NY PROPERTY & CASUALTY TARGETED LESSON PLAN

Sequenced by measured weakness · organized by question type

Built for Lake Airdrop · August 3, 2026

Sourced from: 59 WebCE course lessons · 4 NY statute lessons · 4 practice exams (150 Q each) · 1,765 drill questions

Current standing: 67% (fail) → **73%** → **71%** · Simulator 86% · Drill 78%

Rev. 2 · corrected 8/3 against the course text — see Topics 4 and 8

Pass line: 105 of 150 (70%)

How this document is built

This is not a content dump. Every section is organized around **the specific question types WebCE writes for that topic**, because your problem is no longer knowing the material — it is converting knowledge into correct answers under six recognizable question formats.

Topics are ordered by a blend of three measurements: your accuracy on *fresh* questions (the truest signal, since repeat exposure inflates lifetime scores), your section performance on the three real practice exams, and the number of exam questions each topic controls. Work top to bottom. The first three sections hold roughly 25 of the 41 questions you are still missing.

Priority order and the evidence behind it

#	TOPIC	EXAM EVIDENCE	DRILL	FRESH-QUESTION ACCURACY	EXAM QS
1	**Accident & Health**	3/10 then 4/10 (30%, 40%)	75%	83% — improving fast	10
2	**Businessowners Policy**	5/9; endorsements 0/2	73% (lowest)	**59% — worst trend**	~9
3	**Homeowners**	10/12	76%	**64% — hidden softness**	12
4	**NY Auto & No-Fault**	Motor vehicle reg 2/4	74% (plateaued)	75%	~20
5	**Workers Compensation**	4/6	75%	75%	6
6	**Commercial Package** (property · crime · farm)	4/7 and 3/5	78–82%	95% comm. property	~12
7	**Inland Marine · Flood · Equip. Breakdown**	IM 1/3; EB 0/1	78%	80%	~6
8	**NY Property Law** (HO/dwelling regulation)	**0/2**	78%	60%	~11
9	**Policy Structure · Conditions · Regulation**	Ins. reg **0/2**; structure 1/2	82%	86%	~20

> **Leave alone:** NY Auto sits at 74% across 169 reps — the most drilling of any topic. That reads as a ceiling, not neglect. Commercial Property is at 95% on fresh questions and is effectively solved. Dwelling (86%), Regulation (83%) and General Principles (82%) are your strong ground; General Insurance scored 96% on the last exam. Do not spend hours there.

The six question types — and how to beat each one

Across your three exams the format mix was roughly: direct recall 35%, scenario application 30%, definition match 12%, all-EXCEPT 12%, negative-NOT 8%, calculation 3%. Each has a technique.

1 · DIRECT RECALL (A NUMBER OR A RULE)

The four choices are always **near-miss siblings from the same family** — 7/10/14/20 days, symbols 10/20/99, $250/$500/$1,000/$1,500. This means partial memory is worth zero. Either the exact digit is

welded to the exact rule or you are guessing among four plausible numbers.

Technique: answer before reading the options. If your recall does not produce a specific number unprompted, mark it and move on — the options will not jog it, they will confuse it.

2 · SCENARIO APPLICATION (A NAMED CHARACTER)

Roughly a third of the exam wraps one rule in a two-sentence story about Bridget, Stan, Enrique, or Mrs. Chang. The name and setting are always noise.

Technique: strip the story to a sentence — "employee's own car used on business" or "vacant dwelling, glass breakage." Name the rule, then look for the option that states it. Never reason from the character's sympathy or fairness; the exam tests the form, not justice.

3 · ALL-EXCEPT

Read it as **four separate true/false statements**, not one question. Three will be true of the topic; you are hunting the single false friend.

Technique: physically say "true, true, true" as you eliminate. The most common failure on these is not ignorance — it is forgetting mid-question that you are looking for the odd one out and picking the most-true statement instead.

4 · NEGATIVE-NOT ("WHICH WOULD NOT…")

Same discipline as EXCEPT, but the trap is different: the correct answer is usually the one thing that sounds most *reasonable in ordinary life* and is legally irrelevant — "the insurer would be harmed," "the producer missed sales goals," "the insured filed several claims."

Technique: ask what the statute or form actually lists. If a choice is a business judgment rather than an enumerated ground, that is your answer.

5 · DEFINITION MATCH (NEAR-SYNONYM PAIRS)

The exam repeatedly tests one distinction at a time: peril vs hazard, moral vs morale, coinsurance vs copayment, express vs implied vs apparent, own-occ vs any-occ, foreign vs alien, robbery vs burglary, general vs particular average, experience vs community rating.

Technique: for every pair below, be able to state the *one-word difference*. Percentage vs flat dollar. Character vs carelessness. Country vs state. Force against a person vs force against a door.

6 · CALCULATION

Only a handful per exam, and always one of five formulas: coinsurance, split limits, residual disability, workers comp premium, or loss/expense ratio. Every wrong option is a **partial computation** — the unmodified figure, the depreciation instead of the ACV, the number before the mod was applied.

Technique: write the formula down before touching the numbers. If your answer appears among the options you may still be wrong — check that you performed the last step.

> **The universal rule for this exam:** when two options are both defensible, the one that quotes an exact statutory number, a form number, or a defined term is nearly always the key. WebCE writes from the course text, not from practice.

1 · ACCIDENT & HEALTH

Exam: **3/10 (30%)** then 4/10 · Drill 232/308 (75%) · Fresh questions **83%** · 10 exam questions, all recoverable

This is your worst exam section by a wide margin and the only one that has never scored above 40%. It is also the smallest content domain on the exam, which makes it the cheapest points available to you. Your fresh-question accuracy jumped to 83% after the new material landed, so the knowledge is arriving — what is missing is exam-shaped retrieval.

Where the misses landed on the last exam: Medical Plans 0/2 · Disability Income 0/2 · Medicare 0/1 · Group Health 1/2 · NY A&H Laws 1/2. That is not one blind spot; it is thin coverage across every sub-topic. Treat the five blocks below as equally likely.

What they ask you

DEFINITION MATCH dominates here — plan types and disability definitions. DIRECT RECALL for the New York statutory clocks and Medigap plan letters. SCENARIO for "which plan/benefit responds." Calculations appear only for residual disability.

BLOCK A — MANAGED CARE TAXONOMY (THE MOST-TESTED BLOCK)

PLAN	GATEKEEPER?	OUT-OF-NETWORK?	SIGNATURE FACT
HMO	Yes — PCP	Closed panel: no. Open panel: yes, at agreed pricing	Providers **are employees**. Prepaid via capitation. No in-network deductible — copay only ($15/$30)
PPO	No	Yes, at higher cost / deductible	Providers are **not** employees; they accept the negotiated fee as full payment
POS	Yes — PCP	Yes, with deductible **and** coinsurance	HMO industry's answer to member choice (PPO was the insurance industry's answer to HMOs)
EPO	Typically	**Never covered at all**	"Extreme PPO" — and the **cheapest** of the three per the course

- **Copayment = flat dollar amount** (managed care). **Coinsurance = percentage** of charges (major medical). This single pair appears on nearly every exam.
- **Capitation:** provider paid a set amount per enrolled member per period, whether or not that member seeks care.
- HMO must **pre-approve** non-emergency hospital stays and surgery. Emergency care outside the service area must be reported within **24–48 hours**.
- **Blue Cross = hospital. Blue Shield = medical/surgical.** First prepaid plans; members are **subscribers**; pays providers directly (no claim forms); originated **community rating** and health risk pools.
- **Community rating:** everyone in the geographic group pays the same regardless of health, age, or sex. **Experience rating:** priced on that group's own claims history (and lets the employer structure benefits).
- **Utilization review** may be prospective, concurrent, or retrospective. **UCR** charges vary by geographic area — urban costs more.

