



TEXAS

# Insurance Content Outlines



**LIFE-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
(50 scoreable questions plus 5 pretest questions)

**I. TYPES OF POLICIES ..... 15**

**A. Traditional whole life products**

- 1. Ordinary whole life
- 2. Limited-pay and single-premium life

**B. Interest/market-sensitive/adjustable life products**

- 1. Universal life
- 2. Variable whole life
- 3. Variable universal life
- 4. Interest-sensitive whole life
- 5. Indexed life

**C. Term life**

- 1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
- 2. Special features
  - a. Renewable
  - b. Convertible

**D. Annuities**

- 1. Single and flexible premium
- 2. Immediate and deferred
- 3. Fixed and variable
- 4. Indexed
- 5. Accumulation and Annuity Periods
- 6. Payout options

**E. Combination plans and variations**

- 1. Joint life (first to die)
- 2. Survivorship life (second to die)

**II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS..... 15**

**A. Policy riders**

- 1. Waiver of premium and waiver of monthly deduction
- 2. Guaranteed insurability
- 3. Payor benefit
- 4. Accidental death and/or accidental death and dismemberment
- 5. Term riders
- 6. Other insureds
- 7. Long term care
- 8. Return of premium
- 9. Disability
- 10. Cost of Living

**B. Policy provisions and options**

- 1. Entire contract
- 2. Insuring clause
- 3. Free look
- 4. Consideration
- 5. Owner's rights
- 6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Common disaster
  - d. Minor beneficiaries
  - e. Designation by class
- 7. Premium Payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
  - d. Level or flexible
- 8. Reinstatement
- 9. Policy loans, withdrawals, partial surrenders
- 10. Non-forfeiture options
- 11. Dividends and dividend options (eg. participating, non-participating)
- 12. Incontestability
- 13. Assignments
- 14. Suicide
- 15. Misstatement of age and gender
- 16. Settlement options
- 17. Accelerated death benefits

**C. Policy exclusions**

- 1. War
- 2. Aviation
- 3. Dangerous Occupation

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICES..... 12**

**A. Completing the application**

- 1. Required signatures
- 2. Changes in the application
- 3. Consequences of incomplete applications
- 4. Warranties and representations
- 5. Collecting the initial premium and issuing the receipt
- 6. Replacement
- 7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
- 8. USA PATRIOT Act/anti-money laundering
- 9. Gramm-Leach-Bliley Act (GLBA) Privacy

**B. Underwriting**

- 1. Insurable interest
- 2. Medical information and consumer reports
- 3. Fair Credit Reporting Act
- 4. Risk classification

- 5. Stranger/Investor-owned life insurance (STOLI/IOLI)

**C. Delivering the policy**

- 1. When coverage begins
- 2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

**D. Contract law**

- 1. Elements of a contract
  - a. Consideration
  - b. Offer and Acceptance
  - c. Competent parties
  - d. Legal purpose
- 2. Unique aspects of the insurance contract
  - a. Conditional
  - b. Unilateral
  - c. Adhesion
  - d. Aleatory

**IV. RETIREMENT AND OTHER INSURANCE CONCEPTS..8**

**A. Third-party ownership**

**B. Life Settlements**

**C. Group life insurance**

- 1. Conversion privilege
- 2. Contributory vs. noncontributory

**D. Retirement plans**

- 1. Qualified plans
- 2. Nonqualified plans

**E. Life insurance needs analysis/suitability**

- 1. Personal insurance needs
- 2. Business insurance needs
  - a. Key person
  - b. Buy sell

**F. Social Security benefits**

**G. Tax treatment of insurance premiums, proceeds, and dividends**

- 1. Individual life
- 2. Group life
- 3. Modified Endowment Contracts (MECs)

- 5. Cease and desist orders

**B. Insurance definitions**

*Ref.: Ins. 101.051; 547.001; 801.051-.053, .057, 885.001-706; TAC § 3.9704; General insurance text*

- 1. Certificate of authority
- 2. Transacting insurance
- 3. Foreign, domestic, alien
- 4. Stock, mutual
- 5. Fraternal

**C. Licensing requirements**

*Ref.: Ins. 4001.003, .006; 4001.104-.106, 4001.151-.156, 4001.201 - .206, 4001.252, 4001.254-255, 4002.003, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.303, 1115.056, 4056; TAC § 1.502, 19.1001-.1030*

- 1. Types
  - a. Agent/Agency
  - b. Temporary
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. Records maintenance
- 6. License denial, renewal, expiration
- 7. License termination, revocation, suspension
- 8. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

**D. Marketing practices**

*Ref.: Ins. 541.051-.61, .101-.111; 542.001-.014, .054-.058; 544.002; 701.001-.005, .051-.052, .101-.109, .151-.154; 1104.024; 4005.053, 4005.101; TAC § 21.4, 21.115, 21.201-.205*

- 1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Rebating
  - f. Fraud
  - g. Boycott, coercion, intimidation
  - h. Commingling
  - i. Unfair discrimination

**E. Agent duties/responsibilities**

*Ref.: Ins.4001.157, 4005.053-.054; TAC § 3.120*

- 1. Commission sharing
- 2. Fiduciary capacity

**F. Texas Life and Health Guaranty Association**

*Ref.: Ins. 443.004, 463.205*

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 10**

**A. Marketing and Solicitation**

*Ref.: TAC § 3.303, 21.104-.105, 21.107, 21.111, 21.114, 21.122, 21.2201-.2214*

- 1. Advertising/Illustrations

**LIFE AGENT**

**STATE SPECIFIC CONTENT OUTLINE**

*(30 scoreable questions plus 5 pretest questions)*

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE .....20**

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001-.002, 31.021-.022, 38.001, 82.001-.056, 86.001-.002, 401.051-.056, 404.003, 051-.053, 521.003-.004, 541.107-108, 546.151, 4001.005, 4005.102, 83.051-.054; TAC § 1.88*

- 1. General powers and duties
- 2. Examination of records
- 3. Investigation/Notice of hearing
- 4. Penalties

**B. Policy provisions**

Ref: Ins. 1101.003-.009, .053, .055, .156; 1101.011, 1103.055; 1108.101; 1111.052; 1551.254; TAC § 3.101-.106, 3.111-.112, 3.119, 3.121, 3.123, 3.4301-.4317, 3.804 (5)(A)

**C. Individual life and annuity**

Ref: Ins. 1101.001, .105, .009, .051; 1116.002; TAC § 3.9711

- 1. Free look
- 2. Grace period
- 3. Policy loans
- 4. Prohibited provisions

**D. Group life**

Ref: Ins. 1101.053; 1131.001-.806

- 1. Group eligibility and underwriting requirements
- 2. Conversion to individual policy
- 3. Dependent coverage
- 4. Assignment

**E. Credit life**

Ref.: Ins. 1153.003, .004, .151, .153, .155, .157, .201-.204; TAC § 3.5001 – 3.5206

**F. Replacement**

Ref.: Ins. 1114.001 - .102

- 1. Purpose
- 2. Definitions
- 3. Duties of agent
- 4. Duties of replacing insurance company

**G. Nonforfeiture law**

Ref.: Ins. 1105.001 - .153, TAC § 3.3844

- 2. Immediate and deferred
- 3. Fixed and variable
- 4. Indexed
- 5. Accumulation and Annuity Periods
- 6. Payout options

**E. Combination plans and variations**

- 1. Joint life (first to die)
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**A. Policy riders**

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- 1. Entire contract
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**D. Policy exclusions**

- 1. War
- 2. Aviation
- 3. Dangerous Occupation

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICES..... 12**

**LIFE AND HEALTH-GENERAL KNOWLEDGE CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
(100 scoreable questions plus 10 pretest questions)

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- 3. Variable universal life
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**C. Term life**

- 7. Types
  - c. Level
  - d. Decreasing
  - e. Return of premium
  - f. Annually renewable
- 8. Special features
  - c. Renewable

**D. Convertible Annuities**

- 1. Single and flexible premium

- A. Completing the application**
  1. Required signatures
  2. Changes in the application
  3. Consequences of incomplete applications
  4. Warranties and representations
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  1. Insurable interest
  2. Medical information and consumer reports
  3. Fair Credit Reporting Act
  4. Risk classification
  5. Stranger/Investor-owned life insurance (STOLI/IOLI)

- C. Delivering the policy**
  1. When coverage begins
  2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

- D. Contract law**
  1. Elements of a contract
    - a. Consideration
    - b. Offer and Acceptance
    - c. Competent parties
    - d. Legal purpose
  2. Unique aspects of the insurance contract
    - a. Conditional
    - b. Unilateral
    - c. Adhesion
    - d. Aleatory

