

# Test Alert!

Louisiana

Property and Casualty Insurance

License Exam Manual

3/1/06

# P&C

The information included in this release, in addition to your other Kaplan Financial materials, is designed to assist you in preparing for concepts that your exam may include. We urge you to read it carefully and take time to review the sample questions and rationales.

Be sure to visit Kaplan Financial's Website at [www.kaplanfinancial.com](http://www.kaplanfinancial.com) for the latest updates to this Test Alert!

As always, we strive to provide you with the most current test preparation information. If you have any questions about this or any other Kaplan Financial study material, please call AnswerPhone at 1-800-621-9621, ext. 3598, between the hours of 8 AM and 6 PM CT, Monday through Friday.

**KAPLAN** FINANCIAL

# Part I

## Changes Since the Previous Edition

---

The information below has been updated since the first edition of the Louisiana Property and Casualty Insurance License Exam Manual.

### I. LOUISIANA LAW

---

#### A. Definitions [1132]

An insurance producer is a person required to be licensed under Louisiana law to transact insurance and includes persons or business entities otherwise referred to as agent, broker, solicitor, or surplus lines broker.

#### B. Insurability of property easily accessible by road for emergency vehicles [1430.18]

The governing board of the Louisiana Citizens Property Insurance Corporation must provide property insurance for property easily accessible by road for emergency vehicles.

### II. HOMEOWNERS POLICY

---

Louisiana has adopted the ISO Homeowners 2000 policy. The following provisions differ from those found in the HO '91.

#### A. Special limits of liability

1. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, and stamps;
2. \$1,500 on watercraft, including their trailers, furnishings, equipment, and outboard motors;
3. \$1,500 on trailers not used with watercraft;
4. \$1,000 on grave markers;
5. \$1,500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones;
6. \$2,500 for loss by theft of firearms;

## **B. Additional Coverages:**

### **1. Collapse**

Limited coverage is provided if the loss is caused by:

- perils insured against in Coverage C;
- hidden decay;
- hidden insects or vermin;
- weight of contents, equipment, animals, or people;
- weight of rain on a roof; or
- use of defective materials or construction methods.

### **2. Ordinance or law**

Ordinance or law is additional coverage that provides 10% of Coverage A as an additional amount of insurance for the increased costs of repair or reconstruction due to zoning laws or building ordinances that require upgrades in the event of a loss.

### **3. Grave markers**

The insurer will pay up to \$5,000 for grave markers, including mausoleums, on or away from the residence premises.

## **C. Policy forms**

### **The modified form for special risks—HO-8**

This policy is for owners of dwellings who do not wish or find it difficult to insure their older properties on a replacement cost basis because replacement cost would far exceed the market value. In addition, the form can be used for homes of unusual construction that may be difficult to value. Losses are settled on an actual cash value basis, and coverages are similar but in some cases more restrictive than an HO-1 basic form. Additional restrictions apply on theft coverage and property away from the premises.

Part II  
New Sample Questions

---

No new sample questions at this time.

Part III  
Answers and Rationales

---

No new answers at this time.

Part IV  
Errata

---

No new changes to report at this time.

To submit comments or suggestions, please send an email to [errata@kaplan.com](mailto:errata@kaplan.com).

**KAPLAN** FINANCIAL

[www.kaplanfinancial.com](http://www.kaplanfinancial.com)  
30 S. Wacker Drive, Ste. 2500, Chicago, IL 60606  
800-824-8742