BLOCK B — DISABILITY INCOME

DEFINITION	PAYS WHEN…	FAVORS	SOLD TO
Own occupation	You cannot perform *your* occupation, even if you can work elsewhere	The insured	Professionals / white collar. Costs more
Any occupation	You cannot work in *any* job you are suited to by education, training or experience	The insurer	Blue collar. Costs less

- **Presumptive total disability** — full benefit, **no physician's care and no periodic proof of loss required**. The course's list: **quadriplegia and paraplegia, loss of eyesight, loss of speech, loss of any two limbs. Hearing loss is NOT on this list** — a deliberate trap.
- **Residual disability** pays the proportion of income lost, with no prior total disability required. Formula: *(income lost ÷ pre-disability income) × total disability benefit*. Benefits **end once the earnings loss drops below 20%**.
- **Partial (recovery) benefit** follows a period of *total* disability during return to part-time work; the flat version is typically **50%** of the total benefit.
- **Credit disability:** the **creditor owns the policy and receives the benefits**; benefit period equals the loan period; benefits track the loan payments — not a flat sum.
- DI covers **non-occupational** disability (workers comp handles occupational), except for self-employed persons outside the comp system. Benefits never exceed earnings.
- **STD = benefit period under two years. LTD = two years or more.** Group STD usually non-occupational only; group LTD usually covers both and is reduced by workers comp, Social Security, sick pay and salary continuation.
- Most group DI is **not portable**; individual DI follows you between jobs.

> **The tax flip — a prime exam target.** Employer pays the premium → the employer deducts it, the employee is not taxed on it, but **the benefits are taxable income**. Employee pays with after-tax dollars → no deduction, but **benefits are tax-free**. Individual DI: premiums not deductible, benefits not taxed. Follow the premium dollars and the tax lands on the other end.

BLOCK C — GROUP HEALTH MECHANICS

- Sponsor is the policyowner and holds the **master policy**; members receive **certificates of insurance**. Members enter and leave without affecting the policy.
- **Participation minimums:** noncontributory (employer pays all) requires **100%** of eligible members; contributory requires at least **75%**. Both rules exist to block adverse selection.
- **Natural group requirement:** the group must exist for a purpose other than buying insurance.
- Minimum size is mandated by three parties — the **IRS, the state, and the insurer**. Most require at least **10**; HIPAA obliges states to permit groups under 10; small-group policies must be **guaranteed renewable**.
- **Underwriting evaluates the group as a whole.** Insurers accept or reject the entire group and may never select, exclude, or individually price members (HIPAA).
- Waiting/probationary periods run **30, 60, or 90 days** and must be identical for all new participants regardless of health.
- **Pre-existing condition** (course definition): diagnosed, treated, or treatment recommended within the **6 months** before enrollment. Pre-ACA limits were **12 months** (**18** for late enrollees and self-insured

plans), offset by creditable coverage with no break longer than **63 days**. Since 1/1/2014 medical plans may not exclude pre-ex at all — but **disability income and long-term care still may**.

- **Conversion privilege:** to an individual policy with the same insurer, **no evidence of insurability**. The insurer may charge an appropriate premium but **may never decline**.
- **Coordination of benefits:** primary pays its full benefit first. Your own employer's plan is primary for you. For children covered by both parents, the **birthday rule** applies — the parent whose birthday falls **earlier in the calendar year** (not the older parent).
- **Medicare secondary payer:** the group plan is primary **unless the group has fewer than 20 members**, in which case Medicare pays first.
- **Medicare carve-out** pays only the difference between Medicare's payment and what the group plan would have paid, leaving deductibles and coinsurance to the participant. **Medigap pays in addition to Medicare** — that is the distinction they test.
- Funding ladder: fully **insured** → **partially self-insured** (employer buys stop-loss) → **self-insured** with an **ASO** contract (insurer administers but does not pay claims).

BLOCK D — MEDICARE AND MEDIGAP

- **Part A** hospital (premium-free with 40 quarters) · **Part B** medical · **Part C** Medicare Advantage · **Part D** drugs.
- Medigap fills gaps in **Original Medicare only** — it may **not** be sold to duplicate a Medicare Advantage plan.
- **Open enrollment / guaranteed issue:** age **65+** and within **6 months** of enrolling in Part B. During that window insurers must sell any plan they offer regardless of health.
- **10 standardized plans, A through N.** Every insurer must offer **Plan A**, and every other plan contains Plan A's core benefits.
- **Core benefits:** Part A hospital coinsurance, additional Part A benefits, **365 additional lifetime hospital days**, Part B coinsurance, and the **first 3 pints of blood** per year.
- **Plans C and F are the only plans covering the Part B deductible** — and since 2020 they are closed to anyone not 65 before that year. Plans E, H, I and J were discontinued in 2010.
- **K pays 50%** and **L pays 75%** of certain cost-sharing until the annual out-of-pocket limit, then 100%. **N** pays the Part A deductible in full but carries Part B copays. None of K/L/M/N covers the Part B deductible or excess charges.
- The **outline of coverage is delivered at the time of application**, with a signed acknowledgment — not at delivery. Medigap free look is **30 days**.

BLOCK E — NEW YORK A&H STATUTORY NUMBERS

RULE	NUMBER
Free look — standard / mail-order, Medigap, LTC	**10–20 days** / **30 days**
Grace period — weekly / monthly / all other modes	**7 / 10 / 31 days**
Notice of claim	**20 days**
Proof of loss — periodic-payment claims / all other losses	**90 days** / **120 days** (outer limit 1 year)

Prompt payment of clean claims	**45 days**
Time limit on certain defenses	**2 years**
Automatic reinstatement if insurer does not act	**45th day** (sickness covered after 10 days)
Insurer may cancel an individual A&H policy	**Only in the first 90 days**, on 10 days notice
Dependent age — base / student / medical / NY rider	**19 / 23 / 26 / through 29**
Newborn coverage	**From the moment of birth**, congenital conditions included; ~30-day notice and premium window
Group-to-individual conversion window	**60 days**
DBL — off-the-job disability	**50% of AWW, $170/week max, 26 weeks in 52, 7-day wait (not retroactive)**
Paid Family Leave trigger	A **qualifying event**: bonding with a new child, caring for a seriously ill family member, or military deployment

> **The three wage formulas the exam deliberately cross-wires.** Workers comp: **66⅔%** of average weekly wage, unlimited medical, on the job. DBL: **50%**, capped **$170/week**, 26 weeks, off the job. No-fault (auto): **80%** of lost earnings, capped **$2,000/month**, 3 years. If a question gives you a percentage, identify which system you are in before you answer.

2 · BUSINESSOWNERS POLICY (BOP)

Exam: **5/9 (56%)** — Selected Endorsements **0/2**, Property Provisions 1/2, Liability Provisions 1/2 · Drill 73% (your lowest) · Fresh questions **59% — the worst trend in the bank**

BOP is the only topic getting *worse* as repeat-suppression feeds you unseen questions. Your lifetime 73% is propped up by questions you have memorized; on genuinely new BOP material you are scoring 59%. The exam agrees — and the endorsements sub-topic is a clean 0/2. This is your highest-value hour.

What they ask you

SCENARIO "is this business eligible, and why not" — the single most common BOP question.

DIRECT RECALL on the five endorsement form numbers. SCENARIO "does the BOP pay for this loss."

