

Click below for the appropriate content outline.

TEXAS

Insurance Content Outlines

---

TEXAS

Insurance Content Outlines

**LIFE-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

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

**I. TYPES OF POLICIES ..... 12**

**A. Traditional whole life products**

1. Ordinary (straight) life
2. Limited-pay and single-premium life
3. Adjustable life

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

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

**C. Term life**

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

**D. Annuities**

1. Single and flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Indexed

**E. Combination plans and variations**

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

**II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS.....19**

**A. Policy riders**

1. Waiver of premium and waiver of premium with disability income
2. Guaranteed insurability
3. Payor benefit
4. Accidental death and/or accidental death and dismemberment
5. Term riders
6. Other insureds (e.g., spouse, children, nonfamily)
7. Long term care
8. Return of premium

**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. Changes
  - d. Common disaster
  - e. Minor beneficiaries
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
12. Incontestability
13. Assignments
14. Suicide
15. Misstatement of age and gender
16. Settlement options
17. Accelerated death benefits

**C. Policy exclusions**

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY..... 11**

**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

**B. Underwriting**

1. Insurable interest
2. Medical information and consumer reports
3. Fair Credit Reporting Act
4. Risk classification
5. Stranger-originated life insurance (STOLI)
6. Investor-originated life insurance (IOLI)

**C. Delivering the policy**

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

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

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

*Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4005.053(c), 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

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

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 12**

- 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-.008, 1101.011, 1111.052, 1551.254; TAC §§ 3.101-.106, 3.111-.112, 3.119, 3.123, 3.1708, 3.4301-.4317*

- C. Group life**  
*Ref: Ins. 1131.002, 1131.110-.112*

- D. Credit life**  
*Ref.: Ins. 1153.204, TAC § 3.5104*

- E. Nonforfeiture law**  
*Ref.: Ins. 1105.055, TAC § 3.3844*

**LIFE AGENT  
STATE SPECIFIC CONTENT OUTLINE**

*(35 scoreable questions plus 5 pretest questions)*

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

**I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE .....23**

- A. Commissioner of Insurance**  
*Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 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*
  - 1. Certificate of authority
  - 2. Transacting insurance
  - 3. Foreign, domestic, alien
  - 4. Stock, mutual

- C. Licensing requirements**  
*Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030*
  - 1. Types
    - a. Agent
    - b. Temporary
    - c. Counselor
  - 2. Exemptions/exceptions
  - 3. Appointment
  - 4. Continuing education
  - 5. License denial, renewal, expiration
  - 6. License termination, revocation, suspension

- D. Marketing practices**

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

**Product Knowledge, Terms and Concepts**  
*(100 scoreable questions plus 20 pretest questions)*

**I. TYPES OF LIFE POLICIES ..... 12**

- A. Traditional whole life products**

- 1. Ordinary (straight) life
- 2. Limited-pay and single-premium life
- 3. Adjustable life

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

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

- C. Term life**

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

b. Convertible	
<b>D. Annuities</b>	
1. Single and flexible premium	
2. Immediate and deferred	
3. Fixed and variable	
4. Indexed	
<b>E. Combination plans and variations</b>	
1. Joint life	
2. Survivorship life (second to die)	
<b>II. LIFE POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS.....19</b>	
<b>A. Policy riders</b>	
1. Waiver of premium and waiver of premium with disability income	
2. Guaranteed insurability	
3. Payor benefit	
4. Accidental death and/or accidental death and dismemberment	
5. Term riders	
6. Other insureds (e.g., spouse, children, nonfamily )	
7. Long term care	
8. Return of premium	
<b>B. Policy provisions and options</b>	
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. Changes	
d. Common disaster	
e. Minor beneficiaries	
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	
12. Incontestability	
13. Assignments	
14. Suicide	
15. Misstatement of age and gender	
16. Settlement options	
17. Accelerated death benefits	
<b>C. Policy exclusions</b>	
<b>III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE LIFE POLICY.....11</b>	
<b>A. Completing the application</b>	
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	
<b>B. Underwriting</b>	
1. Insurable interest	
2. Medical information and consumer reports	
3. Fair Credit Reporting Act	
4. Risk classification	
5. Stranger-originated life insurance (STOLI)	
6. Investor-originated life insurance (IOLI)	
<b>C. Delivering the policy</b>	
1. When coverage begins	
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client	
<b>IV. TAXES, RETIREMENT, AND OTHER LIFE INSURANCE CONCEPTS ..... 8</b>	
<b>A. Third-party ownership</b>	
<b>B. Group life insurance</b>	
1. Conversion privilege	
2. Contributory vs. noncontributory	
<b>C. Retirement plans</b>	
1. Tax-qualified plans	
2. Nonqualified plans	
<b>D. Life insurance needs analysis/suitability</b>	
1. Personal insurance needs	
2. Business insurance needs	
a. Key person	
<b>E. Social Security benefits and taxes</b>	
<b>F. Tax treatment of insurance premiums, proceeds, and dividends</b>	
1. Individual life	
2. Group life	
3. Modified Endowment Contracts (MECs)	
<b>V. TYPES OF HEALTH POLICIES ..... 14</b>	
<b>A. Disability income</b>	
1. Individual disability income policy	
2. Business overhead expense policy	
3. Business disability buyout policy	
4. Group disability income policy	
5. Key employee/partner policies	
<b>B. Accidental death and dismemberment</b>	
<b>C. Medical expense insurance</b>	
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. Health Reimbursement Accounts (HRAs)	
8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)	
9. Stop loss	

