
 - ii. Passes the information to the Indiana commissioner
 - iii. Speeds up the examination process
- 5. Indiana Guarantee Association
 - a. Protects the public from the insurers inability to meet their contractual obligations due to financial impairment
 - b. Supervised by the _____
 - c. Funded through assessments of no more than ____ from each company
 - d. \$100,000 cash value
 - e. \$300,000 for all benefits
 - f. All companies admitted to do business in Indiana is a part of the association
 - g. Insurers, agencies, and agents may ____ use the association as a sales tool

Section II – Licensing Regulations

- 6. Licensing Laws
 - a. Transacting insurance business requires a person to be properly licensed.
Licenses include:
 - i. Resident Producer license
 - ii. Nonresident Producer license
 - iii. Temporary Producer license
 - iv. Consultant
 - v. Insurance Adjuster license
 - vi. Surplus Lines Producer
 - vii. Limited Lines license
 - b. A person may not _____ insurance unless first properly licensed

7. Resident Producer

- a. Resident producer qualifications:
 - i. Must be at least ____ years of age
 - ii. Past reputation
 - iii. Prelicensing
 - iv. Pass written examination
 - v. Pay license fee - _____
 - vi. Must be a resident of Indiana or... primary place of business is Indiana
- b. Examination may be waived if:
 - i. Licensed in a previous state within the last ____ days and in good standing
 - ii. CLU, CFP, or ChFC designation
- c. Business entities must also be licensed to conduct business with the public. Each licensed entity must assign a licensed agent as its' _____
- d. Address changes must be made within _____, this includes:
 - i. Physical address
 - 1. _____ for the agent
 - 2. Business for the agency
 - ii. _____ address
 - iii. Legal name change
- e. _____
- f. Continuing education
 - i. ____ hours every ____ years
 - 1. ____ hours of flood, prior to selling flood insurance (Property/Casualty License)
 - 2. ____ hours of ethics (Life/Health License)
 - 3. ____ Hours of Long Term Care initially, ____ hours thereafter (Health License)
 - 4. ____ hours of Long Term Care Partnership (Health License)
 - ii. _____ tracks hours taken and the renewal of licenses
 - iii. License renews on the last day of your _____ month
 - iv. All renewals are sent electronically
- g. Reinstating a lapsed license
 - i. Reinstatement must be within ____ months of expiration
 - ii. All CE requirements must have been met prior to the last renewal date
 - iii. Agent must pay ____ the normal renewal fee

8. Nonresident Producer

- a. Nonresident producer requirements
 - i. Must first have a resident license that is in good standing
 - ii. Fees and application must be submitted
 - iii. States must be _____ to avoid re-testing
- b. Reciprocal states accept each others pre-licensing and continuing education procedures. No need to do them again!

9. Temporary Producer

- a. Allows an individual to _____ but not _____ existing business
- b. Good for ____ days
- c. Issued for any good cause as determined by the Commissioner. Examples include:
 - i. Military service
 - ii. Death
 - iii. Disability

10. Producer Appointment

- a. First an individual must be _____ with the state
- b. Then, they must be _____ with an insurance company before they will be allowed to represent the insurer
- c. Insurer must notify the Commissioner within ____ days of terminating a relationship with a producer

11. Controlled Business

- a. Writing “_____” controlled business is a violation of insurance law
- b. What is controlled business? It is business that the agent may have extra influence of the existence of a _____ relationship. It would include business on:

- i. _____
- ii. Immediate _____
- iii. _____ / _____

- c. _____ . Anyone can be a “friend”
- d. What is “to much?”
 - i. ____ aggregate _____ within a ____ month period
- e. Remember, it is not illegal to write, it is illegal to wright to much