ALL-EXCEPT on covered vs excluded property.

ELIGIBILITY — MEMORIZE AS A PICTURE, NOT A LIST

Walk a downtown block and name what a BOP will **not** touch: the factory, the car dealership, the repair shop, the gas station, the parking garage, the dive bar, the arcade, the bank. **If the business makes things, fixes cars, pours drinks, parks cars, entertains crowds, or holds money — no BOP.**

TEST	LIMIT
Floor area	**35,000 sq ft** or less
Annual gross sales	**$6 million** or less
Office buildings	**6 stories** or less, **100,000 sq ft** or less
Small contractors	Payroll **$300,000** or less, no work above **three stories**

Eligible classes: apartment buildings, offices, retail/mercantile, restaurants with limited cooking, convenience stores (including those selling gasoline), self-storage, small processing and wholesale, small contractors.

> **Eligibility questions almost always fail on CLASS, not size.** Murphy's Pub at 10,000 sq ft and $600,000 in sales passes both numeric tests and is still ineligible — because it is a bar. Naples Pizza at 10,000 sq ft is ineligible because $8 million busts the sales cap. Read the class first, then the numbers.

PROPERTY SIDE — THE BOP'S PERSONALITY

- **Open perils** and **replacement cost**, both automatic. **No coinsurance clause anywhere in the policy.**
- **Business income and extra expense are included automatically** — actual loss sustained, up to **12 months**, no separate limit and no coinsurance. This is a headline difference from the commercial package world.
- **Seasonal increase:** business personal property limits rise automatically **25%**, available only if the limit equals **100% of average monthly values** over the prior 12 months. The building limit carries an automatic annual inflation increase.
- **Covered BPP includes** property of others in the insured's care, leased property the insured must insure by contract, tenant's improvements and betterments, and **exterior building glass owned by**

or in the care of an insured tenant.

- **Excluded property:** money and securities, **animals**, vehicles subject to registration, land, water, crops, outdoor fences and detached signs, accounts receivable records, illegal goods, and electronic data beyond its sublimit.
- **Additional coverages:** debris removal, preservation of property, fire department service charges, pollutant clean-up, counterfeit money, and increased cost of construction (**$10,000** per building). Flood, earthquake and nuclear are **exclusions** — any answer listing them among additional coverages is automatically wrong.
- **Vacancy beyond 60 days:** vandalism, theft, attempted theft and glass breakage are excluded outright; every other covered loss is reduced **15%**.
- Nonowned watercraft under **51 feet** is covered (the CGL's threshold is 26 feet).

LIABILITY SIDE

- Three categories: **business liability** (BI, PD, personal and advertising injury), **supplementary payments** (paid **in addition to** the limits, including defense costs), and **medical expenses** (paid **regardless of fault**, to **others only** — never the insured, an employee, a tenant, or a person hired by the insured).
- Coverage is **occurrence-based**: the injury must fall within the policy period. Reporting date is irrelevant.
- Exclusions: expected or intended injury, contractual liability (except **insured contracts** — a premises lease, elevator maintenance agreement, easement or license agreement), liquor liability if in the alcohol business, workers comp and employers liability, pollution, professional services, war, product recall.
- Coverage B protection disappears when the insured **knowingly publishes false material**.

THE FIVE ENDORSEMENTS — YOUR 0/2 ZONE

FORM	NAME	WHAT IT ACTUALLY DOES
BP 04 30	Protective Safeguards	Maintaining the sprinkler/alarm becomes a **CONDITION of coverage**. Let it lapse and the related claim can be denied
BP 04 56	Utility Services — **Direct Damage**	Pays for **physical damage to your property** from the outage — the spoiled freezer stock
BP 04 57	Utility Services — **Time Element**	Pays the **lost income** from the same outage
BP 04 04	Hired & Nonowned Auto Liability	The **business's liability only** — never the damage to the hired or employee's auto
BP 14 01	Identity Fraud Expense	**$250 deductible**

> **Direct Damage vs Time Element is the endorsement question they ask most.** Direct damage = **stuff**. Time element = **money over time**. Both require the utility's own property to have been damaged by a covered cause. One endorsement never does both jobs — if the question mentions spoiled inventory *and* lost sales, the answer is that you needed both forms.

3 · HOMEOWNERS

Exam: 10/12 (83%) · Drill 76% · Fresh questions **64% — a 12-point recognition premium** · 12 exam questions, the largest single Property topic

Your exam score here looks healthy, but on questions you have never seen you are at 64%. That gap is recognition memory, and it will not travel to a fresh exam form. Homeowners controls twelve questions — more than any other single topic in the Property section — so a soft spot here is expensive.

What they ask you

DIRECT RECALL on the special dollar limits and the coverage-letter percentages. SCENARIO "is this covered, and under which letter." ALL-EXCEPT on the exclusion lists (motor vehicles, watercraft, loss of use benefits). DIRECT RECALL on the New York endorsements.

FORMS — THE TWO-AXIS GRID

FORM	DWELLING & OTHER STRUCTURES	PERSONAL PROPERTY	WHO IT IS FOR
HO-2 Broad	Named perils	Named perils	Owner-occupant
HO-3 Special	**Open perils**	**Named perils (16)**	Most common form sold
HO-4 Contents Broad	None	Named perils	**Tenants**
HO-5 Comprehensive	Open perils	**Open perils**	**Broadest form**
HO-6 Unit Owners	Limited dwelling	Named perils	Condo / co-op owners
HO-8 Modified	Repair cost, common materials	Named perils	Older homes where replacement cost exceeds market value

Eligibility: owner-occupant of a **1–4 family** dwelling, residing in at least one unit.

COVERAGE LETTERS AND PERCENTAGES

- **A — Dwelling:** the house plus **attached** structures and construction materials on site.
- **B — Other Structures: 10%** of A. Detached only. Excludes structures rented to a non-tenant and any structure used for **business**.
- **C — Personal Property: 50%** of A, covered **anywhere in the world**. Excludes animals, motor vehicles, aircraft, property of **roomers and boarders**, and separately scheduled property.
- **D — Loss of Use: 30%** of A. Three benefits only — **additional living expense, fair rental value, and prohibited use by civil authority (2 weeks)**. Car rental is *not* one of them.
- **E — Personal Liability:** minimum **$100,000**. Defense is provided **in addition to** the limit, even for groundless suits, and ends only when the limit is exhausted.
- **F — Medical Payments to Others:** minimum **$1,000**, expenses incurred within **3 years**, paid **regardless of fault**, and **never** to the insured or household residents.

THE SPECIAL LIMITS — PURE MEMORIZATION, FREQUENTLY TESTED

PROPERTY	LIMIT	APPLIES TO
Money, coins, bank notes	**$200**	All causes
Securities, tickets, stamps	**$1,500**	All causes
Watercraft and trailers	**$1,500**	All causes
Jewelry, watches, furs	**$1,500**	**Theft only**
Firearms	**$2,500**	**Theft only**
Silverware, goldware	**$2,500**	**Theft only**
Business property	**$2,500** on premises / **$500** away	All causes

> **The theft-only qualifier is the trap.** Silverware destroyed by *fire* is paid as ordinary Coverage C property with no special limit; the same silverware *stolen* caps at $2,500. When a question names a peril, check whether the limit even applies before you reach for the number.