<b>D. Medicare supplement policies</b>	
<b>E. Group insurance</b>	
1. Group conversion	
2. Differences between individual and group contracts	
3. General concepts	
4. COBRA	
5. HIPAA	
<b>F. Long Term Care (LTC)</b>	
1. Individual LTC contracts	
2. Group/voluntary LTC contracts	
<b>G. Limited Benefit Plans</b>	
1. Cancer (or specified diseases) plans	
2. Critical illness plans	
3. Worksite (employer-sponsored) plans	
4. Hospital indemnity plans	
5. Dental	
6. Vision	
<b>VI. HEALTH POLICY PROVISIONS, CLAUSES, AND RIDERS.....</b>	<b>20</b>
<b>A. Mandatory provisions</b>	
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	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
17. Misstatement of age	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>VII. SOCIAL INSURANCE .....</b>	<b>3</b>
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>VIII. OTHER HEALTH INSURANCE CONCEPTS .....</b>	<b>4</b>
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	
<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	
<b>IX. FIELD UNDERWRITING PROCEDURES.....</b>	<b>9</b>
<b>A. Completing application and obtaining necessary signatures</b>	
<b>B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)</b>	
<b>C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)</b>	
<b>D. Submitting application (and initial premium if collected) to company for underwriting</b>	
<b>E. Ensuring delivery of policy and related documents to client</b>	
<b>F. Explaining policy and its provisions, riders, exclusions, and ratings to clients</b>	
<b>G. Replacement</b>	
<b>H. Contract law</b>	
1. Elements of a contract	
2. Insurable interest	
3. Warranties and representations	
4. Unique aspects of the health contract	
a. Conditional	
b. Unilateral	
c. Adhesion	

**LIFE and HEALTH 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), unless otherwise noted

**I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE ..... 12**

**A. Commissioner of Insurance**

Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 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

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

**C. Licensing requirements**

Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030

1. Types
  - a. Agent
  - b. Temporary
  - c. Counselor
2. Exemptions/exceptions
3. Appointment
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension

**D. Marketing practices**

Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4005.053(c), 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

**E. Agent duties/responsibilities**

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

1. Commission sharing

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 5**

**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-.008, 1101.011, 1111.052, 1551.254; TAC §§ 3.101-.106, 3.111-.112, 3.119, 3.123, 3.1708, 3.4301-.4317

**C. Group life**

Ref: Ins. 1131.002, 1131.110-.112

**D. Credit life**

Ref.: Ins. 1153.204, TAC § 3.5104

**E. Nonforfeiture law**

Ref.: Ins. 1105.055, TAC § 3.3844

**III. TEXAS STATUTES AND RULES PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY ..... 5**

**A. Required policy provisions**

1. Coverage for newborns  
Ref.: Ins. 1367.003; TAC § 3.3403
2. Coverage for drug and alcohol treatment  
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

1. Eligibility
2. Coverage and Benefits

**F. Certificate of Coverage**

Ref.: Ins. 887.251 and 887.254

**G. Affordable Care Act**

1. Exchanges/Marketplace
2. Taxes, penalties, and subsidies
3. Essential health benefits
  - a. Mental health parity
  - b. Pediatric services
  - c. Preventive services
4. Employer notification responsibilities