**IV. RETIREMENT AND OTHER INSURANCE CONCEPTS..8**

- A. Third-party ownership**
- B. Life Settlements**
- C. Group life insurance**
  1. Conversion privilege
  2. Contributory vs. noncontributory
- D. Retirement plans**
  1. Qualified plans
  2. Nonqualified plans
- E. Life insurance needs analysis/suitability**
  1. Personal insurance needs
  2. Business insurance needs
    - a. Key person
    - b. Buy sell
- F. Social Security benefits**
- G. Tax treatment of insurance premiums, proceeds, and dividends**
  1. Individual life
  2. Group life
  3. Modified Endowment Contracts (MECs)

**V. TYPES OF POLICIES..... 16**

- A. Disability income**
  1. Individual disability income policy

2. Business overhead expense policy
3. Business disability buyout policy
4. Group disability income policy
5. Key employee policy

**B. Accidental death and dismemberment**

- C. Medical expense insurance**
  1. Basic hospital, medical, and surgical policies
  2. Major medical policies
  3. Health Maintenance Organizations (HMOs)
  4. Preferred Provider Organizations (PPOs)
  5. Point of Service (POS) plans
  6. Flexible Spending Accounts (FSAs)
  7. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)
  8. Health Reimbursement Accounts (HRAs)

**D. Medicare supplement policies**

- E. Group insurance**
  1. Differences between individual and group contracts
  2. General characteristics
  3. COBRA

**F. Individual/Group Long Term Care (LTC)**

1. Eligibility
2. Levels of care

**G. Other policies**

1. Dental
2. Vision
3. Cancer
4. Critical illness or specified disease
5. Worksite (employer-sponsored)
6. Hospital indemnity
7. Short-term medical
8. Accident

**VI. POLICY PROVISIONS, CLAUSES, AND RIDERS..... 15**

**A. Mandatory and optional provisions**

1. Entire contract
2. Time limit on certain defenses (incontestable)
3. Grace period
4. Reinstatement
5. Notice of claim
6. Claim forms
7. Proof of loss
8. Time of payment of claims
9. Payment of claims
10. Physical examination and autopsy
11. Legal actions
12. Change of beneficiary
13. Misstatement of age or gender
14. Change of occupation
15. Illegal occupation
16. Relation of earnings to insurance

**B. Other provisions and clauses**

1. Insuring clause
2. Free look
3. Consideration clause
4. Probationary period
5. Elimination period

6. Waiver of premium
7. Exclusions and limitations
8. Preexisting conditions
9. Coinsurance
10. Deductibles
11. Eligible expenses
12. Copayments
13. Pre-authorizations and prior approval requirements
14. Usual, reasonable, and customary (URC) charges
15. Lifetime, annual, or per cause maximum benefit limits

**C. Riders**

1. Impairment/exclusions
2. Guaranteed insurability
3. Future increase option

**D. Rights of renewability**

1. Noncancelable
2. Cancelable
3. Guaranteed renewable

**VII. SOCIAL INSURANCE..... 6**

**A. Medicare (Parts A, B, C, D)**

**B. Medicaid**

**C. Social Security benefits**

**VIII. OTHER INSURANCE CONCEPTS ..... 5**

**A. Total, partial, recurrent and residual disability**

**B. Owner's rights**

**C. Dependent children benefits**

**D. Primary and contingent beneficiaries**

**E. Modes of premium payments**

**F. Nonduplication and coordination of benefits (e.g., primary vs. excess)**

**G. Occupational vs. non-occupational**

**H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)**

**I. Managed care**

**J. Workers Compensation**

**K. Subrogation**

**IX. FIELD UNDERWRITING PROCEDURES ..... 8**

**A. Completing the application**

**B. Explaining sources of insurability and HIPAA privacy information (e.g., MIB Report, Fair Credit Reporting Act, etc.)**

**C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)**

**D. Submitting application (and initial premium if collected) to company for underwriting**

**E. Policy delivery**

**F. Explaining policy and its provisions, riders, exclusions, and ratings to clients**

**G. Replacement**

**H. Contract law**

1. Elements of a contract
2. Insurable interest

3. Warranties and representations
4. Unique aspects of the insurance contract
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STATE SPECIFIC CONTENT OUTLINE**

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1. General powers and duties
2. Examination of records
3. Investigation/Notice of hearing
4. Penalties
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**B. Insurance definitions**

*Ref.: Ins. 101.051; 547.001; 801.051-.053, .057, 885.001-706; TAC § 3.9704; General insurance text*

1. Certificate of authority
2. Transacting insurance
3. Foreign, domestic, alien
4. Stock, mutual
5. Fraternal

**C. Licensing requirements**

*Ref.: Ins. 4001.003, .006; 4001.104-.106, 4001.151-.156, 4001.201 - .206, 4001.252, 4001.254-255, 4002.003, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.303, 1115.056, 4056; TAC § 1.502, 19.1001-.1030*

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  - b. Temporary
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3. Appointment
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  - a. Change of address
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  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Rebating
  - f. Fraud
  - g. Boycott, coercion, intimidation
  - h. Commingling
  - i. Unfair discrimination

**E. Agent duties/responsibilities**  
*Ref.: Ins.4001.157, 4005.053-.054; TAC § 3.120*

1. Commission sharing
2. Fiduciary capacity

**F. Texas Life and Health Guaranty Association**  
*Ref.: Ins. 443.004, 463.205*

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 6**

**A. Marketing and Solicitation**  
*Ref.: TAC § 3.303, 21.104-.105, 21.107, 21.111, 21.114, 21.122, 21.2201-.2214*

1. Advertising/Illustrations

**B. Policy provisions**  
*Ref: Ins. 1101.003-.009, .053 .055, .156; 1101.011, 1103.055; 1108.101; 1111.052; 1551.254; TAC § 3.101-.106, 3.111-.112, 3.119, 3.121, 3.123, 3.4301-.4317, 3.804 (5)(A)*

**C. Individual life and annuity**  
*Ref: Ins. 1101.001, .105, .009, .051; 1116.002; TAC § 3.9711*

1. Free look
2. Grace period
3. Policy loans
4. Prohibited provisions

**D. Group life**  
*Ref: Ins. 1101.053; 1131.001-.806*

1. Group eligibility and underwriting requirements
2. Conversion to individual policy
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**E. Credit life**  
*Ref.: Ins. 1153.003, .004,.151, .153, .155, .157, .201-.204, TAC § 3.5001 – 3.5206*

**F. Replacement**  
*Ref.: Ins. 1114.001 - .102*

1. Purpose
2. Definitions
3. Duties of agent
4. Duties of replacing insurance company

**G. Nonforfeiture law**  
*Ref.: Ins. 1105.001 - .153, TAC § 3.3844*

**III. Texas statutes and rules pertinent to accident and health insurance only ..... 7**

**A. Required policy provisions**

1. Coverage for newborns  
*Ref.: Ins. 1551.004; 1367.003; TAC § 3.3403*
2. Coverage for chemical dependency  
*Ref.: Ins.1368.005*

**B. Medicare supplement**  
*Ref.: TAC § 3.3301- 3310, 3.3312-.3313, 3.3315-.3325*

1. Minimum standards
2. Cancellation

**C. AIDS testing requirements**  
*Ref: TAC § 21.704 - .705*

**D. Long Term Care**  
*Ref: TAC § 3.3804, 3.3822, 3.3832*

**E. Small group health insurance**  
*Ref: TAC § 26.8; Ins 1501*

1. Eligibility
2. Coverage and Benefits

**F. Affordable Care Act**

1. Exchanges/Marketplace (Section 1321)
2. Taxes and subsidies (Section 1401, 1402)
3. Essential health benefits (Section 1302, 18022)
  - a. Mental health and substance use disorder services
  - b. Pediatric services
  - c. Preventive services
4. Employer notification responsibilities (Section 1511-1515)

**IV. TEXAS STATUTES AND RULES PERTINENT TO HEALTH MAINTENANCE ORGANIZATIONS (HMOS)..... 3**  
*Ref.: TAC Chapter 11; 11.501, 11.1611; Ins. 843, 1271*

**A. Definitions**

**B. Evidence of coverage**

**C. Nonrenewal/cancellation**

**D. Enrollment**

**PROPERTY AND CASUALTY -  
GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**

*(100 scoreable questions plus 10 pretest questions)*

**I. TYPES OF POLICIES..... 22**

**A. Homeowners**

1. HO-2
2. HO-3
3. HO-4
4. HO-5
5. HO-6
6. HO-8

**B. Dwelling policies**

1. DP-1
2. DP-2
3. DP-3

**C. Commercial lines**

1. Commercial Package Policy (CPP)

- 2. Commercial property
  - a. Commercial building and business personal property form
  - b. Causes of loss forms
  - c. Business income
  - d. Extra expense
  - e. Equipment breakdown
- 3. Business Owners Policy (BOP)
- 4. Builders Risk
- 5. Cyber First-Party Coverage
- D. Inland marine**
  - 1. Personal Articles floaters
  - 2. Commercial Property floaters
- E. National Flood Insurance Program**
- F. Others**
  - 1. Earthquake
  - 2. Mobile Homes
  - 3. Watercraft
  - 4. Farm Owners
  - 5. Windstorm

