



Addendum: for use with Idaho Personal Lines online ExamFX course and study guide version #24735en, per exam content outline updates effective 11/1/2022.

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

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 Personal Lines Insurance Examination
92 Questions**

Chapter	Percentage of the Exam
GENERAL KNOWLEDGE:	
General Insurance Concepts	5%
Property Insurance Basics	28%
Dwelling Policy Concepts	8%
Homeowners Policy Concepts	14%
Personal Automobile Policy	11%
Other Types of Property Insurance	8%
STATE LAW:	
Idaho Statutes, Rules, and Regulations Common to All Lines	15%
Idaho Statutes, Rules, and Regulations for Property and Casualty	3%
Idaho Statutes, Rules, and Regulations Pertinent to Personal Lines Insurance Only	8%

Personal Automobile Policy

B. 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.

Other Types of Property Insurance

Watercraft

Like many other policy forms, the Watercraft policy form starts with agreement and definitions, and is further divided into the following sections:

- Part A – Liability Coverage;
- Part B – Medical Payments Coverage;
- Part C (*not currently used*);
- Part D – Coverage for Damage to Your Watercraft;
- Part E – Your Duties after Accident or Loss; and
- Part F – General Provisions.

Definitions

Some of the terms and definitions unique to the watercraft policy are as follows:

Personal watercraft – a recreational watercraft powered by an inboard motor, capable of carrying one or more persons in a sitting, standing, or kneeling position.

Nonowned watercraft – any watercraft, including its motor and watercraft trailer, which is not owned or available for regular use by the insured.

Outboard motor means any motor designed to be attached to a watercraft, including fuel tanks and electric starting equipment or controls necessary for the operation of the motor.

Watercraft trailer means a vehicle that is designed to be pulled by a private passenger auto, pickup or van, and transport a watercraft on land.



Boating equipment means accessories and other equipment (other than outboard motors) that are owned by the insured, integral to the operation and maintenance of the watercraft, and are in or upon the covered watercraft.

Covered watercraft — any watercraft, outboard motor, and watercraft trailer shown in the Declarations, and newly acquired property.

A watercraft, outboard motor, or watercraft trailer will be deemed to be owned by a person if leased under a written agreement to that person, and for a continuous period of at least 6 months.

Part A – Liability Coverage

Part A – Liability Coverage will pay for damages for bodily injury or property damage for which any insured becomes legally liable because of a watercraft accident. As deemed appropriate, the insurer will settle or defend any claim or suit asking for these damages. In addition to the limit of liability shown in the Declarations, the insurer will pay all defense costs they incur.

Liability coverage supplementary payments are as follows, and will not reduce the limit of liability:

- Up to 10% of the limit of liability for Part A;
- Up to \$250 for the cost of bail bonds required because of an accident;
- Premiums on appeal bonds;
- Interest accruing after a judgment is entered in the suit;
- Up to \$200 a day for loss of earnings (but not other income) because of attendance at hearings or trials at the insurer's request; and
- Other reasonable expenses.

Some of the main **exclusions** to liability coverage are listed below:

- Intentional bodily injury or property damage;
- Property damage to property rented to, used by, or in the care of the insured;
- Bodily injury to a person who is entitled to benefits under the Jones Act, workers compensation benefits, or Federal Longshore and Harbor Workers Compensation benefits;
- Insured's liability for a watercraft while it is being rented to others, used as a public or livery conveyance, or hired for charter;



- Losses incurred while the insured is employed or engaged in the business of selling, repairing, servicing, storing, or docking watercraft;
- Using a watercraft without a reasonable belief that the insured is entitled to do so;
- Bodily injury or property damage for an insured under a nuclear energy liability policy; and
- Watercraft that is being operated in any prearranged or organized race, stunt activity, or other speed competition.

Part B – Medical Payments Coverage

Part B – Medical Payments Coverage covers expenses incurred for necessary medical and funeral services sustained by an insured. The policy will only pay for services rendered within 3 years from the date of the accident.

Part B **exclusions** are similar to those listed in Part A. The main distinction is that bodily injuries sustained *while occupying* a personal watercraft will not be covered.

Part D – Coverage for Damage to Your Watercraft

Part D – Coverage for Damage to Your Watercraft pays for direct and accidental loss of the covered watercraft and boating equipment minus any applicable deductible shown in the Declarations. If loss to more than one item of covered property results from the same loss, only one deductible will apply.

The **limit of liability** for Part D will be the **lesser** of

- Amount shown in the Declarations;
- Actual cash value of the stolen or damaged property; or
- Amount necessary to repair or replace the property.

The insurer will make an adjustment for depreciation and physical condition in determining actual cash value in the event of a total loss.

This policy section also provides the following **additional coverages**:

- **Salvage expense coverage** — up to 25% of the Part D limit of liability. This coverage is additional insurance without a deductible.
- **Towing and assistance expense coverage** — if the watercraft becomes disabled, the insurer will pay reasonable expenses for
 - Towing it to the nearest repair place;
 - Delivery of gas, oil, or repair parts at the site of disablement;
 - Watercraft trailer roadside repair; and
 - The limit of coverage is \$500 for any one disablement, subject to a maximum of \$1,000 for any one policy period.
- **Personal effects coverage** — the insurer pays for direct and accidental loss to personal effects owned by the insured or the insured's guests (at insured's request). Personal effects include cameras, cell phones, clothing, fishing equipment, water skiing and other sporting equipment. It does not include, however, animals, jewelry, money, watches, or permanently attached equipment. This coverage is limited to \$500. It is additional insurance with no deductible.

Part E – Duties after an Accident or Loss

Duties of the insured after accident or loss under the watercraft policy form are similar to any other policy form, and can be summarized as follows:

- Promptly notify the insurer of how, when, and where the accident or loss occurred;
- Cooperate with the insurer and provide any documentation as requested;
- Take reasonable steps after loss to protect the damaged property from further loss;
- Promptly notify the police, Coast Guard, or other authorities if covered property is stolen; and
- Permit the insurer to inspect and appraise the damaged property before its repair or disposal.



Part F – General Provisions

The following **general provisions** apply to watercraft policies. Most of these provisions have already been discussed in other types of property and liability coverages:

- **Abandonment;**
- **Bankruptcy;**
- **Changes;**
- **Financial responsibility** – when the policy is certified as future proof of financial responsibility, it must comply with the law to the extent required;
- **Fraud;**
- **Lay-up period** – insurer will not provide coverage while a watercraft is operated during the lay-up period, or not stored in the lay-up location;
- **Legal action against insurer;**
- **Loss payable clause;**
- **Insurer's right to recover payment;**
- **Out of state coverage;**
- **Policy period;**
- **Policy territory** – coverage only applies to accidents and losses that occur within the Custom Policy Territory shown in the Declarations, or if not specified, coverage applies on land, in inland waters, in coastal waters within 12 miles of the shoreline, or in the Great Lakes within U.S., its territories or possessions, Puerto Rico, or Canada;
- **Termination** (including cancellation, nonrenewal, automatic termination, and other termination provisions);
- **Transfer of insured's interest in this policy;** and
- **Two or more watercraft policies.**