SECTION II EXCLUSIONS — THE COUNTS AND THE CARVE-OUTS

- **12 exclusions shared by E and F · 6 apply only to E · 4 apply only to F.** The counts themselves are tested.
- **Motor vehicle exclusion applies** to registered vehicles — **except** vehicles designed to assist the handicapped (motorized wheelchairs), vehicles used solely to service the residence (ride-on mowers), and vehicles in dead storage.
- **Watercraft exclusion applies — except** borrowed sailboats **under 26 feet**. Large owned sailboats, business use, and boats rented to others stay excluded.
- **Damage to Property of Others:** up to **$1,000** replacement cost, paid **without any liability**. Intentional damage is still covered when the insured is **under 13**.
- **Business exclusion carve-out:** an insured **under 21** in a part-time business with no employees remains covered.
- **Controlled substance exclusion** eliminates BI/PD from anyone's use, sale or possession of narcotics.

CONDITIONS

- **Sworn proof of loss within 60 days of the insurer's request** — the clock runs from the request, not the loss.
- **Loss settlement:** the dwelling pays replacement cost only if insured to at least **80%** of replacement cost; personal property settles at **ACV** unless endorsed.
- **Appraisal** resolves disputes over the *amount* of loss — each side names an appraiser, the appraisers name an umpire, and **agreement by any two of the three** binds.
- The **standard mortgage clause** protects the lender even when the insured's own acts (arson, fraud) void the policy. A **loss payee** gets no such protection.
- **Recovered property:** the insured chooses — keep the claim payment and surrender the property, or keep the property with the claim readjusted. Never both.
- **Reasonable repairs** pays to board up and protect from further damage; **debris removal** and **property removed** (30 days, any cause) are separate additional coverages.

- **Trees, shrubs and plants:** 5% of Coverage A, **$500 per item**, and only for listed perils — **windstorm is not one of them**.

NEW YORK-SPECIFIC HOMEOWNERS RULES

> - **HO 24 93 — Workers Compensation for Certain Residence Employees is MANDATORY** on owner-occupied 1–4 family homeowners policies, on **every form except HO-4 and HO-6**. A "residence employee" works **fewer than 40 hours per week** or on a **casual** basis.
> - **Credit card and forgery coverage is $1,000** in New York — double the $500 national figure.
> - **Loss assessment for personal injury: $1,000**, and that limit applies to all such assessments **combined**.
> - **Vacancy voids glass breakage at 30 days** in New York, not 60.
> - **HO 24 86** adds personal injury coverage; the NY definition covers false arrest, malicious prosecution, wrongful eviction, libel/slander and invasion of privacy — but **not** "offensive characterization of any kind."
> - **HO 28 85** is water back-up and sump discharge — covers sewers, drains and sump overflow, but **never wells or water pumps**.

4 · NEW YORK AUTO & NO-FAULT

Exam: Auto 15/20 (75%) · **NY Motor Vehicle Regulation 2/4 (50%)** · Drill 74% across 169 reps — the most-drilled topic in the bank · ~20 exam questions

This is the largest single block on the exam and your drill accuracy has plateaued at 74% despite more repetitions than any other topic. Read that as a ceiling on the general material — and put your remaining effort on the **New York statutory half**, where you went 2/4, rather than on the PAP mechanics you already know.

What they ask you

DIRECT RECALL on limits and the Reg 68 clocks — the densest number cluster on the whole exam. SCENARIO "who pays / can they sue." NEGATIVE-NOT on cancellation grounds. DEFINITION MATCH separating no-fault, financial responsibility, and compulsory insurance laws.

> **Corrected 8/3 against the course text.** An earlier version of this section carried NY figures from outside research done before your WebCE materials arrived — a 50/100 death minimum, the Regulation 68 clocks, a three-ground cancellation list, tow-truck limits. Several are real New York practice, but they are *not in your course*, and your exam is written from your course. Everything below is now sourced to WebCE lessons 39 and 53. Where a well-known figure is absent from the course, it is flagged rather than taught.

THE MANDATORY MINIMUM — RECITE IT AS A CHANT

COVERAGE	MINIMUM
Financial security minimum (Veh. & Traf. §333)	**25 / 50 / 10** — flat, with no separate death figure
No-fault (PIP) basic economic loss	**$50,000 per person**
Uninsured motorists — **injury**	**$25,000 per person**, $50,000 all injured persons
Uninsured motorists — **death**	**$50,000 per person**, $100,000 all persons killed
SUM — must be **offered**	**$250,000 / $500,000** or a **$500,000 CSL**

The doubling for death is real, but it lives in **uninsured motorists**, not in the basic liability minimum. Keeping those two apart is worth a question by itself. The alternate SUM offer is **100/300** or a $300,000 CSL — permitted only if the insurer *also* offers a personal umbrella of at least $500,000 covering SUM claims. New York permits a **nonstacking** provision requiring exhaustion of all underlying limits first.

Mandatory UM responds to three things: an **unidentified motorist who leaves the scene**, an **uninsured** vehicle, or a NY-registered vehicle whose **insurer denies liability or coverage**.

INSIDE THE $50,000 OF BASIC ECONOMIC LOSS

- Necessary hospital, medical, and health-related expenses — **$50,000 per person**. Charges *above* $50,000 are capped at the **Workers' Compensation Board** fee schedule.
- **Loss of earnings** from work normally performed. (The 80% figure is standard NY practice but the course states no percentage — don't lead with it.)
- **Substitute services: $2,000 per month, up to 3 years** from the accident.
- **$25 per day** for other reasonable and necessary expenses, for **1 year**.

- A **$2,000 death benefit** for a covered person — owner, operator, occupant, or protected pedestrian.
- **OBEL** is not required by law. It adds **$25,000** applied to *one* of: medical, lost wages, PT/OT, or wages+therapy — and it applies **after the $50,000 is exhausted**, for a combined **$75,000**. The insured chooses the allocation and **cannot change it once chosen**. **APIP** pays full lost-wage benefits after PIP is exhausted.

> **Motorcyclists are excluded from no-fault.** A conforming policy covers passengers injured by the insured vehicle "other than a motorcycle." Note the asymmetry: a **pedestrian struck by** a motorcycle is a protected person and collects; the person **riding** it does not.

CLAIM HANDLING — THE ONE CLOCK THE COURSE ACTUALLY GIVES YOU

The insurer must **pay a valid claim within 30 days** after proof of loss. Overdue payments accrue **2% per month**, and a claimant forced to sue also recovers **attorney's fees**.

Not in your course: the Regulation 68 deadlines (30-day notice of claim, 45-day provider bills, 90-day wage proof). They are real NY regulation, and I verified they appear nowhere in your materials. Don't let one displace the 30-day pay rule on a question about insurer speed.

SUING IN TORT — THE SERIOUS INJURY THRESHOLD

Basic economic losses cannot be sued for at all. To sue for **non-economic** loss the claimant must show: death; dismemberment; significant disfigurement; **a fracture**; loss of a fetus; permanent loss of use of a body organ, member, function, or system; permanent limitation of use of an organ or member; significant limitation of use of a function or system; or a medically determined temporary injury preventing substantially all usual daily activities for **at least 90 of the 180 days** following the injury. The companion **tort limitation**: absent serious injury, an insured cannot be sued for damages of **less than $50,000**.

MVAIC — THE LAST-RESORT FUND

- Covers victims injured through no fault of their own by: out-of-state uninsured vehicles; **unidentified** (hit-and-run) vehicles; NY vehicles uninsured at the time; **stolen** vehicles; vehicles operated without the owner's permission; insured vehicles where the **insurer denies** liability or coverage; and **unregistered** vehicles.
- Every insurer authorized to write motor vehicle liability in NY **must be a member**. Governed by a board of **9 directors, 2-year terms**.
- Hit-and-run claims require **physical contact** — a swerve to avoid a phantom car does not qualify.
- **Three deadlines:** uninsured owner/operator — **180 days from the accident**. Hit-and-run — report to law enforcement within **24 hours** and file within **90 days of the accident**. Insurer denies — **180 days from the denial**.
- Recovery limits: **$25,000** injury one person · **$50,000** death one person · **$50,000** injury multiple (subject to $25,000 each) · **$100,000** death multiple (subject to $50,000 each).
- Knowingly filing **false information**: a misdemeanor, fine of **$500 to $2,500** or imprisonment up to **30 days**.