**II. INSURANCE TERMS AND RELATED CONCEPTS ..... 15**

- A. Insurance**
  - 1. Law of Large Numbers
- B. Insurable interest**
- C. Risk**
  - 1. Pure vs. Speculative Risk
- D. Hazard**
  - 1. Moral
  - 2. Morale
  - 3. Physical
- E. Peril**
- F. Loss**
  - 1. Direct
  - 2. Indirect
- G. Loss Valuation**
  - 1. Actual cash value
  - 2. Replacement cost
  - 3. Market value
  - 4. Stated/agreed value
  - 5. Salvage value
- H. Proximate cause**
- I. Deductible**
- J. Indemnity**
- K. Limits of liability**
- L. Coinsurance/Insurance to value**
- M. Occurrence**
- N. Cancellation**
- O. Nonrenewal**
- P. Vacancy and unoccupancy**
- Q. Liability**
  - 1. Absolute
  - 2. Strict
  - 3. Vicarious
- R. Negligence**
- S. Binder**
- T. Endorsements**

- U. Blanket vs. Specific**

**III. POLICY PROVISIONS AND CONTRACT LAW ..... 13**

- A. Declarations**
- B. Insuring agreement**
- C. Conditions**
- D. Exclusions**
- E. Definition of the insured**
- F. Duties of the insured**
- G. Obligations of the insurance company**
- H. Mortgagee rights**
  - I. Proof of loss**
- J. Notice of claim**
- K. Appraisal**
- L. Other Insurance Provision**
- M. Subrogation**
- N. Elements of a contract**
- O. Warranties, representations, and concealment**
- P. Sources of underwriting information**
- Q. Fair Credit Reporting Act**
- R. Privacy Protection (Gramm Leach Bliley)**
- S. Policy Application**
- T. Terrorism Risk Insurance Act (TRIA)**
- U. Territory**

**IV. TYPES OF POLICIES, BONDS, AND RELATED TERMS ..... 23**

- A. Commercial general liability**
  - 1. Exposures
    - a. Premises and Operations
    - b. Products and Completed Operations
  - 2. Coverage
    - a. Coverage A: Bodily Injury and Property Damage Liability (Occurrence, Claims made including Retroactive Date)
    - b. Coverage B: Personal Injury and Advertising Injury
    - c. Coverage C: Medical Payments
    - d. Supplemental Payments
    - e. Who is an insured
    - f. First named insured
    - g. Limits (Per occurrence, Annual Aggregate)
    - h. Damage to Property of Others
- B. Automobile: personal auto and business auto**
  - 1. Liability
    - a. Bodily Injury
    - b. Property Damage
    - c. Split Limits
    - d. Combined Single Limit
  - 2. Medical Payments
  - 3. Physical Damage (collision; other than collision; specified perils)
  - 4. Uninsured motorists
  - 5. Underinsured motorists
  - 6. Who is an insured
  - 7. Types of Auto
    - a. Owned
    - b. Non-owned



- c. Hired
- d. Temporary Substitute
- e. Newly Acquired Autos
- f. Transportation Expense and Rental Reimbursement Expense
- 8. Auto Dealers Coverage Form, including Garagekeepers Insurance
- 9. Exclusions
- 10. Individual Insured and Drive Other Car (DOC)
- 11. Mobile equipment

**C. Workers Compensation Insurance, Employers Liability Insurance, and Related Issues**

(This section does not deal with specifics of state law, which are addressed elsewhere in this outline.)

- 1. Standard policy concepts
  - a. Who is an employee/employer
  - b. Compensation
- 2. Work-related vs. non-work-related
- 3. Other states' insurance
- 4. Employers Liability
- 5. Exclusive remedy
- 6. Premium Determination

**D. Crime**

- 1. Employee Dishonesty
- 2. Theft
- 3. Robbery
- 4. Burglary
- 5. Forgery and Alteration
- 6. Mysterious disappearance

**E. Bonds**

- 1. Surety
- 2. Fidelity

**F. Professional liability**

- 1. Errors and Omissions
- 2. Medical Malpractice
- 3. Directors and Officers (D&O)
- 4. Employment Practices Liability (EPLI)
- 5. Cyber liability and data breach, funds transfer
- 6. Liquor liability

**G. Umbrella/Excess Liability**

**H. Business Owners Policy (BOP)**

**V. INSURANCE TERMS AND RELATED CONCEPTS ..... 15**

**A. Risk**

**B. Hazards**

- 1. Moral
- 2. Morale
- 3. Physical

**C. Indemnity**

**D. Insurable interest**

**E. Loss valuation**

- 1. Actual cash value
- 2. Replacement cost
- 3. Market value
- 4. Stated/agreed value
- 5. Salvage value

**F. Negligence**

**G. Liability**

**H. Occurrence**

**I. Binders**

**J. Warranties**

**K. Representations**

**L. Concealment**

**M. Deposit Premium/Audit**

**N. Certificate of Insurance**

**O. Law of Large Numbers**

**P. Pure vs. Speculative Risk**

**Q. Endorsements**

**R. Damages**

- 1. Compensatory
  - a. General
  - b. Special
- 2. Punitive

**S. Compliance with provisions of Fair Credit Reporting Act**

**VI. POLICY PROVISIONS ..... 12**

**A. Declarations**

**B. Insuring agreement**

**C. Conditions**

**D. Exclusions and Limitations**

**E. Definition of the insured**

**F. Duties of the insured after a loss**

**G. Cancellation and nonrenewal provisions**

**H. Supplementary payments**

**I. Proof of loss**

**J. Notice of claim**

**K. Other insurance**

**L. Subrogation**

**M. Loss settlement provisions including consent to settle a loss**

**N. Terrorism Risk Insurance Act (TRIA)**

**PROPERTY AND CASUALTY AGENT STATE SPECIFIC CONTENT OUTLINE**

*(30 scoreable questions plus 5 pretest questions)*

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**I. TEXAS STATUTES AND RULES COMMON TO PROPERTY AND CASUALTY INSURANCE ..... 18**

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 541.107-108, 546.151, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102, 83.051-.054; TAC § 1.88*

- 1. General powers and duties
- 2. Examination of records
- 3. Investigation/Notice of hearing
- 4. Penalties
- 5. Cease and desist orders

**B. Insurance definitions**

Ref.: *Ins. 801.051-.053; General insurance text; TAC § 15.2*

1. Certificate of authority
2. Transacting insurance
3. Foreign, domestic, alien
4. Stock, mutual
5. Admitted/nonadmitted
6. Texas Lloyds

**C. Licensing requirements**

Ref.: *Ins. 981.202, 1115.056, 4001.003, 4001.051, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.252, 4001.255, 4003.001, 4003.004, 4003.006-.007, 4004.051-055, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056, 4153.051; TAC § 1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503, 19.805*

1. Types
  - a. Agent/agency
  - b. Nonresident agent
  - c. Temporary
  - d. Limited license
  - e. Managing general agent
  - f. Surplus lines
  - g. Adjuster
  - h. Risk manager
  - i. Emergency
2. Exemptions/exceptions
3. Appointment
4. Continuing education
5. Records maintenance
6. License application, denial, renewal, expiration
7. License termination, revocation, suspension
8. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

**D. Marketing practices**

Ref.: *Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4001.104, 4005.101; TAC § 21.4, 21.201-.205, 21.111, 21.115*

1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Controlled business
  - f. Rebating
  - g. Discrimination
  - h. Fraud
  - i. Unfair competition
  - j. Boycott, coercion, intimidation
2. Rating and underwriting practices

**E. Agent duties/responsibilities**

Ref.: *General insurance text*

1. Fiduciary capacity

**II. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY INSURANCE..... 12**

**A. Property and casualty definitions**

Ref.: *TAC § 5.5002*

**B. Surplus lines**

Ref.: *Ins. 981.001-.004, 981.057; TAC § 15.2-15.6*

**C. Approval of Rates and Forms**

Ref: *Texas Insurance Code Sec. 5.35*

**D. Homeowner's Insurance**

1. Declination, cancellation, nonrenewal  
Ref: *General insurance text*
2. Texas FAIR Plan Association
3. Texas Windstorm Insurance Association (TWIA)
4. Loss settlement provisions  
Ref: *Texas Insurance Code § 542.051-.061; § 542.15 - .154*
5. Liquidated demand  
Ref: *Texas Insurance Code §862.053*