12. Consultant (Licensed vs Acting)

- a. Licensed
 - i. An _____ practitioner who gives _____ for a _____
 - ii. Must have at least ____ years experience in the industry
 - iii. Must forfeit the _____ (works for the client not the company)
- b. Consultant licenses are not required for:
 - i. _____
 - ii. _____
 - iii. _____
- c. An agent may maintain their license and ____ as a consultant. Acting like a consultant requires:
 - i. _____ of all fees and commissions
 - ii. _____ and agreement
 - iii. If the customer has been made aware and is informed with the arrangement and they are good with it, then the state is good

13. Insurance Adjuster

- a. The roll of the adjuster is to _____ and help _____ claims
- b. Adjuster Requirements:
 - i. At least ____ years of age
 - ii. Primary state of business must be home state
 - iii. Must be trustworthy, reliable, and of good reputation
 - iv. Completed a 40 hour pre-licensing education program
 - v. Pass examination
 - vi. Submit an application and pay the fees
- c. Independent/Staff Adjusters work for the insurance company
- d. Public Adjusters work for the insured

14. Surplus Lines Producer

- a. A surplus lines producer sells _____ products for _____ insurance companies with products that _____ in the state
 - i. Prior to selling an agent must make a _____ to find an approved product for the client first
 - ii. Qualifying for the license first requires a producer license
 - iii. The fee is ____ for a resident and ____ for a non-resident
 - iv. Agents must pay a gross premium tax on all surplus business of ____ of all gross _____ for the last ____ months business

15. Limited Lines License

- a. Products which are limited to cover a very _____
- b. Most do not require a test to obtain
 - i. Title
 - ii. Baggage
 - iii. Rental
 - iv. Travel
 - v. Self-storage
 - vi. Crop-Hail (Requires P/C License in Indiana)
 - vii. Prearranged funeral insurance (Requires L/H License)

Section III – Regulations and Violations

16. Producer Licensing Law and Violations

- a. The producer is responsible to the public to act in a professional manner
- b. Failure to act professionally may result in penalties:
 - i. Suspension up to _____ or revocation of license
 - ii. Financial penalties
 - 1. Comes after a hearing with the commissioner
 - 2. Civil, not criminal penalties
 - iii. Between _____
- c. Monetary restitution
- d. If it sounds wrong or unethical, it probably is a violation of the law

- e. General violations:
 - i. Misleading
 - ii. Violating law
 - iii. Misrepresentation
 - iv. Fraud
 - v. Misappropriation
 - vi. Felony
 - vii. Unfair practices
 - viii. Incompetence
 - ix. Forging
 - f. A few specific violations:
 - i. Delinquency on child support
 - 1. _____ past due
 - 2. _____ behind
 - 3. Whichever comes first
 - ii. Failure to pay state income tax
 - iii. Failure to satisfy Continuing Education requirements
 - iv. Failure to inform the commissioner of legal name/address change
17. Unfair Trade Practices and Unfair Competition
- a. Department of Insurance will regulate the trade practices in the business of insurance
 - b. Provides definitions and determines what acts are considered unfair or deceptive
 - c. Such acts and practices are prohibited under this chapter of the law
 - d. information
 - e. The following are prohibited practices:
 - i. Illustrations may not mislead the client or misrepresent
 - ii. False Advertising – all advertisements must be kept on file for _____
 - iii. Defamation
 - iv. Unfair discrimination
 - v. Monopolies
 - vi. _____ – offering something of value as an inducement to buy
 - vii. Insurance as inducement – cannot use insurance as an inducement to the purchase of any property or service
 - viii. _____ – the borrower has the right to choose where any required insurance is purchased from
 - f. Sharing of commissions with an unlicensed person
 - i. Must be _____ to split commissions
 - ii. Renewals may be paid if licensed at the time of the sale
 - g. _____ – replacement transaction done through misrepresentations
 - h. Unfair Claims Settlement Practices:
 - i. Claims owed, must be paid:
 - ii. Accurately and fully
 - iii. Timely
 - iv. In good faith
 - i. If it sounds unreasonable or unethical, it is probably illegal
 - j. Financial penalties may be up to _____ for each violation