CANCELLATION AND NONRENEWAL OF AUTO LIABILITY — §3425

SITUATION	RULE
First **60 days** in effect	Insurer cannot cancel **unless it states specific reasons**

After 60 days, or on renewal — **four grounds**	(1) renewing would **harm the insurer and its policyholders** · (2) **nonpayment** · (3) **driver's license** suspended or revoked · (4) **fraud or material misrepresentation** in the application or in filing a claim
Notice — cancellation *or* nonrenewal	**At least 45 but not more than 60 days** before the effective date
DMV notification	Termination: file with the Commissioner within **30 days**. Issuance: within **7 days**.
Photo inspection (Reg 79)	**Not more than 10 days before** or **14 calendar days after** the effective date

> **The two lists are different — this is the correction that matters most.** On **auto**, "renewing would harm the insurer" *is* a permitted ground. On the **property** side (Topic 8), that same business justification is exactly what is *not* allowed. My earlier advice — that any commercially reasonable excuse is a wrong answer — holds for homeowners and dwelling, and fails for auto. Read which line of business the question is in before you answer.

Reg 79 detail: waived for temporary substitute autos and autos leased under six months. The insurer *may forego* it when the auto is at least **7 model years old**, is new and unused from a new-car dealer, is an additional/replacement auto and the insured has been with the same insurer **2+ years**, or the policy covers **5 or more** autos. On renewal, reinspection notice runs 45–60 days ahead and the policy **suspends on the 31st day** after the renewal date if the car isn't submitted.

OTHER NEW YORK AUTO NUMBERS

- **NYAIP** (assigned risk), per the course: liability **$50,000** BI/death one person · **$100,000** two or more · **$10,000** damage to others' property · **$10,000** on the insured vehicle · med pay **$1,000** whether or not the insured is liable · plus SUM. Admitted insurers **must participate** as a condition of authorization.
- **Transportation network (rideshare)** — two tiers. **Logged in, not on a trip: 75/150/25. On a trip: $1.25 million** BI/death per person, **plus $1.25 million** of SUM. A TNC is **not** a common or contract carrier and is licensed by the **Department of Transportation**.
- **Compulsory no-fault** restricts tort suits until a damage threshold is passed. **Add-on** states pay first-party benefits *without* restricting lawsuits. Do not confuse either with **financial responsibility** laws (prove you can pay *after* an accident) or **compulsory insurance** laws (carry coverage at all times).

5 · WORKERS COMPENSATION

Exam: **4/6 (67%)** — Workers Comp 2/3, WC & Employers Liability 1/2 · Drill 75% (n=89) · 6 exam questions

Only six questions, but the most formulaic topic on the exam — it is all statute, all numbers, and therefore all recoverable. You went 0/6 here on July 29 and 4/6 now; the last two are ordinary.

What they ask you

DEFINITION MATCH on the four disability classes and the four market types. DIRECT RECALL on the benefit formula, the waiting period, and the six policy parts. SCENARIO "is this injury compensable." CALCULATION for premium. ALL-EXCEPT on the policy parts and on who NY law covers.

THE GRAND BARGAIN

Benefits are paid **regardless of fault** — including when the worker was careless — and in exchange workers compensation is the **exclusive remedy**: the employee cannot also sue the employer. To be compensable an injury must both **arise out of** employment and occur **in the course of** employment.

BENEFITS

BENEFIT	RULE
Medical	**Unlimited** in amount and duration, per fee schedule, authorized providers
Wage replacement	**2/3 (66⅔%) of average weekly wage** × percentage of disability, capped at the state maximum (adjusts every July 1)
Waiting period	**7 days** — becomes **retroactive to day one if disability exceeds 14 days**
First payment due	**18 days**
Death benefits	Percentage of wages to spouse and dependents, plus funeral allowance

The four disability classes: temporary total (most common) · temporary partial · permanent total · permanent partial (which includes scheduled loss-of-use awards). Read both axes — permanent or temporary, total or partial.

MARKETS AND JURISDICTIONS

- A New York employer may buy from a **private insurer**, from **NYSIF** — a **competitive** state fund that also serves as insurer of last resort and **cannot refuse** a New York employer — or **self-insure** with Workers' Compensation Board approval. The **residual market / assigned risk plan** is the coverage of last resort.
- **Monopolistic state funds: North Dakota, Ohio, Washington, Wyoming** (the course adds Puerto Rico and the U.S. Virgin Islands for six jurisdictions). Mnemonic: **"NO WWay."**
- The course teaches **Texas and New Jersey** as **elective** states. An employer that rejects the law loses three common-law defenses: **assumption of risk, contributory negligence, and the fellow servant rule**.
- **New York exempts casual employees**, sole proprietors without employees, and certain clergy and volunteers. For-profit employees, State of New York employees, and public school teachers outside New

York City **are** covered.

THE POLICY — SIX PARTS

PART	CONTENT	LIMIT
One	Workers Compensation Insurance	**No dollar limit** — the statute is the limit
Two	Employers Liability — claims outside the statute (consequential spouse claims, third-party-over actions)	**$100k accident / $500k disease policy / $100k disease each employee**
Three	Other States Insurance	Listed states
Four	**Your Duties If Injury Occurs**	—
Five	Premium	—
Six	Conditions	—

The **employer is the only insured**; employees are statutory beneficiaries. The declarations page is called the **Information Page**. There is **no general liability part** — that is the standard all-EXCEPT answer.

PREMIUM CALCULATION

> **Formula:** (payroll ÷ 100) × class rate = unmodified premium · then × **experience modification factor** · then audited at year end.
>
> **Worked example:** payroll $200,000, rate $8.00 → 200,000 ÷ 100 = **2,000 units** × $8.00 = **$16,000**. With a 1.25 mod → $20,000.
>
> A mod of **1.0 is average**; **above 1.0** means worse-than-class losses and a surcharge; **below 1.0** earns a credit. Premium **discounts** reward size; **dividends** (flat or sliding scale) may return money afterward.

SCENARIO RULES THE EXAM LOVES

- **Second injury fund:** reimburses employers/insurers when a worker with a **pre-existing permanent partial disability** suffers a new injury — it exists to remove the disincentive to hire disabled workers.
- The **illegally employed minor penalty applies only if the employer KNOWINGLY** hired the minor. Convincing forged documents defeat it (benefits are still paid).
- **Undocumented workers are covered.** Immigration status does not defeat benefits.
- **Not compensable:** intoxication, deliberate self-injury, injuries while committing a crime or resisting arrest, and **private** after-work recreation. **Company-sponsored** recreation (the corporate softball league) **is** in the course of employment.
- Claims are filed against the employer **at the time of the injury**, within **2 years**.
- Cancellation notice filed with the WCB: **10 days** for nonpayment, **30 days** otherwise.
- Endorsements: **Voluntary Compensation** covers exempt *employees*; **Sole Proprietors, Partners, Officers and Others** lets exempt *owners* elect in.
- Federal acts: **Jones Act** = seamen (who may **sue**, with a jury) · **FELA** = interstate railroad workers · **LHWCA** = longshore and harbor workers.