**E. Automobile insurance**

1. Provisions  
Ref: *Transportation Code: Chapter 601; Ins. 1952.101-.110, 1952.151-.161, TAC § 5.204*
  - a. Coverage
  - b. Uninsured Motorists/Underinsured Motorists
  - c. Personal Injury Protection (PIP)
  - d. Medical payments
2. Financial responsibility and required minimum liability limits  
Ref: *Transportation Code: § 601.051, 601.053, 601.056-.057, 601.071-.072*
3. Renewal, nonrenewal, and cancellation  
Ref: *Ins. 551.101-.113, 551.151-.152; TAC § 5.7002*
4. Texas Automobile Insurance Plan Association  
Ref: *Ins. 2151.051-.154*
5. Transportation network company  
Ref: *Chap. 1954*

**F. Workers' Compensation**

- Ref: *Texas Labor Code Title 5: § 401.011, 406.031-032, 034, 408.021 - .087; 408.150; 408.181 - .187*
1. Definitions
  2. Coverage
  3. Benefits

**G. Texas Property and Casualty Insurance Guaranty Association**

Ref: *Ins. 462.001-.351; TAC § 29.1*

**H. Texas Medical Liability Underwriting Association (JUA)**

Ref: *Ins. Chapter 2203.001 - .152*

**PERSONAL LINES - GENERAL KNOWLEDGE CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
(75 scoreable questions plus 5 pretest questions)

**I. TYPES OF PROPERTY POLICIES..... 10**

**A. Homeowners**

1. HO-2

- 2. HO-3
- 3. HO-4
- 4. HO-5
- 5. HO-6
- 6. HO-8
- B. Dwelling policies**
  - 1. DP-1
  - 2. DP-2
  - 3. DP-3
- C. Inland marine**
  - 1. Personal Articles floaters
- D. National Flood Insurance Program**
- E. Others**
  - 1. Earthquake
  - 2. Mobile Homes
  - 3. Watercraft
  - 4. Windstorm
- II. TYPES OF CASUALTY POLICIES ..... 13**
  - A. Automobile: personal auto**
    - 1. Liability
      - a. Bodily Injury
      - b. Property Damage
      - c. Split Limits
      - d. Combined Single Limit
    - 2. Medical Payments
    - 3. Physical Damage (collision; other than collision; specified perils)
    - 4. Uninsured motorists
    - 5. Underinsured motorists
    - 6. Who is an insured
    - 7. Types of Auto
      - a. Owned
      - b. Non-owned
      - c. Hired
      - d. Temporary Substitute
      - e. Newly Acquired Autos
      - f. Transportation Expense and Rental Reimbursement Expense
    - 8. Exclusions
  - B. Umbrella/Excess liability**
- III. PROPERTY AND CASUALTY INSURANCE TERMS AND RELATED CONCEPTS..... 28**
  - A. Insurance**
    - 1. Law of Large Numbers
  - B. Insurable interest**
  - C. Risk**
    - 1. Pure vs. Speculative Risk
  - D. Hazard**
    - 1. Moral
    - 2. Morale
    - 3. Physical
  - E. Peril**
  - F. Loss**
    - 1. Direct
    - 2. Indirect
  - G. Loss Valuation**

- 1. Actual cash value
- 2. Replacement cost
- 3. Market value
- 4. Stated value
- 5. Salvage value
- H. Proximate cause**
- I. Deductible**
- J. Indemnity**
- K. Limits of liability**
- L. Coinsurance/Insurance to value**
- M. Occurrence**
- N. Cancellation**
- O. Nonrenewal**
- P. Vacancy and unoccupancy**
- Q. Liability**
  - 1. Absolute
  - 2. Strict
  - 3. Vicarious
- R. Negligence**
- S. Binder**
- T. Endorsements**
- U. Blanket vs. Specific**
- V. Burglary, Robbery, Theft, and Mysterious Disappearance**
- W. Warranties**
- X. Representations**
- Y. Concealment**
- Z. Deposit Premium/Audit**
- AA. Certificate of Insurance**
- BB. Damages**
  - 1. Compensatory
    - a. General
    - b. Special
  - 2. Punitive
- CC. Compliance with Provisions of Fair Credit Reporting Act**
- IV. PROPERTY AND CASUALTY POLICY PROVISIONS AND CONTRACT LAW ..... 24**
  - A. Declarations**
  - B. Insuring agreement**
  - C. Conditions**
  - D. Exclusions**
  - E. Definition of the insured**
  - F. Duties of the insured after a loss**
  - G. Obligations of the insurance company**
  - H. Mortgagee rights**
    - I. Proof of loss**
    - J. Notice of claim**
  - K. Appraisal**
  - L. Other Insurance Provision**
  - M. Subrogation**
  - N. Elements of a contract**
  - O. Sources of underwriting information**
  - P. Fair Credit Reporting Act**
  - Q. Privacy Protection (Gramm Leach Bliley)**
  - R. Policy Application**

- S. Terrorism Risk Insurance Act (TRIA)
- T. Cancellation and nonrenewal provisions
- U. Supplementary payments
- V. Loss settlement provisions including consent to settle a loss
- W. Territory

- 8. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

**D. Marketing practices**

*Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4001.104, 4005.101; TAC § 21.4, 21.201-.205, 21.111, 21.115*

- 1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Controlled business
  - f. Rebating
  - g. Discrimination
  - h. Fraud
  - i. Unfair comparison
  - j. Boycott, coercion, intimidation
- 2. Rating and underwriting practices

**E. Agent duties/responsibilities**

*Ref.: General insurance text*

- 1. Fiduciary capacity

**PERSONAL LINES AGENT  
STATE SPECIFIC CONTENT OUTLINE**

*(25 scoreable questions plus 5 pretest questions)*

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**I. TEXAS STATUTES AND RULES COMMON TO ALL LINES OF INSURANCE ..... 15**

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 541.107-108, 546.151, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102, 83.051-.054; TAC § 1.88*

- 1. General powers and duties
- 2. Examination of records
- 3. Investigation/Notice of hearing
- 4. Penalties
- 5. Cease and desist orders

**B. Insurance definitions**

*Ref.: Ins. 801.051-.053; General insurance text; TAC § 15.2*

- 1. Certificate of authority
- 2. Transacting insurance
- 3. Foreign, domestic, alien
- 4. Stock, mutual
- 5. Admitted/nonadmitted

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.051, 4001.151-.156, 4001.201, 4001.205, 4001.252, 4001.255, 4003.001, 4003.004, 4003.006-.007, 4004.051-055, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056, 4153.051; TAC § 1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503, 19.805*

- 1. Types
  - a. Agent/agency
  - b. Nonresident agent
  - c. Temporary
  - d. Limited license
  - e. Managing general agent
  - f. Surplus lines
  - g. Adjuster
  - h. Risk manager
  - i. Emergency
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. Records maintenance
- 6. License application, denial, renewal, expiration
- 7. License termination, revocation, suspension

**II. TEXAS STATUTES AND RULES PERTINENT TO PERSONAL LINES INSURANCE ..... 10**

**A. Property and casualty definitions**

*Ref.: TAC § 5.5002*

**B. Approval of Rates and Forms**

*Ref: Texas Insurance Code Sec. 5.35*

**C. Homeowner's Insurance**

- 1. Declination, cancellation, nonrenewal
- Ref: General insurance text*
- 2. Texas FAIR Plan Association
- 3. Texas Windstorm Insurance Association (TWIA)
- 4. Loss settlement provisions
- Ref: Texas Insurance Code § 542.051 through § 542.061; § 542.151 through § 542.154*
- 5. Liquidated demand

*Ref: Texas Insurance Code § 862.053*

**D. Automobile insurance**

- 1. Provisions
  - Ref: Transportation Code: Chapter 601; Ins. 1952.101-.110, Ins. 1952.151-.161; TAC § 5.204*
  - a. Coverage
  - b. Uninsured Motorists/Underinsured Motorists
  - c. Personal Injury Protection (PIP)
- 2. Financial responsibility and required minimum liability limits
  - Ref: Transportation Code: § 601.051, 601.053, 601.056-.057, 601.071-.072*
- 3. Renewal, nonrenewal, and cancellation
  - Ref: Ins. 551.101-.113, 551.151-.152; TAC § 5.7002*
- 4. Texas Automobile Insurance Plan Association
  - Ref: Ins. 2151.051-.154*
- 5. Transportation network company

Ref: Chap. 1954

**E. Texas Property and Casualty Insurance Guaranty Association**

Ref: Ins. 462.001–.351; TAC § 29.1

**SURPLUS LINES  
CONTENT OUTLINE**

(60 scoreable questions)

This examination will test topics listed on the following content outline and is composed of sixty (60) four-option, multiple choice questions.

