
Addendum: for use with the Missouri Property and Casualty online ExamFX courses and study guide version 25687en/25688en, per exam content outline updates effective 04/26/2023.

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

Introduction

Exam Breakdowns – revised exam breakdowns

**Missouri Property Insurance Examination
100 Total Questions (90 scored, 10 pretest)
Time Limit: 2 hours
Passing Score: 70%**

CHAPTERS	PERCENTAGE OF EXAM
General Knowledge:	
Property Insurance Terms and Related Concepts	17%
Property Policy Provisions and Contract Law	14%
Types of Property Policies	24%
State Law:	
Missouri Statutes, Rules and Regulations Common to All Lines	28%
Missouri Statutes, Rules and Regulations Pertinent to Property Insurance Only	17%



Missouri Casualty Insurance
100 Total Questions (90 scored, 10 pretest)
Time Limit: 2 hours
Passing Score: 70%

CHAPTERS	PERCENTAGE OF EXAM
General Knowledge:	
Casualty Insurance Terms and Related Concepts	17%
Casualty Policy Provisions	13%
Types of Policies, Bonds, and Related Terms	25%
State Law:	
Missouri Statutes, Rules and Regulations Common to All Lines	28%
Missouri Statutes, Rules and Regulations Pertinent to Casualty Insurance Only	17%

Missouri Property and Casualty Insurance Examination
150 Total Questions (140 scored, 10 pretest)
Time Limit: 3 hours
Passing Score: 70%

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	17%
State Law:	
Missouri Statutes, Rules and Regulations Common to All Lines	14%
Missouri Statutes, Rules and Regulations Pertinent to Property Insurance Only	7%
Missouri Statutes, Rules and Regulations Pertinent to Casualty Insurance Only	7%

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 Casualty Policies, Bonds, and Related Terms

B. Automotive: Personal Auto and Business Auto

8. Business Auto Coverage Forms

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 Policies, Bonds, and Related Terms” chapter)*

Missouri Statutes, Rules and Regulations Common to All Lines

2. Examination of Records – *addition to the existing text*

It is illegal for any person in any investigation, examination, inquiry, or other proceeding to

- Knowingly make or cause to be made a false statement upon oath or affirmation or in any record that is submitted to the Director or used in any proceeding; or
- Make any false certificate or entry or memorandum upon any of the

books or papers of any insurance company, or upon any statement or exhibit offered, filed or offered to be filed in the department, or used in the course of any examination, inquiry, or investigation.

3. Cease and Desist Orders – *addition to the existing text*

A hearing resulting from a cease and desist order may not be held sooner than 10 days after the notice of hearing is served.

4. Penalties – *addition to the existing text*

If the violation committed was flagrant and in conscious disregard of the law, the person will be fined up to \$25,000 for each violation, not to exceed \$250,000 in any 12-month period.

Court Action

The Director may take action through the courts to enjoin any existing or threatened violation of any provision of the Insurance Code, or to enforce any proper order made or action taken by the Director.

The court may

- Issue a permanent or temporary injunction, restraining order, or declaratory judgment;
- Order other appropriate or ancillary relief (such as freezing assets or imposing a penalty); or
- Order such other relief as the court considers necessary or appropriate.

Records Expunged

All records of disciplinary actions against an insurance producer that resulted in a monetary penalty of \$200 or less and places no other legal duty on the producer will be expunged after 5 years from the date of the execution of the order or settlement agreement by the Director.

B. Licensing Requirements

Temporary License

If necessary, the Director may issue a temporary producer's license without requiring a written examination in any of the following cases for the continuation of a producer's existing business:

- To the surviving spouse or court-appointed personal representative of a producer who is deceased or becomes mentally or physically disabled;
- To a member or employee of a business entity licensed as an insurance producer, upon the death or disability of an individual designated on the business entity application;
- To the designee of a licensed producer who enters active service in the armed forces of the United States;
- In any other circumstance in which the Director deems that public interest will best be served by the issuance of the license.

