

**Addendum: for use with Rhode Island Property and Casualty online ExamFX courses and study guide versions 21996en (Property) and 21999en (Casualty), per exam content outline updates effective 10/10/2022.**

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

## **PROPERTY:**

### **Introduction**

#### **Exam Breakdown – revised exam breakdown**

**Rhode Island Life Insurance Examination  
87 Total Questions (76 scored, 11 pretest)**

<b>Chapter</b>	<b>Percentage of Exam</b>
<b>General Knowledge:</b>	
Property Insurance Terms and Related Concepts	20%
Policy Provisions and Contract Law	17%
Types of Property Policies	29%
<b>State Law:</b>	
Rhode Island Laws, Rules, and Regulations Common to Property & Casualty	26%
Rhode Island Laws, Rules, and Regulations Pertinent to Property Only	8%

### **Policy Provisions and Contract Law**

#### **D. Provisions and Clauses**

##### **Policy Territory**

The policy territory defines the location where coverage will be provided.

### **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.

## CASUALTY

**Exam Breakdown** – *the number of scored questions on the exam remains the same (50 in General Knowledge and 32 in State Law); however, the number of pretest questions has been reduced from 16 to 11.*

### Types of Casualty Policies, Bonds, and Related Terms

#### **A. Automobile: Personal Auto and Business Auto**

##### **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**

##### **Funds Transfer Fraud**

The **funds transfer fraud** insuring agreement provides coverage for loss of funds resulting from fraudulent instructions received by a financial institution to pay money from an insured's transfer account to someone else. Computer fraud is excluded from this coverage.

The **computer systems rider** protects against loss from the fraudulent transfer of funds initiated through the financial institution's computer system. A customer, dishonest employee, or customer can be responsible for this fraud, and access may be through a PC, Internet, or home banking program. Damage and reconstruction are also covered by virus or hacker activity.

Three insuring agreements protect against electronic transaction losses:

1. Fraudulent entry of electronic data or computer programs (fraudulent transfer of funds);
2. Destruction of data or computer programs (damage from virus, hacker, or employee sabotage); and
3. Toll fraud (long-distance charges incurred due to fraudulent use of accounts or passwords).

## 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, (“Types of Casualty Policies, Bonds, and Related Terms” chapter) for complete text*