All references are to General insurance texts and forms, unless otherwise noted

**I. GENERAL INSURANCE PRINCIPLES**

**A. Insurance Terms and Related Concepts**

1. Insurance
2. Indemnity
3. Risk (pure vs speculative)
4. Hazard
5. Peril
6. Loss (direct vs indirect)
7. Proximate cause
8. Liability
9. Actual Cash Value
10. Replacement Cost
11. Subrogation
12. Salvage
13. Negligence
14. Lloyd's
15. Reinsurance

**B. Handling risks**

1. Avoidance
2. Retention
3. Sharing
4. Reduction
5. Transfer

**C. Insurers**

1. Types of insurers
  - a. Stock companies
  - b. Mutual companies
  - c. Lloyd's associates
  - d. Risk retention groups
  - e. Self-insured funds
2. Private vs. government insurers
3. Authorized vs. unauthorized insurers
4. Domestic, foreign, alien insurers
5. Financial status (independent rating services)

**D. Producers and general rules of agency**

1. Insurer as principal
2. Producer/insurer relationship
3. Authority and powers of producers
  - a. Express
  - b. Implied
  - c. Apparent
  - d. Responsibilities to the insured/applicant

**III. CONTRACTS**

**A. Elements of a legal contract**

1. Offer and acceptance
2. Consideration
3. Competent parties
4. Legal purpose

**B. Characteristics of an insurance contract**

1. Contract of adhesion
2. Aleatory contract
3. Unilateral contract
4. Conditional contract

**C. Legal interpretations affecting contract**

1. Ambiguities in a contract
2. Indemnity
3. Representations/misrepresentations
4. Warranties
5. Concealment
6. Fraud
7. Waiver and estoppel

**IV. TEXAS STATUTES AND RULES PERTINENT TO SURPLUS LINES INSURANCE**

All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted

**A. Commissioner of Insurance**

Ref.: Ins. 31.001-.002, 31.021, 981.009

1. General powers and duties
2. Examination of records
3. Investigation/hearing
4. Penalties/sanctions

**B. Definitions**

1. Surplus lines insurance  
Ref.: Ins. 981.002
2. Managing General Agent  
Ref.: Ins. 4053.001, 4053.051; TAC § 19.1202
3. Insurance transaction  
Ref.: General insurance text
4. Authorized/unauthorized, admitted/non-admitted  
Ref.: Ins. 101.301; TAC § 15.8
5. Purchasing groups  
Ref.: Ins. 2201.001-.259
6. Risk retention  
Ref.: Ins. 2201.001-.209

**C. Licensing requirements**

Ref.: Ins. 4001.252, 981.202-.204; TAC § 15.101

1. Surplus lines agent
2. License renewal
3. License suspension, revocation, termination
4. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license-holder

**D. Marketing practices**

Ref.: Ins. 541.051-.054, 541.057, 541.061, 542.001-.014, -.051-.061; 4001.104, 4005.053, 4005.101; TAC § 21.4, 21.201-.205, 21.111, 21.115

1. Prohibited trade practices/Unfair Methods of Competition
  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Controlled business
  - f. Rebating
  - g. Unfair discrimination
  - h. Fraud
  - i. Unfair comparison
  - j. Boycott, coercion, intimidation
- E. Surplus lines insurance**
  1. Purpose/definitions  
*Ref.: Ins. 981.001-002; TAC § 15.2*
  2. Premium payments and unearned premiums  
*Ref.: Ins. 981.007*
  3. Evidence of insurance  
*Ref.: Ins. 981.103; TAC § 15.15.105*
  4. Premium taxes  
*Ref.: Ins. 225.004, 225.006; Pub. Fin. TAC § 3.822*
  5. Reports and notices  
*Ref.: Ins. 981.216-217*
  6. Eligible unauthorized insurers  
*Ref.: Ins. 981.002*
  7. Commissions  
*Ref.: 981.212; 225.001*
  8. Stamping Office  
*Ref.: Ins. 981.105, 981.151-.160; TAC § 15.106, 15.201*
  9. Recordkeeping  
*Ref.: Ins. 981.215-.216; TAC § 15.4, 15.9, 15.108, 15.108-.110, 15.113*
  10. Minimum capital and surplus  
*Ref.: Ins. 981.057*
  11. Contract requirements  
*Ref.: Ins. 981.102; TAC § 15.5*
  12. Service of process  
*Ref.: Ins. 804.106*
  13. Advertising  
*Ref.: Ins. Ch. 981.219*

**RISK MANAGER  
CONTENT OUTLINE**  
(100 scoreable questions)

This examination will test topics listed on the following content outline and is composed of one hundred (100) four-option, multiple choice questions.

*All references are General insurance text and forms, unless otherwise noted*

- I. INSURANCE TERMS AND RELATED CONCEPTS**
  - A. Risk (pure vs. speculative)**
  - B. Hazard**
  - C. Peril**

- D. Loss/Causes of loss**
- E. Exposure**
- F. Indemnity**
- G. Liability**
- H. Deductible**
- I. Contractual ambiguities**
- J. Negligence**
- K. Torts**
- L. Personal property**
- M. Actual cash value**
- N. Occurrences**
- O. Warranty**
- P. Insurable interest**
- Q. Insurance**

**II. POLICY PROVISIONS AND CONTRACT LAW**

- A. Declarations**
- B. Insuring Agreement**
- C. Conditions**
- D. Exclusions**
- E. Duties of the insured after a loss**
  1. Proof of loss
- F. Loss settlement**
- G. Appraisal**
- H. Arbitration**

**III. RISK MANAGEMENT**

- A. Types of loss exposure**
  1. Property/Commercial property
  2. Accounts
  3. Net income
  4. Liability
  5. Personnel
  6. Business interruption
  7. Use
  8. Pure
- B. Methods of identifying loss exposures**
  1. Loss frequency
  2. Loss severity
  3. Tools
- C. Risk control**
  1. Exposure avoidance
  2. Loss prevention
  3. Separation
  4. Contractual transfer
  5. Reduction
  6. Acceptance
- D. Risk financing**
  1. Retention
  2. Transfer
  3. Plans (cash flow, formal retention, captive)
- E. Risk management processes**

**IV. COVERAGES, POLICIES, ENDORSEMENTS, AND FORMS**

- A. Commercial Package Policy (CPP)**
  1. Limits of liability
  2. Conditions

- 3. Exclusions
- 4. Claims Made policy form
- 5. Business Interruption and Extra Expense
- B. Commercial General Liability (CGL)**
- C. Businessowners policy (BOP)**
- D. Aircraft insurance**
- E. Hull coverage**
- F. Yacht policy**
- G. Umbrella policy/Excess coverage**
- H. Medical Malpractice**
- I. Employers liability-Part Two**
- J. National Flood Insurance Program**
- K. Equipment Breakdown Protection Coverage Form**
- L. Product liability**
- M. Completed operation liability**
- N. Marine insurance**
- O. Extended coverage**
- P. Premises liability**
- Q. Crime**
- R. Fiduciary coverage**
- S. Directors and Officers liability/ Professional**
- T. Cyber liability**
- U. Commercial Automobile (Business Auto Policy - BAP)**
- V. Inland Marine**

**V. BONDS**

- A. Bid**
- B. Surety**

**VI. TEXAS STATUTES AND RULES PERTINENT TO RISK MANAGEMENT**

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001-.002, 38.001, 201.004, 401.051-.054, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005; 2561-2*

- 1. General powers and duties
- 2. Examination of records
- 3. Investigations/ Notice of hearing

**B. Licensing requirements**

*Ref.: Ins. 4001.252, 4153.001, 4153.051-.060, 4153.152-.153; TAC § 19.1305-.1306*

- 1. Risk Manager
- 2. Exemption/exception
- 3. License denial, renewal, expiration
- 4. License termination, revocation, suspension
- 5. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

**C. Marketing practices**

*Ref.: Ins. 542.001-.014; TAC § 21.201-.205*

- 1. Claims methods and practices

**D. Workers' Compensation**

*Ref.: Texas Labor Code Title 5: 401.011-.013, 406.002, 406.034, 407.001, 407.121; TAC § 180.1*

- 1. Coverage
- 2. Employment covered
- 3. Employer election
- 4. Employee election
- 5. Self-insured employers

**E. Texas Automobile Insurance Plan Association**

*Ref.: Ins. 2151.051-.154*

**F. Surplus Lines**

*Ref. Ins. 981.001-.004, 981.057; TAC § 15.2-.6*

**G. Texas Property and Casualty Guaranty Insurance Association**

*Ref.: Ins. 462.001-.351; TAC § 29.1*

**H. Texas Medical Liability Insurance Underwriting Association (JUA)**

*Ref: TAC § 5.2001-.2002, Ins. Chapter 2203.001 – .152*

**I. Transportation network company**

*Ref: Chap. 1954*

**MANAGING GENERAL AGENT CONTENT OUTLINE**

*(150 scoreable questions)*

This examination will test topics listed on the following content outline and is composed of one hundred fifty (150) four-option, multiple choice questions.