**IV. TEXAS STATUTES AND RULES PERTINENT TO HEALTH MAINTENANCE ORGANIZATIONS (HMOS)..... 3**

Ref.: TAC §§11.505, 11.506

**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 20 pretest questions)*

**I. TYPES OF POLICIES .....25**

**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
3. Business Owners Policy (BOP)
4. Builders Risk

**D. Inland marine**

1. Personal Articles floaters
2. Commercial Property floaters
3. Nationwide Definition

**E. National Flood Insurance Program**

**F. Others**

1. Earthquake
2. Mobile Homes
3. Watercraft
4. Farm Owners
5. Crop/hail
6. Windstorm

**II. INSURANCE TERMS AND RELATED CONCEPTS ..... 14**

**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. Medical Payments**

**V. Blanket vs. Specific**

**W. Burglary, Robbery, Theft, and Mysterious Disappearance**

**III. POLICY PROVISIONS AND CONTRACT LAW ..... 11**

**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. Assignment**

**N. Subrogation**

**O. Elements of a contract**

**P. Warranties, representations, and concealment**

**Q. Sources of underwriting information**

**R. Fair Credit Reporting Act**

**S. Privacy Protection (Gramm Leach Bliley)**

**T. Policy Application**

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

**IV. TYPES OF CASUALTY 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

- (1) Occurrence
  - (2) Claims made
    - (a) Extended Reporting Periods: Basic and Supplemental
    - (b) Retroactive Date
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments
  - d. Supplemental Payments
  - e. Who is an insured
  - f. Limits
  - g. Damage to Property of Others
    - (1) Per occurrence
    - (2) Annual Aggregate
- 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. Garage Coverage Form, including Garagekeepers Insurance
  - 9. Exclusions
  - 10. Individual Insured and Drive Other Car (DOC)
- 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
      - (1) Loss of wages
      - (2) Medical
      - (3) Disability
      - (4) Vocational Rehabilitation
      - (5) Death/Survivor
  - 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
- 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)
- G. Umbrella/Excess Liability**
- V. CASUALTY INSURANCE TERMS AND RELATED CONCEPTS ..... 15**
- A. Risk**
- B. Hazards**
- 1. Moral
  - 2. Morale
  - 3. Physical
- C. Indemnity**
- D. Insurable interest**
- E. Actual cash 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. CASUALTY 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. Additional (supplementary) payments**
- I. Proof of loss**
- J. Notice of claim**
- K. Arbitration**
- L. Other insurance**
- M. Subrogation**

- N. Loss settlement provisions including consent to settle a loss
- O. Terrorism Risk Insurance Act (TRIA)

**PROPERTY AND CASUALTY 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), unless otherwise noted

**I. TEXAS STATUTES AND RULES COMMON TO  
PROPERTY AND CASUALTY 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, 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

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503*

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

**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

**E. Agent duties/responsibilities**

*Ref.: General insurance text*

- 1. Fiduciary capacity

**II. TEXAS STATUTES AND RULES PERTINENT TO  
PROPERTY AND CASUALTY INSURANCE ..... 10**

**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 Art. 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)

**E. 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*

**F. Workers' Compensation**

- Ref: Texas Labor Code Title 5: §§401.011, 406.031-032, 034, 408.041, .82, .186*
- 1. Definitions
  - 2. Coverage
  - 3. Benefits

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

*Ref: Ins. 462.001-.351; TAC § 29.1*

**H. Joint Underwriting Association (JUA)**

**PERSONAL LINES - GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
(75 scoreable questions plus 11 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
- 2. Nationwide Definition

**D. National Flood Insurance Program**

**E. Others**

- 1. Earthquake
- 2. Mobile Homes
- 3. Watercraft
- 4. Crop/hail
- 5. 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. Medical Payments**

**V. Blanket vs. Specific**

**W. Burglary, Robbery, Theft, and Mysterious  
Disappearance**

**X. Warranties**

**Y. Representations**

**Z. Concealment**

**AA. Deposit Premium/Audit**

**BB. Certificate of Insurance**

**CC. Damages**

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

**DD. 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**

**G. Obligations of the insurance company**

**H. Mortgagee rights**

- I. Proof of loss
- J. Notice of claim
- K. Appraisal
- L. Other Insurance Provision
- M. Assignment
- N. Subrogation
- O. Elements of a contract
- P. Warranties, representations, and concealment
- Q. Sources of underwriting information
- R. Fair Credit Reporting Act
- S. Privacy Protection (Gramm Leach Bliley)
- T. Policy Application
- U. Terrorism Risk Insurance Act (TRIA)
- V. Cancellation and nonrenewal provisions
- W. Additional (supplementary) payments
- X. Arbitration