6 · COMMERCIAL PACKAGE — PROPERTY, CRIME & FARM

Exam: Property side **4/7 (57%)** — commercial property 2/3, crime 1/2, farm 1/2 · Casualty side 3/5 (60%) · Drill: commercial property 82% (**95% on fresh questions — solved**), bonds/crime 78%, farm within 78%

Commercial property itself has gone from invisible to your strongest recent gain. What remains soft is the material that sits *beside* it in the CPP unit — **crime and farm** — where you are 1/2 and 1/2. These are small question counts but highly formulaic.

What they ask you

DIRECT RECALL on form numbers and peril counts. SCENARIO on which coverage or insuring agreement responds. ALL-EXCEPT on farm coverage letters and crime conditions.

COMMERCIAL PROPERTY ESSENTIALS

- The policy is assembled from: declarations · **IL 00 17** Common Policy Conditions (applies to **every** coverage part) · **CP 00 90** Commercial Property Conditions (property part only) · coverage form(s) · causes of loss form(s) · endorsements.
- **CP 00 10** Building and Personal Property covers **three categories**: the **building**, the insured's **business personal property**, and **personal property of others** in the insured's care.
- "Building" sweeps in fixtures (indoor *and* outdoor), permanently installed machinery and equipment, and personal property used to **maintain or service the building**. Business personal property is covered at the premises or within **100 feet**.
- **Causes of loss: CP 10 10 Basic = 12 named perils · CP 10 20 Broad = 16** (Basic plus falling objects, weight of ice/snow/sleet, water damage, and collapse) **· CP 10 30 Special = open perils**, covering most theft and putting the **burden of proof on the insurer**.
- Default valuation is **ACV** with **80% coinsurance** typical. Formula: **(Did ÷ Should) × Loss − Deductible**.
- **Business income begins 72 hours after the loss; extra expense begins immediately. Extended business income** continues up to **30 days** after the restoration period ends. **CP 00 32** (without extra expense) still pays expenses that *reduce* the income loss.
- **Builders risk: 100% coinsurance on completed value**; coverage ends **60 days after occupancy or 90 days after completion**.
- **Preservation of property:** 30 days at the temporary location, **any cause of loss**. **Debris removal:** 25% of the loss plus $25,000. **Fire department service charge:** $2,500.
- **Vacancy beyond 60 days:** vandalism, theft, attempted theft and glass excluded; other losses reduced **15%**.
- Endorsements: **CP 04 05** ordinance or law (three coverages — undamaged portion, demolition cost, increased cost of construction) · **CP 04 40** spoilage · **CP 12 30** peak season · **CP 13 10** value reporting.
- **Off-premises utility service interruption is excluded** — that is the gap the Utility Services endorsements fill.

COMMERCIAL CRIME — THE EIGHT INSURING AGREEMENTS

Why crime insurance exists: property forms exclude **money and securities** as covered property *and* exclude **employee dishonesty**. Those two holes are the entire reason for the product — and that is itself a tested question.

1. **Employee theft — blanket** by default (all employees, no listing); **scheduled** by endorsement. Covers money, securities and property with intrinsic value; **not** data or computer programs. Includes employee forgery.
2. **Forgery or alteration** — by someone **other than an employee**.
3. **Inside the premises — theft of money and securities**, including disappearance or destruction (fire, windstorm) and damage to the vault, safe or premises.
4. **Inside the premises — robbery or safe burglary of other property.**
5. **Outside the premises** — the messenger.
6. **Computer fraud** — excludes credit and debit card losses.
7. **Funds transfer fraud.**
8. **Money orders and counterfeit money.**

- **Theft** = any unlawful taking. **Burglary** = forcible entry with visible marks. **Robbery** = force or threat **against a person**.
- **Triggers: loss sustained** — occurs in-period, discovered within **1 year** after. **Discovery** — discovered in-period with a **60-day** tail (1 year for employee benefit plans).
- **Inventory shortages exclusion:** a loss proven *only* by inventory computation or a profit-and-loss calculation is not covered.
- Knowledge of an employee's **prior dishonest acts** cancels coverage for that employee.
- **Extortion (CR 04 03)** conditions: reasonable effort to report to an associate and the police; the threat must be received during the policy period; ransom paid after expiration is covered if the threat arrived before it. There is **no U.S.-only captivity requirement**.
- **Lessees of safe deposit boxes:** covers securities and other property — but **never money**.

FARM — THE LETTERS ARE THE WHOLE TEST

FORM	COVERS	LETTERS
FP 00 12	Farm dwellings, appurtenant structures, household personal property	A, B, C, D
FP 00 13	Farm personal property, scheduled and unscheduled (unscheduled requires **80% coinsurance of ACV**)	**E, F**
FP 00 14	Barns, outbuildings and other farm structures — 7 structure types. **Not** land, water, **field fences**, below-ground structures, wharves or docks	**G**
FP 00 90	Other farm provisions — 6 additional coverages, 11 loss conditions, 6 general conditions, 13 definitions. **Vacancy beyond 120 days cuts the limit 50%**	—
FL 00 20	Farm Liability	**H** bodily injury & property damage · **I** personal & advertising injury · **J** medical payments (3-year window)

> **The farm question that has now appeared on both of your exams:** "Farm Liability Coverage Form (FL 00 20) provides all of the following EXCEPT..." and the answer is always **Coverage E — farm personal property**, because E and F are *property* coverages living on FP 00 13. The liability form is **H, I, J and nothing else.**

- **FP 00 30** mobile agricultural machinery — **open perils**. **FP 00 40** livestock — **named perils**, and does not cover livestock in the custody of a carrier, public stockyard, slaughterhouse or packing plant. Per-animal limit is the **lesser of** ACV, 120% of the class limit divided by head, or **$2,000**.
- "Farming" **includes** a roadside stand selling the farm's own produce. It **excludes** an on-premises general store, canning or mechanized processing, and substantial custom farming.
- **Custom farming** = farming for others, at a location that is not an insured location, directed by that owner.

7 · INLAND MARINE · FLOOD · EQUIPMENT BREAKDOWN

Exam: **Inland marine 1/3 (33%)** · **Equipment breakdown 0/1** · Flood 2/2 · Drill 78% · ~6 exam questions

Flood you have. Inland marine and equipment breakdown you do not — and they are short, self-contained topics where an hour buys most of the available points.

What they ask you

DEFINITION MATCH on floater types and carrier categories. DIRECT RECALL on NFIP limits and the equipment breakdown valuation window. SCENARIO on which policy responds to a mechanical failure.

INLAND MARINE

- Covers property that **moves**, plus instrumentalities of transportation and communication (bridges, tunnels, towers). Policies for movable property are **floaters**.
- **Personal articles floater** (or the scheduled personal property endorsement): **open perils, scheduled/agreed values, worldwide, and usually no deductible**. This is the fix for the homeowners special limits — the $4,000 watch capped at $1,500 gets scheduled at full value.
- **Golf balls are covered only for fire or burglary.** Musical instruments played **for pay** require the played-for-pay option at extra premium.
- Commercial valuation is the **lesser of** ACV, the cost to repair, or the cost to replace — **market value is not in the formula**.
- **Contractors equipment** is the largest commercial class, written at **ACV** because heavy equipment depreciates fast.
- **Bailees customers** coverage pays for customers' goods **without regard to the bailee's legal liability** — it exists to keep the customer, not to litigate fault.
- Carrier types: **common** (hauls for the public) · **contract** (specific customers under contract) · **private** (its own goods). A **bill of lading** caps the carrier's liability, which is exactly why shippers buy their own **transit** coverage. **Motor truck cargo** protects the trucker; transit forms protect the cargo owner.
- **Payment of a loss does not reduce the limit** — the amount of insurance is restored automatically. (A $25,000 scheduled bulldozer with a $10,000 repair still carries $25,000 afterward.)
- Ocean marine: **hull** (agreed value; the **running down clause** covers collision liability to the *other* vessel, property damage only) · **cargo** · **freight** · **P&I** for crew and third-party liability. **General average** = a sacrifice for the common good shared by **all** interests; **particular average** = a partial loss borne by **one** owner. The **sue and labor clause** reimburses expenses to protect damaged property.