*All references are General insurance texts and forms, unless otherwise noted*

**I. INSURANCE TERMS AND RELATED CONCEPTS**

- A. Insurance**
- B. Insurable interest**
- C. Risk (pure vs. speculative)**
- D. Hazard**
- E. Peril**
- F. Direct loss**
- G. Indirect loss**
- H. Deductible**
- I. Actual cash value**
- J. Replacement cost**
- K. Salvage**
- L. Abandonment**
- M. Accident**
- N. Occurrence**
- O. Warranty, representations, concealment**
- P. Insured contract**
- Q. Coinsurance**
- R. Extensions of coverage**
- S. Nonrenewal/Cancellation**
- T. Vacancy**
- U. Negligence**
- V. Pro Rata liability**
- W. Binders**
- X. Proximate cause**

- Y. Limits of liability
- Z. Indemnity

## II. POLICY PROVISIONS AND CONTRACT LAW

- A. Declarations
- B. Conditions
- C. Exclusions
- D. Insuring agreement
- E. Duties of the insured after a loss
- F. Obligations of the insurer
- G. Arbitration
- H. Other Insurance
- I. Mortgagee rights
- J. Proof of loss
- K. Notice of claim
- L. Appraisal
- M. Assignment
- N. Elements of a contract
- O. Ambiguities in the contract
- P. Sources of insurability information
- Q. Fair Credit Reporting Act
- R. Additional payments
- S. Subrogation
- T. Claims made policy form
- U. Loss settlement
- V. Limitations
- W. Liberalization clause
- X. Liquidated Demand

*Ref: Texas Insurance Code §862.053*

## III. TEXAS STATUTES AND RULES COMMON TO PROPERTY AND CASUALTY INSURANCE

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

### A. Commissioner of Insurance

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102*

1. General powers and duties
2. Examination of records
3. Investigation/Notice of hearing
4. Penalties

### B. Insurance definitions

*Ref.: Ins. 801.051-.053; General insurance text; TAC §15.2*

1. Certificate of authority
2. Transacting insurance
3. Foreign, domestic, alien
4. Stock, mutual
5. Admitted/nonadmitted/unauthorized

### C. Licensing requirements

*Ref: Ins. 981.202, 4001.051, 4001.105-.106, 4003.001-.007, 4001.254, 4004.051-.055, 4005.101-.105, 4051.151, 4001.252; 4053.051-.052, 4056.001-.004, 4101.051-.053; TAC § 1.502, 19.1001-.1027, 19.602, 19.1201-.1206, 19.1301-.1320*

1. Types

- a. Managing general agent
  - b. Agent/nonresident agent
  - c. Temporary/ Emergency
  - d. Limited license
  - e. Surplus lines
  - f. Adjuster
  - g. Risk manager
  - h. Agency
2. Exemptions/exceptions
  3. Contract
  4. Continuing education
  5. License denial, renewal, expiration
  6. License termination, revocation, suspension
  7. Appointments
  8. Notification to Department of certain information
    - a. Change of address
    - b. Felony convictions
    - c. Administrative action taken against a license holder

### D. Marketing practices

*Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4001.104, 4005.053(c), 4005.101; TAC § 21.4, 21.201-.205, 21.111, 21.115*

1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. Misrepresentation
  - c. Defamation
  - d. Rebating
  - e. False advertising
  - f. Controlled business
  - g. Unfair discrimination
  - h. Fraud
  - i. Unfair comparison
  - j. Boycott, coercion, intimidation
2. Rating and underwriting practices

### E. Duties/responsibilities

*Ref.: TAC § 19.1201-1204; 4053.101 – .104*

1. Fiduciary capacity
2. Processes
3. Reinsurance
4. Reports/records
5. Commission sharing

### F. Premium financing/premium taxes

*Ref.: Ins. 221.002*

### G. Rates and ratemaking

*Ref: Texas Insurance Code Sec. 5.35*

### H. County Mutual Companies

*Ref.: Ins. 911.303, 912.002; TAC § 5.9361*

### I. Lloyd's plan

*Ref.: General insurance text*

### J. Surplus Lines

*Ref. Ins. 981.202*

### K. Automobile insurance

1. Under/Uninsured Motorists
 

*Ref: Transportation Code: Chapter 601; Ins. 1952.101-.110, Ins. 1952.151-.161, TAC § 5.204*



2. Financial responsibility and required minimum liability limits  
*Ref: Transportation Code: § 601.051, 601.053, 601.056-.057, 601.071-.072*
  3. Renewal, nonrenewal, and cancellation  
*Ref: Ins. 551.101-.113, 551.151-.152; TAC § 5.7002*
  4. Texas Automobile Insurance Plan Association  
*Ref: Ins. 2151.051-.154*
  5. Personal Injury Protection (PIP)
  6. Medical payments
  7. Liability
  8. Collision/Other than collision
  9. Transportation network company  
*Ref: Chap. 1954*
- L. Workers' Compensation**  
*Ref.: Texas Labor Code-Title 5: Secs. 401.012; 406.002, 406.034; 407.061-.065, 408.021 -.087; 408.150; 408.181 -.187; 409.003*
1. Coverage
  2. Employment covered
  3. Employer election
  4. Employee election
  5. Self-insured employers
- M. Homeowners**
1. HO-2
  2. HO-3
  3. HO-4
  4. HO-5
  5. HO-6
  6. HO-8
- N. Commercial lines**
1. Commercial Package Policy (CPP)
  2. Commercial property
    - a. Commercial building and business personal property form
    - b. Causes of loss forms
    - c. Business income
    - d. Extra expense
    - e. Equipment breakdown
  3. Businessowners Policy (BOP)
  4. Directors and Officers liability/Professional
- O. Texas Medical Liability Insurance Underwriting Association (JUA)**  
*Ref.: TAC § 5.2001-.2002; Ins. Chapter 2203.001 – .152*
- P. Texas Windstorm Insurance Association**  
*Ref: TAC § 5.4016, 5.4700, 5.4800, 5.4903*
- Q. Texas Property and Casualty Guaranty Insurance Association**  
*Ref: Ins. 462.001-.351; TAC § 29.1*
- R. Texas FAIR Plan Association**
- S. Property and Casualty definitions**  
*Ref.: TAC Chapter 5*
- T. National Flood Insurance Program (NFIP)**
- U. Umbrella**

## WORKERS' COMPENSATION ADJUSTER CONTENT OUTLINE

(60 scoreable questions)

This examination will test topics listed on the following content outline and is composed of sixty (60) four-option, multiple choice questions.

*All references are to General insurance texts and forms, unless otherwise noted*

**I. INSURANCE TERMS AND RELATED CONCEPTS.....16%**

- A. Risk
- B. Hazard
- C. Loss
- D. Deductible
- E. Indemnity
- F. Subrogation
- G. Binder
- H. Liability
- I. Insurance

**II. POLICY PROVISIONS.....8%**

- A. Declarations
- B. Insuring Agreement
- C. Conditions
- D. Exclusions
- E. Appraisal

**III. TEXAS STATUTES AND RULES PERTINENT TO WORKERS' COMPENSATION ADJUSTING...76%**

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102*

1. General powers and duties
2. Examination of records
3. Investigation/Notice of hearing
4. Penalties

**B. Licensing requirements**

*Ref.: Ins. 4001.252, 4101-.001, .002, .051-.054, 4101.057, 4101.059, 4101.061, 4101.101, 4101.202-203; TAC § 19.601-.602, 19.1001-.1018*

1. Adjuster
2. Exemptions/exceptions
3. Continuing education
4. License denial, renewal, expiration
5. License termination, revocation, suspension
6. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

**C. Marketing practices**

*Ref.: Ins. 542.001-.014, 542.051-061, 542.151-.154; TAC § 21.4, 21.201-.205*

1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. Misrepresentation
  - c. Defamation
- D. Workers' Compensation**
  1. Definitions
 

*Ref.: Texas Labor Code Secs. 401.011-.013*

    - a. Workers' Compensation insurance
    - b. Employer
    - c. Employee
    - d. Disability definitions
    - e. Maximum Medical Improvement
  2. Who is covered
 

*Ref.: Texas Labor Code Sec. 406.091*
  3. Obtaining coverage (Employer)
 

*Ref.: Texas Labor Code Secs. 401.022, 406.003, 406.033*
  4. Employer election
 

*Ref.: Texas Labor Code Sec. 406.002*
  5. Average weekly wage
 

*Ref.: Texas Labor Code Secs. 408.041-.047*
  6. Waiting period
 

*Ref.: Texas Labor Code Secs. 408.082*
  7. Compensable injuries
 

*Ref.: Texas Labor Code Secs. 401.011, 406.032, 408.181*
  8. Benefits
 

*Ref.: Texas Labor Code Secs. 401.011, 408.021-.030, 408.041, 408.081-.086, 408.101-.105, 408.150, 408.181-.187; 409.021-.024*

    - a. medical
    - b. income
    - c. temporary income
    - d. rehabilitation
    - e. death and burial
  9. Other insurance coverage
 

*Ref.: Texas Labor Code Sec. 406.052*
  10. Claims procedures/Reports
 

*Ref.: Texas Labor Code Secs. 401.110, 409.001-.013, 409.021-.024, 410.021*
  11. Informal Hearing/Awards
 

*Ref.: Texas Labor Code Secs. 410.006, 410.119, 410.121*
  12. Subsequent Injury Fund
 

*Ref.: Texas Labor Code Sec. 403.007*
  13. Workers' compensation and employers liability
 

*Ref.: Texas Approved Workers' Compensation Policy*

    - a. Employers Liability insurance
    - b. Other States insurance
  14. Federal Workers' Compensation (US Code)
 

*Ref.: Texas Workers' Compensation Manual*

    - a. Federal Employers Liability Act (FELA)
 

*Ref.: 45 USC 51-60*
    - b. U.S. Longshore and Harbor Workers Compensation Act
 

*Ref.: 33 USC 901-950*

## ALL LINES ADJUSTER CONTENT OUTLINE

(150 scoreable questions)

This examination will test topics listed on the following content outline and is composed of one hundred fifty (150) four-option, multiple choice questions.