**PERSONAL LINES AGENT  
STATE SPECIFIC CONTENT OUTLINE**  
(25 scoreable questions plus 5 pretest questions)

- 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, 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
  - C. **Licensing requirements**  
*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503*
    - 1. Types
      - a. Agent
      - b. Nonresident agent
      - c. Temporary
      - d. Limited license
      - e. Managing general agent
      - f. Surplus lines
      - g. Adjuster
      - h. Insurance service representative
      - i. Risk manager

- j. Emergency
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. License denial, renewal, expiration
- 6. License termination, revocation, suspension
- 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
- 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 Art. 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)
  - 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*
  - E. **Texas Property and Casualty Insurance Guaranty Association**  
*Ref: Ins. 462.001-.351; TAC § 29.1*

## LIFE AND HEALTH COUNSELOR 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, unless otherwise noted*

### I. TYPES OF LIFE POLICIES

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

#### A. Whole life products

1. Ordinary (straight) life
2. Limited-pay and single premium life
3. Modified and graded premium whole life

#### B. Interest –sensitive life products

1. Universal life
2. Variable life/Variable whole life
3. Variable universal life
4. Interest sensitive whole life
5. Fixed premium vs. flexible premium

#### C. Term life

1. Level, decreasing, increasing
2. Renewable term

#### D. Combination policies and variations

1. Joint life
2. Survivor life

#### E. Annuities

1. Single, level, flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Joint and last survivor
5. Uses

### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS

#### A. Policy riders

1. Waiver of premium
2. Guaranteed insurability

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look
4. Consideration clause
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Common disaster
  - d. Changes
7. Premium payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
8. Reinstatement
9. Policy loans and withdrawals

10. Nonforfeiture options
11. Dividends and dividend options
12. Incontestability
13. Exclusions
14. Misstatement of age
15. Settlement options
16. Suicide

### III. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS

#### A. Third party ownership

#### B. Group life insurance

1. Contributory vs. noncontributory

#### C. Retirement plans

1. Tax-qualified
2. Nonqualified

#### D. Business insurance

1. Key employee
2. Buy and sell agreement
3. Split Dollar
4. Keogh Plan
5. Simplified Employee Pensions (SEPs)
6. Tax sheltered annuities (TSAs)

#### E. Social security benefits and taxes

#### F. Tax treatment of insurance premiums, proceeds, and dividends

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

#### G. IRAs

#### H. Accelerated Death Benefits

#### I. Cash Values/Cash Value Accumulation Test

### IV. TYPES OF HEALTH POLICIES

#### A. Disability income

1. Individual disability income
2. Group disability income
3. Occupational and nonoccupational

#### B. Accidental death and dismemberment

#### C. Medical expense insurance

1. Major medical policies (including comprehensive)
2. Health Maintenance Organizations (HMOs)
3. Preferred Provider Organizations (PPOs)
4. Multiple Employer Trusts (METs)

#### D. Medicare Supplement policies

#### E. Group health insurance

1. Consolidated Omnibus Budget Reconciliation Act (COBRA)
2. Health Insurance Portability and Accountability Act (HIPAA)
3. General concepts

#### F. Long Term Care

### V. HEALTH POLICY PROVISIONS, CLAUSES, RIDERS, AND OPTIONS

#### A. Mandatory provisions

1. Entire contract

2. Time limit on certain defenses
3. Grace period
4. Reinstatement
5. Payment of claims
6. Physical examination and autopsy
7. Legal actions
8. Change of beneficiary

**B. Other provisions and clauses**

1. Insuring clause
2. Free look
3. Consideration clause
4. Elimination period
5. Waiver of premium
6. Coinsurance

**C. Optional provisions**

1. Change of occupation
2. Misstatement of age

**D. Renewability**

1. Cancellable/noncancellable
2. Guaranteed renewable
3. Conditionally renewable

**VI. SOCIAL INSURANCE**

**A. Medicaid**

**B. Medicare**

**C. Social Security**

**VII. OTHER INSURANCE CONCEPTS AND CONTRACT LAW**

**A. Primary and contingent beneficiaries**

**B. Tax treatment of premium and proceeds of insurance contracts (disability income, medical expenses, etc.)**

**C. Nonduplication and coordination of benefits**

**D. Requirements of a contract**

**E. Unique aspects of a health contract**

1. Conditional
2. Unilateral
3. Adhesion

**VIII. LIFE AND HEALTH AGENT RESPONSIBILITIES AND PROCEDURES**

**A. Completing the application**

1. Required signatures
2. Changes in the application
3. Incomplete application
4. Collecting the initial premium and issuing the receipt
5. Initial premium not with application

