
Addendum: for use with the Oregon Personal Lines online ExamFX course, per exam content outline updates effective 05/01/2023.

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

Introduction

Exam Breakdowns – revised exam breakdowns

**Oregon Personal Lines Examination
100 Questions**

CHAPTERS	PERCENTAGE OF EXAM
General Insurance	7%
Property Insurance Basics	26%
Dwelling Policy	10%
Homeowners Policy	19%
Auto Insurance	14%
Other Types of Property Insurance	7%
Insurance Regulation	13%
Federal Laws and Regulations	4%

Note that in your online course, Federal Laws and Regulations are part of the Insurance Regulation chapter.

Property and Casualty Insurance Basics

A. Principals and Concepts

5. Negligence

Torts

A **tort** is a wrongful act or the violation of someone's rights that leads to legal liability. **Tortfeasor** is a person who commits a tort. Torts are classified as intentional or unintentional (referred to as negligence).

An **intentional tort** is any deliberate act that causes harm to another person regardless of whether the offending party intended to injure the aggrieved party. For purpose of this definition, breach of contract is not considered an intentional tort.

An **unintentional tort** is the result of acting without proper care. This is generally referred to as negligence.

C. Common Policy Provisions

6. Other Insurance

Noncurrency

Nonconcurrency refers to other insurance written on the same risk, but not on the same coverage basis.

Pro Rata

Pro rata is a provision found in some property insurance policies that provides for the sharing of loss with other insurance that may be written on the same risk in the same proportion as their limits of insurance bear to the total of coverage of all policies covering the risk, whether collectible or not.

Contribution by Equal Shares

A loss is paid under **contribution by equal shares** when 2 or more insurers issue policies on the same loss at the same level. Each insurer (primary or excess) contributes an equal amount to the loss settlement until the loss is paid, or until each insurer has exhausted its limits of insurance, whichever comes first.

12. Insurer Provisions

Arbitration

Arbitration is a method of *casualty* claim settlement used when the insured and insurer cannot agree on how to settle a claim. The settlement is submitted to an arbitrator, or multiple arbitrators, whose decision may or may not be binding on both parties dependent on state law.

Homeowners Policy

H. 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.

Auto Insurance

B. Laws

5. Credit History – *addition to the existing text*

An insurer is prohibited from cancelling or nonrenewing a personal auto policy that has been in effect for more than **60 days** solely based on an insured's credit history or insurance score.

An insurer may decline coverage during the **initial underwriting process**, as long as the applicant's credit history is in combination with other underwriting factors and the insurer does not use the following when considering declination of coverage, insurance score calculation, or premium rates:

- The absence of credit history or inability to determine an applicant's credit history, unless it relates to risk for the insurer and the insurer treats the applicant as if they have a neutral credit score;
- Credit inquiries not initiated by the applicant, initiated by the applicant for personal purposes, or inquiries identified on an applicant's credit report relating to insurance coverage;
- Multiple inquiries from home mortgage companies that are made within 30 days one another;

- Multiple inquiries from auto lending companies that are made within 30 days one another;
- The applicant's total available line of credit; or
- Existing policies or marital status changes in relation to credit history.

If an insurer uses an insured's credit history score at any time, the insured may request the insurer to rerate the auto policy in accordance with the initial underwriting factors, no more than once per year. The insurer must rerate the policy within **30 days** of the request. If the request is received within 60 days of the renewal date and the improved rate is less than \$10, the insurer may provide the insured with the difference.

If an insurer uses disputed credit history, the insurer must rerate the policy retroactively from the effective date of the current policy term.

6. Total Loss – *addition to the existing text*

When adjusting or settling vehicle total losses, an insurer must provide the insured with one of the following options:

- **Replacement Vehicle** – The insurer may elect to offer a replacement vehicle that is comparable to the original vehicle. A comparable automobile includes those of the same or similar make, milage, and condition. The replacement vehicle must be made available for the purpose of the claimant's inspection at a licensed dealer within a reasonable distance of the claimant's residence. The insurer's offer and insured's acceptance or rejection must be documented in the claim file; or
- **Cash Settlement** – The insurer may elect to pay a cash settlement equal to the ACV of the motor vehicle, less any deductible provided in the policy. For the purposes of a cash settlement, the value of an automobile may be based on one of the following:
 - A computerized database that produces valid and fair market values for automobiles;
 - The actual cost to purchase a comparable vehicle; or
 - An alternative determination method, as long as the method is allowable under the policy and the claims file provides the particulars of the pre-loss condition of the automobile.



In the event an insurer and insured or third-party claimant are unable to agree on the value of an insured auto, the insurer must pay the undisputed amount until the insured or third-party claimant:

- Agrees to transfer ownership of the automobile to the insurer; or
- Authorizes the insurer to move the automobile to a disclosed location for a salvage sale, after making it available for inspection for at least **14 calendar days**.