- k. Cease and Desist Order may be given out
- l. _____ if you knew or should have known better
- m. Any violation of Indiana Code is also in violation of criminal law:
 - i. Class A misdemeanor
 - ii. Up to _____ in jail
 - iii. Additional _____ fine

Section IV – Personal Lines Regulations

18. Auto Repair Claims Settlement

- a. The insured has the right to approve the type of body parts to be used in the repair if the vehicle is within ____ years after the _____ year
- b. Notice must be provided by the insurer to the insured within _____ (of the claim) of their rights to approve body parts
 - i. New parts from the manufacturer
 - ii. New parts not from the manufacturer
 - iii. Used parts
- c. The insured has ____ days to decide
- d. If vehicle is older than the 5 years the _____ the type of body parts

19. Auto Insurance Financial Responsibility

- a. All drivers must show that they are able to meet their financial responsibilities in the event of an accident. Most will do this by meeting minimal insurance requirements
 - i. _____ split limit
 - ii. _____ single limit

20. Uninsured and Underinsured Motorist

- a. Uninsured is a driver without insurance or insurance that will not pay due to insolvency or policy limitations
 - i. _____ by the agent but may be _____ in _____ by the insured
 - ii. Minimum limits is _____ liability and 25 if property is also written
- b. Under insured is a driver that meets the state minimum requirements, but it is not enough to meet the need
 - i. Minimum limits offered can be no less than _____
 - ii. Limits can be required to equal the liability limits of the insured's policy
 - iii. Limits collected from the underinsured driver will be _____ from the underinsured limit, not added to it

21. Cancellation of Automobile Insurance Policies

- a. Reasons for cancellation
 - i. May cancel for _____ within the first ____ days of the policy
 - ii. After the first 60 days the insurer may cancel only if:
 - 1. _____ of premium
 - 2. _____ or suspension of driver's license
 - 3. Excess use of _____ and _____

4. Under treatment for _____
 5. No longer residing in the state which the insurer is licensed
- b. Prior notification to the insured is required
 - i. _____ for nonpayment of premium
 - ii. _____ for any other reason including _____
 - c. Cancellation must include _____ and possible eligibility of the _____ program
 - d. Indiana Automobile Insurance program (AIP)
 - i. Provides auto insurance coverage to those who cannot normally obtain insurance
 - ii. _____ insurance
 - iii. Uses an _____ pool
 - iv. May be used for _____ or _____ needs
 - e. Cancellations may be challenged within _____ prior to cancellation
22. Transportation Network Company Drivers
- a. A company that uses a digital network to connect individual riders to their drivers for compensation. The driver is not considered to be a:
 - i. Common carrier
 - ii. Contract carrier, or
 - iii. Motor carrier
 - b. Licensing of TNC drivers include:
 - i. Proof of financial responsibility
 1. _____ when driving for personal use
 2. _____ when providing a compensated prearranged ride
 3. Proof must be maintained with the vehicle and available upon request
 - ii. _____ background checks
 - iii. Search of national _____ offender registry
 - iv. Past search of _____ record
 - c. Driver expectations and responsibilities
 - i. In the event of an accident
 1. Proof of insurance must be provided to any interested party
 2. Upon request, the TNC will provide log on and off records for the _____ hours before and after an accident
 - ii. TNC must establish and enforce
 1. _____ tolerance for drug and alcohol use
 2. Vehicle and insurance compliance
 3. Privacy and nondiscrimination policies
 4. Record _____ guidelines
 - iii. At the time of arrangement of the ride, TNC must provide:
 1. _____ of the driver, and
 2. _____ of the vehicle

- iv. The TNC may not allow drivers with:
 - 1. ____ or more driving violations in the past three years
 - 2. ____ reckless driving violation in the past three years
 - 3. Conviction of various felonies or misdemeanors involving operational incidents and harm to third parties
 - 4. Any match on the national sex offender registry
 - 5. Less than ____ years of age
- v. Fares
 - 1. TNC must _____ fares and estimates prior to the ride
 - 2. Drivers cannot accept _____