**B. Underwriting**

1. Insurable interest
2. Medical information/Statement of Good Health
3. Fair Credit Reporting Act
4. Risk classification

**C. Delivery**

1. Effective date of coverage
2. Policy review

**IX. TEXAS STATUTES AND RULES COMMON TO LIFE, ACCIDENT AND HEALTH INSURANCE**

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

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 4005.102*

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

**B. Licensing requirements**

*Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030*

1. Counselor
2. Exemptions/exceptions
3. Agreements
4. License denial, renewal, expiration
5. License termination, revocation, suspension

**C. 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. Rebating
2. Misrepresentation
3. Defamation
4. Unfair discrimination

**D. Texas Life, Accident, Health and Hospital Insurance Guaranty Association**

*Ref.: Ins. 463.001-.451, TAC §21.6*

**X. TEXAS LAWS AND RULES PERTINENT TO LIFE INSURANCE ONLY**

**A. Marketing and solicitation**

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

1. Advertising
2. Illustrations

**B. Group Life**

*Ref.: Ins. 1131.002, 1131.110-.112*

1. Eligible groups

**C. Credit life**

*Ref.: Ins. 1153.204, TAC § 3.5104*

**XI. TEXAS LAWS AND RULES PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY**

**A. Other Required Coverage and Provisions**

1. Newborn and adopted children  
*Ref.: Ins. 1201.064, 1367.003; TAC § 3.3403*
2. Handicapped dependents  
*Ref.: General insurance text*
3. Mental illness, alcoholism, and drug abuse treatment

*Ref.: Ins. 1355.004*

**B. Small employer group**

*Ref.: Ins. 1501.002, 1501.102, 1501.108, 1501.151, 1501.153-154, 1501.252, 1501.352; TAC §26.7-9, 26.13, 26.15-16,*

**C. Group health**

*Ref: TAC § 26.8*

1. Eligible groups

**D. Affordable Care Act**

1. Exchanges/Marketplace
2. Taxes, penalties, and subsidies
3. Essential health benefits
  - a. Mental health parity
  - b. Pediatric services
  - c. Preventive services
4. Employer notification responsibilities

## INSURANCE SERVICE REPRESENTATIVE 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. TYPES OF PROPERTY POLICIES**

**A. Personal lines**

1. Dwelling and contents (DP forms)
2. Personal liability
3. Homeowners (HO forms)

**B. Commercial lines**

1. Commercial property
  - a. Commercial building and personal property form
  - b. Causes of loss forms
2. Commercial Package Policy (CPP)
3. Businessowners Policy (BOP)

**C. Inland marine**

1. Personal floaters
2. Commercial floaters

**D. Others**

1. Flood

**II. TYPES OF CASUALTY POLICIES**

**A. Automotive: personal auto**

1. Liability
2. Medical Payments
3. Physical damage (collision and other than collision/comprehensive)
4. Uninsured motorists
5. Underinsured motorists

**B. 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

**III. INSURANCE TERMS AND RELATED CONCEPTS**

**A. Insurance**

**B. Insurable interest**

**C. Risk**

**D. Hazard**

**E. Peril**

**F. Loss**

1. Direct
2. Indirect

**G. Proximate cause**

**H. Deductible**

**I. Indemnity**

**J. Limits of liability**

**K. Extensions of coverage**

**IV. POLICY PROVISIONS AND CONTRACT LAW**

**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. Proof of loss**

**I. Notice of claim**

**J. Appraisal**

**K. Subrogation**

**L. Arbitration**

**M. Elements of a contract**

**N. Binders**

**O. Fair Credit Reporting Act**

**V. 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), 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
4. Penalties

**B. Insurance definitions**

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

1. Certificate of authority
2. Transacting insurance
3. Stock, mutual
4. Admitted/nonadmitted

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051,*

4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503

1. Types
  - a. Agent
  - b. Nonresident agent
  - c. Temporary
  - d. Limited lines
  - e. Surplus lines
  - f. Adjuster
  - g. Insurance service representative
  - h. Emergency
2. Exemptions/exceptions
3. Appointment
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension

**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. Misrepresentation
  - c. Defamation
  - d. Controlled business
  - e. Rebating
  - f. Fraud

**VI. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY INSURANCE**

**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. Homeowner's Insurance**

1. Declination, cancellation, nonrenewal  
*Ref: General insurance text*
2. Texas FAIR Plan Association
3. Texas Windstorm Insurance Association (TWIA)