*All references are to General insurance texts and forms, unless otherwise noted*

- I. GENERAL PROPERTY AND CASUALTY INSURANCE PRODUCT KNOWLEDGE PERTINENT TO ADJUSTERS.....40%**
  - A. Standard Fire Policy**
    1. Basic coverages, provisions, and clauses
    2. Limitations and restrictions
    3. Proof of loss
    4. Loss requirements and inventories
    5. Appraisal
    6. Replacement costs
  - B. Auto liability**
    1. Personal
    2. Coverage
  - C. Personal lines Homeowner coverage**
    1. Dwelling and contents
    2. Homeowners forms/coverages
      - a. Policy provisions
      - b. Replacement costs
      - c. Appraisal
      - d. Special limits of liability
      - e. Proof of loss
    3. General property forms
      - a. ISO, HO-2, HO-3, HO-4, HO-5, HO-6
  - D. Commercial lines coverage**
    1. Commercial property forms
      - a. Commercial property and buildings
      - b. Causes of loss
    2. Commercial Package Policy (CPP)
    3. Boiler and Machinery
      - a. Type of equipment
    4. Businessowners policy
    5. Cargo
    6. Commercial crime
  - E. Inland Marine**
    1. Definitions
    2. Policies
      - a. Personal floaters
      - b. Commercial floaters
        - i. Installation floaters
      - c. Commercial inland marine
  - F. Ocean Marine**
    1. Protection and Indemnity
    2. Collision ("running down") clause
  - G. Additional coverages, exclusions, and extensions**
    1. Business Interruption
    2. Time Element
    3. Law and Ordinance exclusion

4. Law and Ordinance coverage
5. Valuable Papers and records
6. Garagekeepers liability
7. Aviation
8. Umbrella
9. Yacht/Boatowners

**H. Bonds and Professional Liability**

1. Errors and Omissions

**II. INSURANCE TERMS AND RELATED CONCEPTS.....40%**

- A. Peril**
- B. Waiver/non-waiver agreement**
- C. Insurance, insurance contracts, and insurable interest**
- D. Estoppel**
- E. Proof of loss**
- F. Depreciation**
- G. Deductible**
- H. Liability/ limits of liability**
- I. Valued policy**
- J. Appraisal**
- K. Actual cash value, fair market value**
- L. Robbery**
- M. Burglary and theft**
- N. Agreed value**
- O. Replacement cost**
- P. Indemnity**
- Q. Damages**
- R. Subrogation**
- S. Other insurance**
- T. Arbitration**
- U. Constructive total loss**
- V. Loss**
- W. Warranties**
- X. Salvage**
- Y. Risk**
- Z. Hazard**
- AA. Liberalization**
- BB. Binder**
- CC. Reservation of rights**
- DD. Policy Provisions**
  1. Declarations
  2. Insuring Agreement
  3. Conditions
  4. Exclusions
  5. Appraisal

**III. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY ADJUSTING.....20%**

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

**A. Licensing requirements**

*Ref.: Ins. 4001.252, 4101-.001, .002, .051-.054, 4101.057, 4101.059, 4101.061, 4101.101, 4101.202-203; TAC § 19.601-.602, 19.1001-.1018*

1. Adjuster
  - a. Designated Home State Adjuster

2. Exemptions/exceptions
3. Continuing education
4. License denial, renewal, expiration
5. License termination, revocation, suspension
6. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

7. Commissioner of Insurance  
*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102*

- a. General powers and duties
- b. Examination of records
- c. Investigation/hearing
- d. Penalties

**B. Marketing practices**

*Ref.: Ins. 541.053, 542.001-.014, 542.051-061, 542.151-.154; TAC § 21.4, 21.201-.205*

1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. Misrepresentation
  - c. Defamation

**C. Adjuster practices, responsibilities, and duties**

*Ref.: Ins. 4101.251; General insurance text*

1. Functions of an Adjuster
2. Prohibited Conduct

**D. Workers' Compensation**

1. Definitions  
*Ref.: Texas Labor Code Secs. 401.011-.013*

- a. Workers' Compensation insurance
- b. Employer
- c. Employee
- d. Disability definitions
- e. Maximum Medical Improvement

2. Who is covered

*Ref.: Texas Labor Code Sec. 406.091*

3. Obtaining coverage (Employer)

*Ref.: Texas Labor Code Secs. 401.022, 406.003, 406.033*

4. Employer election

*Ref.: Texas Labor Code Sec. 406.003*

5. Average weekly wage

*Ref.: Texas Labor Code Secs. 408.041-.047*

6. Waiting period

*Ref.: Texas Labor Code Secs. 408.082*

7. Compensable injuries

*Ref: Texas Labor Code Secs. 401.011, 406.032, 408.181*

8. Benefits

*Ref.: Texas Labor Code Secs. 401.011, 408.021-.030, 408.041, 408.081-.086, 408.101-.105, 408.150, 408.181-.187; 409.021-.024*

- a. medical
- b. income

- c. temporary income
  - d. rehabilitation
  - e. death and burial
  - 9. Subsequent Injury Fund
- Ref.: Texas Labor Code Sec. 403.007*

**PROPERTY AND CASUALTY ADJUSTER  
CONTENT OUTLINE**

*(150 scoreable questions)*

This examination will test topics listed on the following content outline and is composed of one hundred fifty (150) four-option, multiple choice questions.

*All references are to General insurance texts and forms, unless otherwise noted*

**I. GENERAL PROPERTY INSURANCE PRODUCT KNOWLEDGE PERTINENT TO ADJUSTERS..40%**

- A. Standard Fire Policy**
  - 1. Basic coverages, provisions, and clauses
  - 2. Limitations and restrictions
  - 3. Proof of loss
  - 4. Loss requirements and inventories
  - 5. Appraisal
  - 6. Replacement costs
- B. Auto liability**
  - 1. Personal
  - 2. Coverage
- C. Personal lines coverage**
  - 1. Dwelling and contents
  - 2. Homeowners forms/coverages
    - a. Policy provisions
    - b. Replacement costs
    - c. Appraisal
    - d. Special limits of liability
    - e. Proof of loss
  - 3. General property forms
    - a. ISO, HO-2, HO-3, HO-4, HO-5, HO-6
- D. Commercial lines coverage**
  - 1. Commercial property forms
    - a. Commercial property and buildings
    - b. Causes of loss
  - 2. Commercial Package Policy (CPP)
  - 3. Boiler and Machinery
    - a. Type of equipment
  - 4. Businessowners policy
  - 5. Cargo
  - 6. Commercial crime
- E. Inland Marine**
  - 1. Definitions
  - 2. Policies
    - a. Personal floaters
    - b. Commercial floaters
      - i. Installation floaters
    - c. Commercial inland marine
- F. Ocean Marine**
  - 1. Protection and Indemnity

- 2. Collision (“running down”) clause
- G. Additional coverages, exclusions, and extensions**
  - 1. Business Interruption
  - 2. Time Element
  - 3. Law and Ordinance exclusion
  - 4. Law and Ordinance coverage
  - 5. Valuable Papers and records
  - 6. Garagekeepers liability
  - 7. Aviation
  - 8. Umbrella
  - 9. Yacht/Boatowners
- H. Bonds and Professional Liability**
  - 1. Errors and Omissions

**II. INSURANCE TERMS AND RELATED CONCEPTS.....40%**

- A. Peril**
- B. Waiver/non-waiver agreement**
- C. Insurance, insurance contracts, and insurable interest**
- D. Estoppel**
- E. Proof of loss**
- F. Depreciation**
- G. Deductible**
- H. Valued policy**
- I. Liability/ Limits of liability**
- J. Appraisal**
- K. Actual cash value, fair market value**
- L. Robbery**
- M. Burglary and theft**
- N. Agreed value**
- O. Replacement cost**
- P. Indemnity**
- Q. Damages**
- R. Subrogation**
- S. Other insurance**
- T. Arbitration**
- U. Constructive total loss**
- V. Loss**
- W. Warranties**
- X. Salvage**
- Y. Risk**
- Z. Hazard**
- AA. Liberalization**
- BB. Binder**
- CC. Reservation of rights**
- DD. Policy Provisions**
  - 1. Declarations
  - 2. Insuring Agreement
  - 3. Conditions
  - 4. Exclusions
  - 5. Appraisal