FLOOD — NFIP

RULE	NUMBER
Special Flood Hazard Area	**1% annual chance** (the "100-year" floodplain). The 0.2% zone is the 500-year
Waiting period	**30 days** — waived at loan closing or map revision
Residential limits	**$250,000 building / $100,000 contents**
Commercial limits	**$500,000 / $500,000**

Flood definition	Inundation of **2 or more acres** or **2 or more properties**, from overflow, rapid accumulation, or **mudflow**
Forms	**Dwelling** (1–4 family) · **General Property** (5+ units and commercial) · **RCBAP** (residential condo, ≥75% residential floor area)
Replacement cost	**Only** for a single-family **principal residence** insured to value. Everything else — contents always, 2–4 family, detached garages — settles at **ACV**

Write Your Own: private insurers issue and service the policies but the federal government carries **100% of the risk** — and the price is identical whether bought through an insurer or direct. **Excluded:** loss of use, lost revenue, business interruption, currency, most basement contents, and **earth movement even when caused by flood**.

EQUIPMENT BREAKDOWN (EB 00 20)

- Covers precisely what property forms **exclude**: **steam boiler explosion, mechanical breakdown, and electrical arcing**, plus pressure and vacuum equipment failure. Also reaches **utility-owned equipment used solely on the insured's premises**.
- The trigger is a **sudden accident** — never wear, tear, gradual deterioration, or routine maintenance.
- **Valuation: replacement cost if repaired or replaced within 24 months**, otherwise ACV.
- The insurer may **suspend coverage immediately**, with no notice period, upon discovering a dangerous condition. Its **inspection service** is half the product's value and satisfies statutory boiler inspections.
- Nine coverage options include spoilage, expediting expenses, utility interruption, business income, and **contingent business income and extra expense** — which is what responds when the breakdown happens at a **supplier's** location, not the insured's. **Data and media** carries a **$25,000** sublimit.

> **The scenario they run:** a restaurant's walk-in compressor seizes and the food spoils. The commercial property policy **denies under mechanical breakdown**; equipment breakdown with the spoilage option pays. If instead the **utility's** lines went down off-premises, the property policy denies under the **off-premises utility service interruption** exclusion and you need the Utility Services endorsement. Same spoiled food, three different forms depending on *where the failure originated*.

8 · NEW YORK PROPERTY LAW — HOMEOWNERS & DWELLING REGULATION

Exam: **Regulation of Homeowners and Dwelling Policies 0/2 (0%)** · Excess Lines & FAIR Plan 8/9 (89%) · Drill 78% · ~11 exam questions

Your excess-lines and FAIR-plan half is strong. The **regulation half is a clean zero**, and it is pure statute — the highest ratio of points to study time left in the document.

What they ask you

DIRECT RECALL on notice periods. NEGATIVE-NOT on permitted cancellation grounds. SCENARIO "can the insurer get off this risk, and how."

CANCELLATION OF HO AND DWELLING POLICIES — PER THE NY SPECIAL PROVISIONS ENDORSEMENTS

These are the numbers your course actually teaches, from **HO 01 31** and **DP 01 31** (lesson 34). An earlier version of this page used a 20-day notice and a three-year required policy period from outside research; neither appears in your materials.

STAGE	RULE
Nonpayment	Mail notice at least **15 days** before cancelling
Policy in effect **less than 60 days** (not a renewal)	Cancel for **any reason**, with at least **30 days** advance notice
Policy in effect **60 days or more**	Cancel **only** for the five grounds below, with at least **30 days** advance notice
Nonrenewal	Mail notice at least **45 but not more than 60 days** before expiration

The only five grounds once the policy has been in effect 60 days:

1. **Conviction of a crime**
2. **Fraud or material misrepresentation** in the application *or* in the filing of a claim
3. Willful or reckless acts or omissions that **increased the hazard** insured against
4. **Physical changes** in the property occurring after issue or renewal that make it uninsurable
5. A **Superintendent determination** that continuing would violate NY insurance law

> **Compare this list to the auto list in Topic 4 — they are not the same, and that is the exam question.** On **property**, harm to the insurer, a bad claims year, or a deteriorating neighborhood are all *wrong answers*. On **auto**, "renewing would harm the insurer and its policyholders" *is* a permitted ground. Same statute number, two different lists. Check the line of business first, every time.

Two more NY property provisions from the same endorsements: a lawsuit against the insurer must be filed within **2 years of the loss**; and intentional loss is not covered where the insured acts with intent to cause a loss. On the HO side, the credit card / EFT card / forgery / counterfeit money additional coverage is **$1,000** in New York, where the standard ISO limit is $500. Glass or safety-glazing breakage is **excluded**

after 30 consecutive days of vacancy (not the standard 60) unless the breakage results directly from earth movement.

OTHER NEW YORK PROPERTY RULES

- **Anti-arson application** required for fire coverage on certain buildings in **New York City** and adopting cities; failure to complete it permits cancellation.
- **NY standard fire policy:** proof of loss within **60 days of request**; suit against the insurer must be brought within **2 years** of the loss.
- **Anti-redlining:** an insurer may **not** refuse to issue fire insurance solely because of the property's **geographic location**, and the FAIR plan may not consider neighborhood or area location when judging insurability.
- Windstorm and hurricane deductibles are permitted with proper disclosure.

THE FAIR PLAN — NYPIUA

*You scored 9/9 on Excess Lines and FAIR Plan, so this block is working — but note that the specific figures below come from outside research, not your course. What WebCE actually states: NYPIUA was formed in **1968**; property insurers must be members as a condition of doing business and share expenses, profits and losses based on **net direct premiums written the preceding calendar year**; "insurable property" is real property at a **fixed location** plus tangible personal property there; the plan **does not consider neighborhood or area** in judging insurability but will not insure property whose ownership, condition, occupancy or maintenance violates **public policy**; and it covers **fire, windstorm, vandalism, and riot**, plus wind and hail for some coastal communities. Lead with those.*

FEATURE	RULE
What it sells	Fire, extended coverage, **vandalism (minimum $250 deductible)**, sprinkler leakage — and broad form or homeowners **only** on a Superintendent determination of necessity
What it never sells	**Theft. Liability.**
Valuation / term	**Actual cash value** / **one-year** policies
Maximum coverage	**$1,500,000**
Governance	**13 directors** — 10 elected by member insurers, **3 appointed by the Superintendent**
Rate caps	**120% / 130% / 140%** of voluntary-market rates by occupancy class
Appeals	To the Superintendent within **30 days**
Membership	Every licensed property insurer, sharing results by market share

EXCESS LINES — THE RITUAL

- **Three declinations from authorized insurers** constitute the diligent effort — **unless** the risk is on the **export list**, which waives the search entirely.
- The broker files an **affidavit with ELANY**, the stamping office, which examines and stamps every placement.
- The buyer **must be told there is no guaranty (security) fund protection**. This exact disclosure has appeared on all three of your exams.