**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*

**E. Workers' Compensation**

*Ref: Texas Labor Code Title 5: §§401.011-.013, 401.022, 403.006-.007, 406.002, 406.034, 408.041, 408.001-.008, 408.021-.030, 408.041-.047, 408.061-*

*.064, 408.081-.086, 408.101-.105, 408.121-.129, 408.141-.151, 408.161-.162, 408.182, 409.001-.004, 417.002*

1. Benefits

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

*Ref: Ins. 462.001-.351; TAC § 29.1*

**G. Joint Underwriting Association (JUA)**

**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. INSURANCE TERMS AND RELATED CONCEPTS**

- A. Insurance**
- B. Elements of a contract**
- C. Indemnity**
- D. Risk**
- E. Hazard**
- F. Peril**
- G. Loss**
- H. Proximate cause**
- I. Liability**
- J. Actual Cash Value**
- K. Replacement cost**
- L. Subrogation**
- M. Salvage**
- N. Negligence**
- O. Warranties, representation/misrepresentation**
- P. Lloyd's**
- Q. Reinsurance**

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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. Auto: Renewal, nonrenewal, and cancellation  
*Ref: Ins. 551.101-.113*

6. Purchasing groups  
*Ref.: Ins. 2201.001-.259*
  7. Risk retention  
*Ref.: Ins. 2201.001-.209*
  8. Domestic, foreign, and alien companies  
*Ref.: General insurance text*
  9. Stock, mutual companies  
*Ref.: General insurance text*
- C. Licensing requirements**  
*Ref.: Ins. 981.202-.204; TAC §15.3-.4*
1. Surplus lines agent
  2. Bond
  3. License renewal
  4. License suspension, revocation, termination
- D. Marketing practices**  
*Ref.: Ins. 541.051-.054, 541.057, 541.061, 542.001-.014, 4001.104, 4005.053, 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. 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 §15.22*
  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
  8. Stamping Office  
*Ref.: Ins. 981.105, 981.151-.160; TAC§ 15.23, 15.101*
  9. Recordkeeping  
*Ref.: Ins. 981.215-.216; TAC §§15.5, 15. 7, 15.12, 15.14-.17, 15.19-.20*
  10. Minimum capital and surplus  
*Ref.: Ins. 981.057*
  11. Contract requirements  
*Ref.: Ins. 981.102; TAC §15.21*
  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**
- 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**

### **II. POLICY PROVISIONS**

- A. Declarations**
- B. Insuring Agreement**
- C. Conditions**
- D. Exclusions**
- E. Duties of the insured after a loss**

### **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. Segregation
  7. 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**

**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. Boiler and Machinery (includes small Boiler and Machinery) coverage**

**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**

**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), 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*

1. General powers and duties
2. Examination of records

**B. Licensing requirements**

*Ref.: Ins. 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

**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*

**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**
- 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**

**II. POLICY PROVISIONS**

- 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. Sources of insurability information
- P. Fair Credit Reporting Act
- Q. Additional payments
- R. Subrogation
- S. Claims made policy form
- T. Loss settlement
- U. Limitations
- V. Liberalization clause

### 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), 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, 4001.105-.106, 4003.001-.007, 4001.254, 4004.051-.054, 4005.101-.105, 4051.151, 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
2. Exemptions/exceptions
3. Contract
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension

#### 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

#### E. Duties/responsibilities

*Ref.: TAC §19.1201-1204*

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

#### F. Premium financing/premium taxes

*Ref.: Ins. 221.002*

#### G. Rates and ratemaking

*Ref: Texas Insurance Code Art. 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)

#### L. Workers' Compensation

*Ref.: Texas Labor Code-Title 5: Secs. 401.012; 406.002, 406.034; 407.061-.065, 409.003*

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

#### M. Medical Liability Insurance Underwriting Association (JUA)

*Ref.: TAC §§ 5.2001-.2002*

#### N. Texas Windstorm Insurance Association

*Ref: TAC §§ 5.4016, 5.4700, 5.4800, 5.4903*

- O. Texas Property and Casualty Guaranty Insurance Association**  
*Ref: Ins. 462.001-.351; TAC§ 29.1*
- P. Texas FAIR Plan Association**

## **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**

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

### **II. POLICY PROVISIONS**

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

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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. 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
- 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
- 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. 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. Who is covered
  - b. Federal Employers Liability Act (FELA)  
*Ref.: 45 USC 51-60*
  - c. 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

#### A. General policy terms

1. Basic coverages, provisions, and clauses
2. Limitations and restrictions
3. Proof of loss
4. Loss requirements and inventories
5. Appraisal
6. Company options
7. Cancellation
8. Additional clauses
9. Replacement costs

