
Addendum: for use with Kansas Property and Casualty online ExamFX course and study guide version 26508en 26509en, per exam content outline updates effective 12/01/2022.

The following are **content additions** to supplement your existing text unless otherwise indicated. Please note that the Property Only and Casualty Only Exam Breakdowns include minor changes. Please consult your online course for the updated breakdowns.

Introduction

Exam Breakdown – revised exam breakdown

**Kansas Property, Casualty and Allied Lines Insurance Examination
154 Total Questions (140 scored, 14 pretest)**

CHAPTERS	PERCENTAGE OF EXAM
General Knowledge:	
Insurance Terms and Related Concepts	21%
Policy Provisions and Contract Law	18%
Types of Property Policies	16%
Types of Casualty Policies, Bonds, and Related Terms	16%
State Law:	
Kansas Statutes and Regulations Common to All Lines Insurance	14%
Kansas Statutes and Regulations Common to Property and Casualty Insurance Only	5%
Kansas Statutes and Regulations Pertinent to Property Insurance Only	5%
Kansas Statutes and Regulations Pertinent to Casualty Insurance Only	5%

Types of Property Policies

B. Commercial Lines

Cyber First-Party Coverage

With an ever-growing reliance on technology, it is no surprise that cyberattacks and data breaches are more common than ever. Businesses that obtain and store personal, financial, or otherwise sensitive data are prone to extortion and fraud. To protect businesses and consumers, cyber insurance is made available to businesses, designed to lessen the financial impact resulting from cyberattacks and data breaches.

Cyber security insurance is broken into the following coverage types:

- **First-party cyber insurance** — Protects businesses from damages resulting from cyber losses to the business' own network or system; and
- **Third-party cyber insurance** — Covers legal expenses for lawsuits resulting from a business's inability to properly secure consumer data.

Examples of losses covered by a first-party cyber policy include:

- Business interruption and lost revenue;
- Customer notifications;
- Credit monitoring services for affected customers;
- Ransom payments to extortionists holding data hostage; and
- Costs associated with public relation campaigns.

Types of Policies, Bonds, and Related Terms

B. Automotive: Personal Auto and Business Auto

2. Commercial Auto

Mobile Equipment Endorsement

Under the business auto coverage form, mobile equipment is covered for liability insurance when being carried or towed by a covered auto. If a land vehicle that fits the definition of mobile equipment, but because of where or how it is being used becomes subject to compulsory insurance as if it were an auto, an insured could potentially have a coverage problem. For example, a bulldozer is required to have compulsory insurance because to get from one part of a job site to another, it must drive on a public road. If the insured has a Symbol 7 (Specified Auto) listed on the Declarations, that bulldozer would need to be included on the insured's vehicle schedule to be covered for liability. If it is not listed, a solution would be to use this

endorsement. The bulldozer would be specifically described in the endorsement and granted coverage.

Covered autos liability coverage does not apply to bodily injury, property damage, or covered pollution cost or expense resulting from the operation of any machinery or equipment that is on, attached to, or part of any of the covered autos.

F. Professional Liability

Liquor Liability

Liquor liability (also known as dram shop liability) refers to the exposure that bars, restaurants, and other similar establishments face due to the selling, distributing, manufacturing, or serving of alcoholic beverages. Liquor liability provides protection in the event of action brought against the insured for selling liquor to a customer who is later involved in an accident and suffers bodily injury or property damage.

Businesses of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages all may have liability exposure to actions under state or local statutes that establish responsibilities for those injuries arising from the distribution or use of alcoholic beverages and causing injuries to the user or caused to others by the user.

Businessowners Policy (BOP) – *please refer to the online course for complete text (“Types of Casualty Policies, Bonds, and Related Terms” chapter)*

Kansas Statutes, Rules and Regulations Common to All Lines

E. Property and Casualty Insurance Guaranty Association Act

The Guaranty Association is run by the board of directors selected by member insurers and approved by the Commissioner.

If a property or casualty insurer is declared insolvent and placed into liquidation, the Association provides insurance coverage for Kansas residents. In such cases, the Association will pay claims arising within **30 days** after the determination of an insurer's insolvency. The amount paid cannot exceed **\$300,000** per claim, except for covered claims arising out of a workers compensation policy, which are paid the full amount. The Association will not be obligated to pay a claimant an amount in excess of the obligation of the insolvent insurer.



The Association will allocate member insurers amounts necessary for the purpose of paying these obligations. Each insurer will be notified of their assessment no later than **30 days** before it is due. No insurer may be assessed an amount greater than 2% of that insurer's direct written premiums in the previous year.

The existence of the Guaranty Association cannot be used in marketing or selling insurance.

Kansas Statutes, Rules and Regulations Pertinent to Casualty Only

B. Uninsured and Underinsured Motorist Coverage

An insurer may exclude or limit uninsured motorist coverage if

- The insured is occupying or struck by an uninsured vehicle or trailer owned or provided for the insured's regular use;
- The uninsured vehicle is owned by a self-insurer or government entity;
- There is no reliable evidence of physical contact with an uninsured vehicle;
- Workers compensation benefits would apply;
- A suit is brought against the uninsured motorist without notice to the insurer; or
- Personal injury benefits would apply.

The term **uninsured motor vehicle** includes an insured motor vehicle where the liability insurer is unable to make payment because of insolvency.