Producers with a temporary license can perform all of the functions of a regularly licensed producer. Temporary licenses cannot exceed **90 days**. The Director may revoke a temporary license if the interests of insureds or the public are endangered. A temporary license may not continue after the owner or the personal representative disposes of the business.

Producer Appointment and Termination of Appointment

An insurance producer cannot act as an agent of an insurer unless the insurance producer is appointed by that insurer. An insurance producer who is not acting as an agent of an insurer is not required to be appointed.

To appoint a producer as its agent, the appointing insurer must enter the name and license number of the producer into the company register within **30 days** of authorizing the producer to transact business on its behalf. There is no charge associated with changing a producer's appointment status on the register. The register must be maintained electronically and be open to inspection by the Director.

An insurer that terminates the appointment, employment, contract, or other insurance business relationship with a producer must notify the Director within **30 days** following the effective date of the termination. The insurer must also update the company register within 30 days of appointment termination.

All documents, records, and statements provided to the Director are deemed confidential and absolutely privileged. The Director must provide all obtained

written material associated with the appointment or termination of appointment to the producer.

E. Marketing Practices

3. Rebating – *addition to the existing text*

Producers who sell or solicit property and casualty insurance products may offer to provide products or services for free, at a discount, or at market value if such products are intended to:

- Prevent or mitigate loss to property;
- Provide loss control;
- Reduce rates or claims;
- Educate about risk or loss to property;
- Monitor or assess risk;
- Identify sources of risk;
- Develop strategies for eliminating or reducing risk; or
- Provide post-loss services.

Products or services, including gifts, goods, or merchandise containing advertisements or promotions are not required to be present in the contract or policy form filings.

The Director may maintain additional product or service exceptions; however, the Director cannot restrict the exceptions. Rebate regulations do not apply to commission reductions not included in insurance company filings.

Missouri Statutes, Rules and Regulations Pertinent to Casualty Insurance Only

C. Claim Settlement Practices

Definitions

The following definitions apply to claim settlement practices:

- **Claimant** – Any person or entity submitting a claim on behalf of an insured, including a legally designated representative or immediate family member designated by a claimant;
- **First-party claimant** – Any individual, corporation, association, partnership, or other legal entity requesting payment arising from a loss covered under an insurance policy;

- **Notification of claim** — Notification by a claimant to an insurer, either in writing or by other means, which provides facts pertinent to a claim; and
- **Third-party claimant** — Any individual, corporation, association, partnership, or other legal entity requesting payment for a claim against an insured under an insurance policy.

D. Workers Compensation

Employment Covered

For the purposes of workers compensation regulations, the term **employer** refers to:

- Every person, partnership, association, corporation, limited liability company, trustee, receiver, legal representative of a deceased employer, or anyone using the service of another for pay; and/or
- State, county, or municipal corporations, school districts, political subdivisions, or cities under special charter, or under the commission form of government.

To be considered an employer, a person or entity must employ at least **5 employees**. Construction industry employers who build, demolish, alter, or repair improvements only need to employ a minimum of one employee.

2. Exempt Occupations, Employers — *addition to the existing text*

Partners and sole proprietors may elect coverage on themselves. If coverage is purchased on themselves, it must also be extended to include the partner or sole proprietor's employees, if any.

5. Waiting Period — *addition to the existing text*

If benefit payments, which are not contested between the employer or the insurer, are made 30 days after becoming due, benefits must include a 10% interest. If benefits are contested by the employer or insurer, payable interest is only required upon an administrative judge's ruling.

6. Permanent Total Disability — *addition to the existing text*

For occupational diseases due to toxic exposure (excluding mesothelioma) which results in permanent total disability or death, benefits must be equal to **200%** of the state's average weekly wage.

E. Medical Malpractice Insurance

Employment Covered – *addition to the existing text*

An association may begin doing business no sooner than **7 days** from the Director's approval. A license authorizing the association to transact medical malpractice insurance is valid for 1 year. The association may not be required to pay any premium taxes in connection with the conduct of its business. The association must pay an annual renewal fee of \$100 within **30 days** of license expiration.

The Director may conduct an examination of an association's financial condition, affairs, and management at any time, at the expense of the association.