#### B. Auto liability

1. Personal
2. Coverage
3. PAP

#### C. Personal lines Home owner coverage

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

#### 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 (includes small Boiler and Machinery)
4. Businessowners policy
5. Commercial and Special Multi-peril
6. Cargo

#### E. Inland Marine

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

#### F. Ocean Marine

#### 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. Protection and Indemnity
10. Yacht

#### H. Bonds

### 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. Value 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. Insuring agreement

#### V. Constructive total loss

#### W. Loss

#### X. Warranties

#### Y. Salvage

#### Z. Risk

#### AA. Hazard

#### BB. Liberalization

#### BB. Binder

### III. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY ADJUSTING

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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/hearing
4. Penalties

#### B. Licensing requirements

Ref.: *Ins. 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

**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

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

Ref.: *Ins. 4101.251; TAC Ins § 19.602; General*

*insurance text*

**E. Workers' Compensation**

1. Definitions

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

  - a. Workers' Compensation insurance
  - b. Employer
  - c. Employee
  - d. Disability definitions
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

**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**

**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. Company options
7. Cancellations
8. Additional clauses
9. Replacement costs

**B. Auto liability**

1. Personal
2. Coverage
3. PAP

**C. Personal lines coverage**

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

**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 (includes small Boiler and Machinery)
4. Businessowners policy
5. Commercial and Special Multi-peril
6. Cargo

**E. Inland Marine**

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

**F. Ocean Marine**

**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. Protection and Indemnity
10. Yacht

**H. Bonds**

## 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
- I. Value policy
- J. 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. Insuring agreement
- V. Constructive total loss
- W. Loss
  - Warranties
- X. Salvage
- Y. Risk
- Z. Hazard
- AA. Liberalization
- BB. Binder

## III. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY ADJUSTING

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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/hearing
  - 4. Penalties
- B. Licensing requirements
  - Ref.: Ins. 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
- 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
- D. Adjuster practices, responsibilities, and duties
  - Ref.: Ins. 4102.163; TAC Ins § 19.602; General insurance text*

## 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
- B. Hazard
- C. Peril
- D. Loss
- 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

### 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), 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, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051-.054, 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
  - b. Nonresident agent
  - c. Temporary
  - d. Limited license
2. Exemptions/exceptions
3. Appointment/contract
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension

**D. Marketing practices**

*Ref.: Ins. 541.051-.054, 541.056-.057, 541.060-.061, 542.001-.014, 701.001-.154, 1806.001-.007, 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. Company options
7. Cancellation
8. Additional clauses
9. Replacement costs

**B. Auto liability**

1. Personal
2. Coverage
3. PAP

**C. Personal lines coverage**

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

**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 (includes small Boiler and Machinery)
4. Businessowners policy
5. Commercial and Special Multi-peril
6. Cargo

**E. Inland Marine**

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

**F. Ocean Marine**

**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
10. Coinsurance

**H. Bonds**

**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. Value 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. Insuring agreement**
- V. Constructive total loss**
- W. Loss**
- X. Salvage**
- Y. Risk**
- Z. Hazard**
- AA. Liberalization**

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

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

### **III. TEXAS STATUTES AND RULES PERTINENT TO PUBLIC INSURANCE ADJUSTING**

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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. 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

#### **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**

**LIFE-GENERAL KNOWLEDGE  
CONTENT OUTLINE**

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

- I. TYPES OF POLICIES ..... 12**
- A. Traditional whole life products**
    - 1. Ordinary (straight) life
    - 2. Limited-pay and single-premium life
    - 3. Adjustable life
  - B. Interest/market-sensitive life products**
    - 1. Universal life
    - 2. Variable whole life
    - 3. Variable universal life
    - 4. Interest-sensitive whole life
    - 5. Equity-indexed life
  - C. Term life**
    - 1. Types
      - a. Level
      - b. Decreasing
      - c. Return of premium
      - d. Annually renewable
      - e. Increasing term
    - 2. Special features
      - a. Renewable
      - b. Convertible
  - D. Annuities**
    - 1. Single and flexible premium
    - 2. Immediate and deferred
    - 3. Fixed and variable
    - 4. Indexed
  - E. Combination plans and variations**
    - 1. Joint life
    - 2. Survivorship life (second to die)
- II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS.....19**
- A. Policy riders**
    - 1. Waiver of premium and waiver of premium with disability income
    - 2. Guaranteed insurability
    - 3. Payor benefit
    - 4. Accidental death and/or accidental death and dismemberment
    - 5. Term riders
    - 6. Other insureds (e.g., spouse, children, nonfamily )
    - 7. Long term care
    - 8. Return of premium
  - 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. Changes
      - d. Common disaster
      - e. Minor beneficiaries
    - 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
    - 12. Incontestability
    - 13. Assignments
    - 14. Suicide
    - 15. Misstatement of age and gender
    - 16. Settlement options
    - 17. Accelerated death benefits
- III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICY..... 11**
- 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
  - B. Underwriting**
    - 1. Insurable interest
    - 2. Medical information and consumer reports
    - 3. Fair Credit Reporting Act
    - 4. Risk classification
    - 5. Stranger-originated life insurance (STOLI)
    - 6. Investor-originated life insurance (IOLI)
  - C. Delivering the policy**
    - 1. When coverage begins
    - 2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

