



Addendum: for use with Idaho Property and Casualty online ExamFX courses and study guides version #24733en/24734en, per exam content outline updates effective 11/1/2022.

The following are **content additions** to supplement your existing text unless otherwise indicated:

PROPERTY:

Introduction

F. Exam Breakdown – The total number of questions and percentages per chapter for the General Knowledge portion of the exam are updated as follows:

**Idaho Property Insurance Examination
88 Questions**

Chapter	Percentage of the Exam
GENERAL KNOWLEDGE:	
General Insurance Concepts	16%
Property Insurance Basics	25%
Dwelling Policy Concepts	4%
Homeowners Policy Concepts	12%
Commercial Property Policies	10%
Businessowners Policy	6%
Other Types of Property Insurance	4%
STATE LAW:	
Idaho Statutes, Rules, and Regulations Common to All Lines	17%
Idaho Statutes, Rules, and Regulations for Property and Casualty	3%
Idaho Statutes, Rules, and Regulations Pertinent to Property Only	3%



Homeowners Policy Concepts

I. Selected Endorsements

Ordinance or Law

The **ordinance or law endorsement** of a homeowners policy provides for losses for damage to covered property or the building containing covered property to be settled on the basis of any ordinance or law that regulates construction, repair, or demolition of this property. An additional premium will be charged for this endorsement.

Commercial Property Policies

E. Farm Coverage

Farm Liability Coverage Forms

The **farm liability** form is similar to the commercial general liability coverage form. It provides protection for bodily injury and property damage, personal and advertising injury, and medical payments in the form of coverages H, I and J.

Coverage H – Bodily Injury and Property Damage Liability

Coverage H – Bodily Injury and Property Damage Liability provides protection for bodily injury and property damage claims from liability arising out of the farming business and personal acts of the insured. Although it covers the business of farming, it specifically excludes coverage for businesses other than farming and contains the business pursuits and professional services exclusions similar to personal liability coverage.

Coverage I – Personal and Advertising Injury Liability

Coverage I – Personal and Advertising Injury Liability is similar to the coverage as provided in the general liability coverage form. However, advertising injury is covered only if the offense is committed in the course of advertising the insured's farm-related goods, products, or services. Exclusions under this coverage include intentional acts, contractual liability, breach of contract, failure of goods to perform, and any offense committed by an insured who is in the broadcasting business.

The personal injury coverage follows the coverage provided in the General Liability coverage form.

Coverage J – Medical

Coverage J – Medical Payments agrees to pay reasonable medical expenses caused by an accident, regardless of fault, if the expenses are incurred and reported to the insurer within 3 years of the accident date. Coverage applies only to a person who is not an insured. This means that farm employees are excluded from this coverage. However, resident employees are included.

Ocean Marine vs. Inland Marine – *new section in the chapter*

Marine policies provide property-type coverage and are usually used for imports, exports, and instruments of transportation and communication, such as bridges, tunnels, or pipelines. There are two main branches of marine insurance: ocean marine and inland marine.

Ocean marine insurance is one of the oldest types of insurance in the world. Most insurers still use archaic terms, wording, and language a couple centuries old in their policy forms, so to have a valid ocean marine contract, the courts have required "utmost good faith." Ocean marine insurance provides coverage for property while in transit over water ("wet marine" coverage). There is no standard policy in Ocean Marine insurance.

The 4 major types of Ocean Marine policies are

1. **Hull:** for physical damage or loss of the ship itself;
2. **Cargo:** for what the ship is hauling;
3. **Freight:** for loss of revenue if the ship owner cannot deliver the cargo; and
4. **Protection and indemnity (P&I):** for liability.

As ocean marine insurance developed to cover property shipped over the ocean or internationally, inland marine insurance was developed to cover property shipped over land or inland waterways. Inland marine is considered more domestic in nature.

Inland marine (dry marine) coverage can be written on almost any type of property that is portable, and in transit over land or in the air ("dry marine" coverage).

While inland marine is part of Commercial Package Policy, ocean marine is not.



Commercial Crime – *new section in the chapter. Please refer to the online course for complete text.*

Other Types of Property Insurance

A. Businessowners Policy (BOP) – *this section has been significantly expanded; please refer to the online course for complete text.*

C. Other Policies

Flood Insurance

The **Flood Coverage endorsement** adds flood to the covered perils in a standard property policy. Flood is defined as a general and temporary condition of partial or complete inundation of normally dry land areas due to the overflow of inland or tidal waters, the unusual or rapid accumulation or runoff of surface waters from any source, or mudslides or mudflows caused by flood, involving a river of liquid and flowing mud on the surface of normally dry land areas. All flooding in a continuous or protracted event is considered a single flood.

The flood endorsement is subject to a limit of insurance and an annual aggregate amount. The exclusions and limitations of the policy cause of loss form apply to coverage provided under this endorsement with certain exceptions.

The flood coverage endorsement is considered **excess coverage** over any coverage available through the National Flood Insurance Program (NFIP). If at the time the endorsement was written the property was not eligible for an NFIP policy, or if the insurer agreed to issue the endorsement without an underlying NFIP policy, then the coverage would be primary. If other insurance covers a flood loss, other than coverage through the NFIP, the insurer will pay its share of the loss, up to the limit of insurance.



CASUALTY:

Introduction

F. Exam Breakdown – The total number of questions and percentages per chapter for the General Knowledge portion are updated as follows:

Idaho Casualty Insurance Examination 88 Questions

Chapter	Percentage of the Exam
GENERAL KNOWLEDGE:	
General Insurance Concepts	17%
Casualty Insurance Basics	24%
Auto Policies: Personal and Commercial	18%
Commercial General Liability	9%
Workers Compensation Insurance	3%
Other Types of Casualty Insurance	5%
STATE LAW:	
Idaho Statutes, Rules, and Regulations Common to All Lines	16%
Idaho Statutes, Rules, and Regulations for Property and Casualty	3%
Idaho Statutes, Rules, and Regulations Pertinent to Casualty Only	5%

Auto Insurance: Personal and Commercial

A. Personal Auto Policies

2. Definitions

Personal injury protection (PIP), also called "no-fault insurance", covers medical expenses and related costs resulting from an accident, regardless of who caused it. PIP covers both insured policyholders and passengers.



4. Part A: Liability

Supplementary Payments

Under the supplementary payments provision, the insurer promises to pay certain other costs on behalf of an insured:

- Up to \$250 for the cost of **bail bonds** required of the insured because of a covered loss;
- Premiums on **appeal bonds** and bonds to release attachments in suits covered under the policy;
- **Interest on a judgment** after the judgment has been entered; and
- Up to \$200 per day for **loss of earnings** for assisting in legal proceedings (e.g., attendance at hearings or trials); and
- Other reasonable expenses incurred at the request of the insurer.

Amounts payable under the supplementary payments provision are payable **in addition to the liability limit**.

B. Commercial Auto

3. Selected Endorsements

Broad Form Products

The **Broad Form Products Coverage** endorsement changes the liability coverage on a form. It removes the defective products exclusion (makes it ineffective). Other than auto coverage in garage operations, coverage applies a \$250 deductible to the per accident limit.

Employees as Insureds

The **employees as insureds** endorsement will provide the insured's employees additional protection while using a vehicle not owned, hired, or borrowed for the insured business, if, for example, an employee uses a personal vehicle to run an errand for the insured business owner. Employees are not covered under the commercial auto coverage part while using their own vehicles in the course of business due to one of the exceptions listed in the permission clause in the Who is an Insured section of the policy.