**III. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY ADJUSTING....20%**

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

## A. Licensing requirements

*Ref.: Ins. 4001.252, 4101-.001, .002, .051-.054, 4101.057, 4101.059, 4101.061, 4101.101, 4101.202-203; TAC § 19.601-.602, 19.1001-.1018*

1. Adjuster
  - a. Designated Home State Adjuster
2. Exemptions/exceptions
3. Continuing education
4. License denial, renewal, expiration
5. License termination, revocation, suspension
6. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder
7. Commissioner of Insurance

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102*

- a. General powers and duties
- b. Examination of records
- c. Investigation/hearing
- d. Penalties

## B. Marketing practices

*Ref.: Ins. 541.053, 542.001-.014, 542.051-061, 542.151-.154; TAC § 21.4, 21.201-.205*

1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. Misrepresentation
  - c. Defamation

## C. Adjuster practices, responsibilities, and duties

*Ref.: Ins. 4102.163; TAC Ins § 19.602; General insurance text*

1. Functions of an Adjuster
2. Prohibited Conduct

## J. Accident

## K. Fair Credit Reporting Act

## L. Implied/express authority

## M. Insurable interest

## II. POLICY PROVISIONS

### A. Declarations/Schedule of Benefits

### B. Insuring Agreement

### C. Conditions

### D. Exclusions

### E. Definition of the insured

### F. Duties of the insured after a loss

### G. Proof of loss

### H. Appraisal

## III. TEXAS STATUTES AND RULES PERTINENT TO LIMITED LINES

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

### A. Commissioner of Insurance

*Ref.: Ins. 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051, 491.052, 521.003-.004, 4001.005, 38.001, 86.001-.002, 401.051-.062, 82.001-.056, 4005.102*

1. General powers and duties
2. Examination of records
3. Investigation/Notice of hearing
4. Penalties

### B. Insurance definitions

*Ref.: Ins. 801.051-.053; General insurance text; TAC §15.2*

1. Certificate of authority
2. Transacting insurance
3. Foreign, domestic, alien
4. Stock, mutual

### C. Licensing requirements

*Ref.: Ins. 981.201-.222, 4001.003, 4001.006, 4001.051, 4001.102-.106, 4001.151-.156, 4001.252, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051-.055, 4051.101-.102, 4051.401-.404, 4051.151-.152, 4051.201-.206, 4052-001.101, 4054-301-.304, 4053.001-.152, 4054.001-.304, 4054-.101-.103, 4056.001-.004; TAC § 19.1001-.1030*

1. Types
  - a. Agent/Agency
  - b. Nonresident agent
  - c. Temporary
  - d. Limited license (lines of authority)
2. Exemptions/exceptions
3. Appointment/contract
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension
7. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions

## LIMITED LINES AGENT CONTENT OUTLINE

(50 scoreable questions)

This examination will test topics listed on the following content outline and is composed of fifty (50) four-option, multiple choice questions.

*All references are to General insurance texts and forms, unless otherwise noted*

## I. INSURANCE TERMS AND RELATED CONCEPTS

### A. Risk (pure vs. speculative)

### B. Hazard

### C. Peril

### D. Loss (direct and indirect)

### E. Deductible

### F. Indemnity

### G. Limits of liability

### H. Extensions of coverage

### I. Subrogation

- c. Administrative action taken against a license holder

**D. Marketing practices**

*Ref.: Ins. 541.051-.061, 542.001-.014, .054-.058; 701.001-.154, 4001.104, 4005.053(c), 4005.101; TAC § 21.4, 21.201-.205, 21.115*

- 1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. False advertising
  - c. Misrepresentation
  - d. Defamation
  - e. Controlled business
  - f. Rebating
  - g. Discrimination
  - h. Fraud
  - i. Boycott, coercion, intimidation

**2. Ethics**

*Ref.: General insurance text*

**E. Agent duties/responsibilities**

*Ref.: Ins. 4001.157, 4005.053-.054*

- 1. Fiduciary capacity
- 2. Commission sharing

**PUBLIC INSURANCE ADJUSTER  
CONTENT OUTLINE**

*(100 scoreable questions)*

This examination will test topics listed on the following content outline and is composed of one hundred (100) four-option, multiple choice questions.

*All references are to General insurance texts and forms, unless otherwise noted*

**I. GENERAL PROPERTY INSURANCE PRODUCT KNOWLEDGE PERTINENT TO PUBLIC INSURANCE ADJUSTERS**

**A. Standard fire policy**

*Ref.: Standard Fire policy*

- 1. Basic coverages, provisions, and clauses
- 2. Limitations and restrictions
- 3. Proof of loss
- 4. Loss requirements and inventories
- 5. Appraisal
- 6. Replacement costs

**B. Personal lines coverage**

- 1. Dwelling and contents
- 2. Homeowners forms/coverages
  - a. Policy provisions
  - b. Replacement costs
  - c. Appraisal
  - d. Special limits of liability
  - e. Proof of loss
- 3. General property forms
  - a. ISO, HO-2, HO-3, HO-4, HO-5, HO-6

**C. Commercial lines coverage**

- 1. Commercial property forms
  - a. Commercial property and buildings
  - b. Causes of loss

- 2. Commercial Package Policy (CPP)
- 3. Boiler and Machinery
  - a. Type of equipment
- 4. Businessowners policy
- 5. Cargo

**D. Inland Marine**

- 1. Definitions
- 2. Policies
  - a. Personal floaters
  - b. Commercial floaters
    - i. Installation floaters
  - c. Commercial inland marine

**E. Ocean Marine**

**F. Additional coverages, exclusions, and extensions**

- 1. Business Interruption
- 2. Time Element
- 3. Law and Ordinance exclusion
- 4. Law and Ordinance coverage
- 5. Valuable Papers and records
- 6. Garagekeepers liability
- 7. Aviation
- 8. Umbrella
- 9. Yacht
- 10. Coinsurance

**G. Bonds and Professional Liability**

- 1. Errors and Omissions

**II. INSURANCE TERMS AND RELATED CONCEPTS**

**A. Peril**

**B. Waiver/non-waiver agreement**

**C. Insurance, insurance contracts, and insurable interest**

**D. Estoppel**

**E. Proof of loss**

**F. Depreciation**

**G. Deductible**

**H. Liability/Limits of liability**

**I. Valued policy**

**J. Appraisal**

**K. Actual cash value, fair market value**

**L. Robbery**

**M. Burglary and theft**

**N. Agreed value**

**O. Replacement cost**

**P. Indemnity**

**Q. Damages**

**R. Subrogation**

**S. Other insurance**

**T. Arbitration**

**U. Constructive total loss**

**V. Loss**

**W. Salvage**

**X. Risk**

**Y. Hazard**

**Z. Liberalization**

**AA. Reservation of rights**

### III. POLICY PROVISIONS

- A. Declarations
- B. Insuring Agreement
- C. Conditions
- D. Exclusions
- E. Appraisal

### IV. TEXAS STATUTES AND RULES PERTINENT TO PUBLIC INSURANCE ADJUSTING

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted*

#### A. Commissioner of Insurance

*Ref.: Ins. 4101.052-.055, 4101.057, 4101.203-.204, 4102.001, 4102.110; TAC § 19.601*

- 1. General powers and duties
- 2. Examination of records
- 3. Investigation/hearing
- 4. Penalties

#### B. Licensing requirements

*Ref.: Ins. 4001.252, 4102-.001, .002, 4102.051, 4102.064, 4102.101-.103, 4102.109, 4102.152, 4102.201, 4103.156; TAC § 19.1001-.016; TAC § 19.701-713*

- 1. Public Insurance Adjuster
- 2. Exemptions/exceptions
- 3. Continuing education
- 4. License denial, renewal, expiration
- 5. License termination, revocation, suspension, cease and desist
- 6. Notification to Department of certain information
  - a. Change of address
  - b. Felony convictions
  - c. Administrative action taken against a license holder

#### C. Marketing practices

*Ref.: Ins. 541.051, 541.062, 542.001-.014; TAC § 21.201-.205, 21.4*

- 1. Unfair/Prohibited trade practices
  - a. Claims methods and practices
  - b. Misrepresentation

#### D. Public Insurance Adjuster practices, responsibilities, and duties

*Ref. Ins. 4102.005, .151, .163; TAC § 19.708, 19.713; General insurance text*

- 1. Unauthorized practice of law
- 2. Disclosures
- 3. Consumer rights
- 4. Ethics