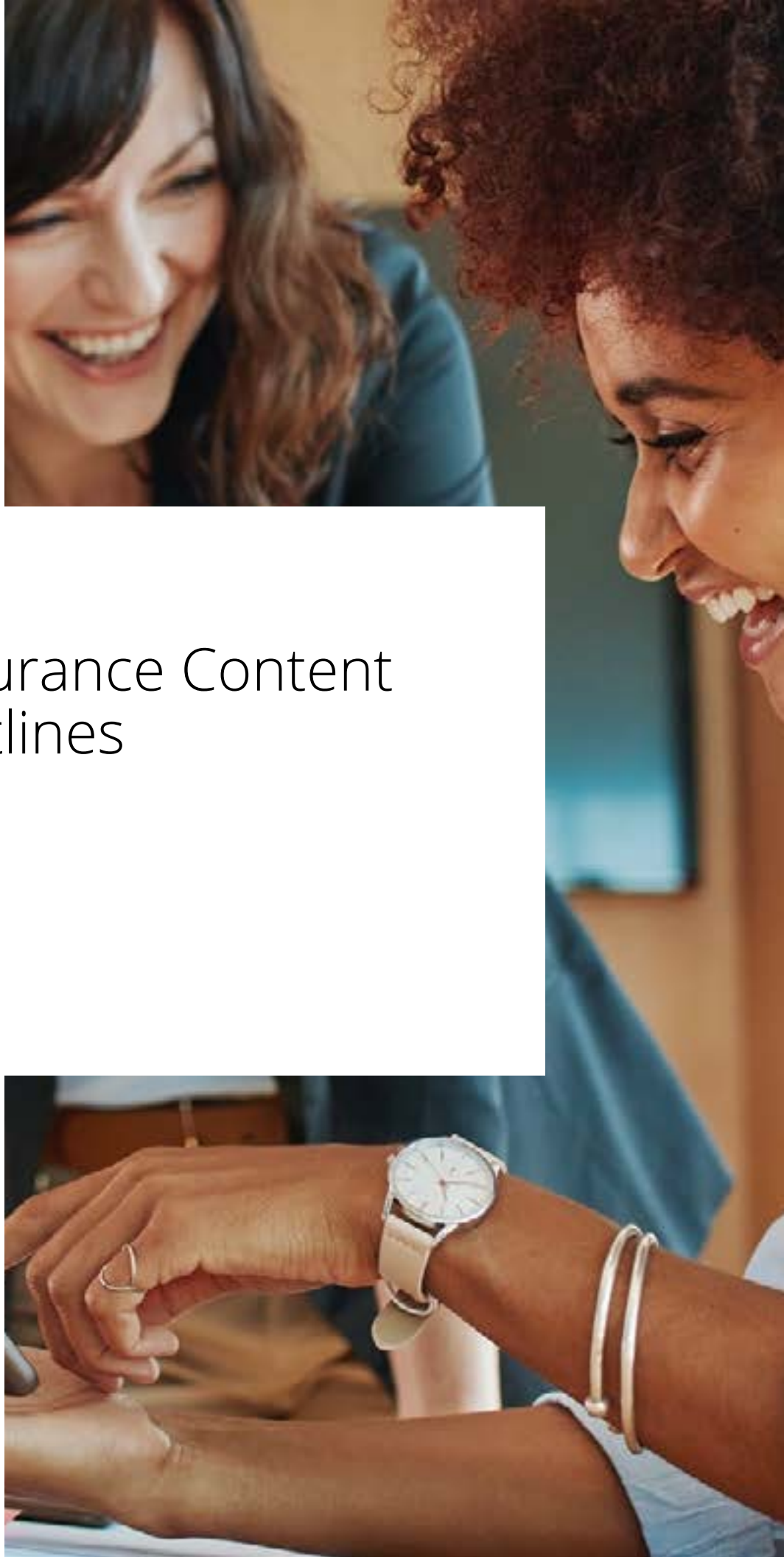
Pearson VUE



TEXAS

Insurance Content Outlines

11. 2023

TEXAS
Insurance Supplement

Examination Content Outlines

Effective: November 1, 2023

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)

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
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. Fraternals

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

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

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4. Interest-sensitive whole life
5. Indexed life

C. Term life

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

D. Convertible Annuities

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2. Immediate and deferred
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6. Other insureds
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8. Return of premium
9. Disability
10. Cost of Living

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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
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   a. Modes
   b. Grace period
   c. Automatic premium loan
   d. Level or flexible
2. Reinstatement
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5. Dividends and dividend options (eg. participating, non-participating)
6. Incontestability
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8. Suicide
9. Misstatement of age and gender
10. Settlement options
11. Accelerated death benefits

D. 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
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7. Disclosures at point of sale (e.g., HIPAA, HIV consent)
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9. Gramm-Leach-Bliley Act (GLBA) Privacy

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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

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A. Third-party ownership

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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
   a. Conditional
   b. Unilateral
   c. Adhesion
   d. Aleatory

LIFE and HEALTH AGENT STATE SPECIFIC CONTENT OUTLINE

(30 scoreable questions plus 5 pretest questions)

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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

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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

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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

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2. Grace period
3. Policy loans
4. Prohibited provisions

D. Group life

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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

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)

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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

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
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

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

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**
- **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

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