- License term **24 months** (up to 30 for new applicants); fee **$200/year** in counties of 100,000+, **$25** elsewhere; records kept **5 years**; **ocean marine is exempt** from the whole process.
- By contrast, when a **licensed** insurer fails, the **Property/Casualty Insurance Security Fund** pays up to **$1,000,000 per claim**.

9 · POLICY STRUCTURE, CONDITIONS & INSURANCE REGULATION

Exam: **Insurance Regulation 0/2** · Policy Structure 1/2 · Policy Conditions 2/3 · Property Basics 2/3 · Drill 82–85% · ~20 exam questions across two sections

You are strong here overall — General Insurance scored 96% on the last exam — but the P&C Basics section quietly cost you five questions, concentrated in policy structure, conditions, and federal regulation. These are short, high-frequency facts.

What they ask you

DEFINITION MATCH on contract characteristics and near-synonym pairs. DIRECT RECALL on the federal acts. ALL-EXCEPT on policy sections and consumer-report rights.

POLICY ANATOMY

Declarations · Definitions · Insuring Agreement · Conditions · Exclusions, plus **Endorsements**. Note the trap: endorsements are **optional attachments**, not one of the standard structural sections — that is a favorite all-EXCEPT answer. The **declarations** carry the insured's name and address, the premium, deductibles, limits, the policy period, and **which causes of loss form applies**. **Exclusions** list what is not covered.

Why exclusions exist: to eliminate overlapping coverage, remove coverage not typically needed, reduce the incentive to create losses, and remove uninsurable risks. The five common property exclusions: **ordinance or law · earth movement · nuclear hazard** (excluded in *every* P&C policy) **· flood, leakage and seepage · wear and tear, maintenance and mechanical breakdown**.

CONDITIONS WORTH EXACT RECALL

- **Duties after loss:** prompt notice · **notify police if theft** · protect property from further damage · cooperate · **sworn proof of loss within 60 days of the insurer's request**.
- **Mortgage clause vs loss payable clause:** the **mortgagee has greater rights** — it collects even when the insured's own acts void the policy, and it receives advance notice of cancellation. A loss payee gets neither.
- **Appraisal** settles the *amount* of a loss; **agreement by any two of the three** (either appraiser plus the umpire) is binding. **Arbitration** is the UM/UIM mechanism.
- **Abandonment:** the insurer is **never required to accept** property the insured abandons to it.
- **Recovered property:** the insured chooses between keeping the payment or keeping the property with the claim readjusted.
- **Other insurance: pro rata by limits** (each insurer's share equals its limit's percentage of total limits) or **contribution by equal shares**.
- **No benefit to bailee** · **liberalization clause** (broadened coverage applies automatically) · **subrogation** · **assignment requires written consent**, because property policies are **personal contracts**.

VALUATION METHODS — A FREQUENT DEFINITION-MATCH

METHOD	PAYS
Actual cash value	Replacement cost **minus depreciation**

Replacement cost	Like kind and quality, **no depreciation deducted**
Stated amount	The **lesser** of the listed amount or ACV — a ceiling, not a promise
Agreed value	The **listed amount, period**
Functional replacement cost	Repair with common modern materials (the HO-8 basis)

FEDERAL REGULATION — THE 0/2 ZONE

- **FCRA:** requires advance **disclosure** that a consumer report may be used, and an **adverse action notice** if coverage is declined because of one. The applicant is entitled to the reporting agency's **name, address and phone number** — but **never the identity of the investigator**. Notice, not permission.
- **Gramm-Leach-Bliley:** a **privacy notice at application and annually** thereafter; nonpublic personal information may not be disclosed.
- **HIPAA** protects health information; **FTC Act** makes deceptive and unfair practices illegal. All three are **privacy** statutes — that is the grouping the exam tests.
- **TRIA:** insurers must **make available** coverage for **certified acts of terrorism** on **commercial lines and workers compensation** (not personal lines); certification threshold **$200 million**; extended through **12/31/2027**.
- **18 U.S.C. §1033/1034:** a person convicted of a felony involving **dishonesty or breach of trust** may work in insurance only with the regulator's **written consent**.
- Insurance is **primarily state regulated**. **A.M. Best, Moody's and Standard & Poor's** rate financial strength; **ISO is not a rating agency** — it writes standardized forms and gathers loss data. That is a recurring all-EXCEPT answer.

THE NEAR-SYNONYM PAIRS — DRILL THESE AS FLASHCARDS

PAIR	THE ONE-WORD DIFFERENCE
Peril / hazard	Peril is the **cause**; hazard **increases** the chance or severity
Moral / morale hazard	**Character** (dishonesty) vs **carelessness** (indifference because insured)
Coinsurance / copayment	**Percentage** vs **flat dollar**
Foreign / alien insurer	Another **state** vs another **country**
Express / implied / apparent authority	Written in the contract / necessary to the job / **created by the insurer's conduct** — and apparent authority still **binds the insurer**
Waiver / estoppel	**Giving up** a known right vs being **barred from reclaiming** it
Special / general damages	**Measurable** economic loss vs **pain and suffering**. Together they are **compensatory**; punitive is separate
Adhesion / aleatory / unilateral / conditional	Take-it-or-leave-it / **unequal** exchange / only the **insurer** promises / duties depend on **conditions** being met
Loss ratio / expense ratio	Losses ÷ **earned** premium vs expenses ÷ **written** premium

The last 48 hours

You have already passed once, at 73% with a four-question margin. The purpose of the remaining time is to convert a coin-flip margin into a comfortable one. Do not try to study everything.

Session plan

SESSION	FOCUS	WHY
1	**BOP** — eligibility classes, the five endorsement form numbers, vacancy and seasonal rules	Lowest drill score, worst fresh-question trend, and a clean 0/2 on endorsements
2	**A&H** — managed care taxonomy, disability definitions, Medigap letters, the NY clocks	Worst exam section twice; 10 questions and the smallest domain to master
3	**NY property regulation** (§3425 grounds and notice periods) + **homeowners** special limits and NY endorsements	A measured 0/2, and homeowners controls 12 questions with a 12-point recognition premium
4	**Inland marine, equipment breakdown, farm letters, crime agreements**	Small topics, formulaic answers, currently 1/3 and 0/1
5	**One full practice exam**, timed, no notes	The only measurement that counts

Exam-day technique

1. **Answer every question.** A blank is a guaranteed miss; a guess among four is 25%. Flag and return, but never leave one empty.
2. **On EXCEPT and NOT questions, say "true, true, true" as you eliminate.** Most losses here are procedural, not knowledge — you forget mid-question which direction you are hunting.
3. **Strip every scenario to one sentence** before looking at the options. The character's name and circumstances are decoration.
4. **Trust the exact number over the plausible one.** When two answers both seem defensible, the one quoting a statutory figure, a form number, or a defined term is nearly always the key.
5. **Do not talk yourself off a first instinct** unless you can name the specific rule that makes it wrong. On a 150-question exam your calibrated gut is worth more than a second-guess at minute 130.

> **Where your points are.** On your last exam you missed 41 questions. Seven were A&H, sixteen were Property (with BOP and the commercial package group holding half of those), twelve were Casualty, five were P&C Basics, and one was General. You need four. The first two sessions above address twenty-three of those forty-one.

Compiled August 3, 2026 from the WebCE NY Property & Casualty course (59 lessons), the four New York statute lessons (General, Property, Casualty, Accident & Health), three complete 150-question practice examinations, and 1,765 drill responses. Figures reflect the course text as written; where the course contradicts itself the statutory text was followed and the conflict noted in the study tool.