23. Mine Subsidence

- a. Defined
 - i. Covers damage to a structure due to a collapse of an inactive underground coal mine abandoned before August 3, 1977
 - 1. Does not include _____ or _____ of drains
 - 2. Only available in eligible counties
- b. Reinsured by the state
- c. It must be _____, they may _____ it in writing

24. Homeowners and Residential Property Termination

- a. May cancel for any reason within the first ____ days
- b. After 60 may only cancel for approved reasons
 - i. ____ day notice for nonpayment of premium
 - ii. ____ day notice for any other reason including nonrenewal
- c. Reasons for cancellation include:
 - i. Nonpayment
 - ii. Fraud
 - iii. Increase in the hazard
 - iv. Building violations
 - v. Delinquent on property taxes over ____ years
- d. Prohibited reasons
 - i. Discrimination
 - ii. Occupation
 - iii. Age or _____ (Red lining is prohibited)
 - iv. Past coverages and termination
- e. Notice will be
 - i. In writing
 - ii. To the last known address
 - iii. Effective date of cancellation
 - iv. **Reasons** for cancellation

Section V – Commercial Lines Regulations

25. Worker's Compensation

- a. No Fault Benefit
 - i. Pays regardless of fault
 - ii. Covers employee if injury results while “ _____ ” and “ _____ ” employment
- b. Exclusive Remedy
 - i. Only means of compensation for a work-related injury
 - ii. Cannot sue for further damage, no pain and suffering
- c. Compulsory Laws
 - i. Mandatory to provide Worker's Compensation if you have ____ or more employee
- d. Minors must be covered
 - i. If not properly covered, minors will receive _____ compensation
 - ii. The employer will be responsible for half
- e. Part time/Seasonal Employees must be _____
- f. Employee Relationships not covered:
 - i. _____ workers
 - ii. Real estate professionals
 - iii. Independent contractors
 - iv. Volunteers for no pay
 - v. Inmates in the penal institutions
 - vi. Athletes on scholarships
 - vii. Federal employees
- g. Employee Relationships that may _____ :
 - i. Self-employed, sole proprietors and partners
 - ii. Farm and agricultural employees
 - iii. Casual workers and household employees
- h. Allowable Employer Defenses
 - i. Injury caused by employee _____
 - ii. Knowingly self-inflicted injury
 - iii. Knowingly failing to use required safety appliances
 - iv. Ignoring _____ safety rules
 - v. Commission of an offense, or failure to preform a statutory duty
- i. Part I: Benefits
 - i. _____
 - 1. Covers occupational _____ and injury
 - 2. No intentional acts, failure to follow safety rules, drugs, or alcohol
 - ii. _____
 - 1. Pays 66 2/3% the average weekly wage
 - 2. Income tax free
 - 3. Must wait 7 days before payment, reimburses first 7 days after _____ days of disability
 - iii. _____
 - iv. _____

- j. Part II: Employers' Liability
 - k. Part III: Other States
 - l. Part IV: Duties After a Loss
 - m. Part V: Premium
 - i. _____
 - ii. _____
 - iii. _____
 - n. Second Injury Fund
 - i. Discourages _____ in hiring
 - ii. Allows second injury with a new employer to pay like the first
 - iii. Remainder to be paid by the _____
 - o. Assigned Risk Plans
 - i. High risk worker's compensation provided by the state
26. Commercial Lines Termination
- a. May cancel for any reason in the first 90 days
 - b. After 90 days may cancel for:
 - i. Nonpayment of premium
 - ii. Fraud
 - iii. Substantial change in risk
 - iv. Failure to comply with safety rules
 - v. Reinsurance of the risk has been cancelled
 - c. Timeframe for notice:
 - i. _____ day for nonpayment of premium
 - ii. _____ day for fraud
 - iii. 30 day for any other reason in the first 90 days
 - iv. 45 day for approved reasons after 90 days