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

- A. Third-party ownership**
- B. Group life insurance**
  - 1. Conversion privilege
  - 2. Contributory vs. noncontributory
- C. Retirement plans**
  - 1. Tax-qualified plans
  - 2. Nonqualified plans
- D. Life insurance needs analysis/suitability**
  - 1. Personal insurance needs
  - 2. Business insurance needs
    - a. Key person
- E. Social Security benefits and taxes**
- F. 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**

(35 scoreable questions plus 5 pretest questions)

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

**I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE ..... 23**

- A. Commissioner of Insurance**

Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 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

  - 1. Certificate of authority
  - 2. Transacting insurance
  - 3. Foreign, domestic, alien
  - 4. Stock, mutual
- C. Licensing requirements**

Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030

  - 1. Types
    - a. Agent/Agency
    - b. Temporary
    - c. Counselor
  - 2. Exemptions/exceptions
  - 3. Appointment
  - 4. Continuing education
  - 5. License denial, renewal, expiration

- 6. License termination, revocation, suspension

**D. Marketing practices**

Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4005.053(c), 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

**E. Agent duties/responsibilities**

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

- 1. Commission sharing

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 12**

**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-.008, 1101.011, 1111.052, 1551.254; TAC §§ 3.101-.106, 3.111-.112, 3.119, 3.123, 3.1708, 3.4301-.4317

**C. Group life**

Ref.: Ins. 1131.002, 1131.110-.112

**D. Credit life**

Ref.: Ins. 1153.204, TAC § 3.5104

**E. Nonforfeiture law**

Ref.: Ins. 1105.055, TAC § 3.3844

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

**Product Knowledge, Terms and Concepts**

(100 scoreable questions plus 20 pretest questions)

**I. TYPES OF LIFE POLICIES ..... 12**

**A. Traditional whole life products**

- 1. Ordinary (straight) life
- 2. Limited-pay and single-premium life
- 3. Adjustable life

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

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

**C. Term life**

- 1. Types
  - a. Level
  - b. Decreasing
  - c. Return of premium
  - d. Annually renewable
  - e. Increasing term

2. Special features	
a. Renewable	
b. Convertible	
<b>D. Annuities</b>	
1. Single and flexible premium	
2. Immediate and deferred	
3. Fixed and variable	
4. Indexed	
<b>E. Combination plans and variations</b>	
1. Joint life	
2. Survivorship life (second to die)	
<b>II. LIFE POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS.....19</b>	
<b>A. Policy riders</b>	
1. Waiver of premium and waiver of premium with disability income	
2. Guaranteed insurability	
3. Payor benefit	
4. Accidental death and/or accidental death and dismemberment	
5. Term riders	
6. Other insureds (e.g., spouse, children, nonfamily )	
7. Long term care	
8. Return of premium	
<b>B. Policy provisions and options</b>	
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. Changes	
d. Common disaster	
e. Minor beneficiaries	
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	
12. Incontestability	
13. Assignments	
14. Suicide	
15. Misstatement of age and gender	
16. Settlement options	
17. Accelerated death benefits	
<b>C. Policy exclusions</b>	
<b>III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE LIFE POLICY..... 11</b>	
<b>A. Completing the application</b>	
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	
<b>B. Underwriting</b>	
1. Insurable interest	
2. Medical information and consumer reports	
3. Fair Credit Reporting Act	
4. Risk classification	
5. Stranger-originated life insurance (STOLI)	
6. Investor-originated life insurance (IOLI)	
<b>C. Delivering the policy</b>	
1. When coverage begins	
2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client	
<b>IV. TAXES, RETIREMENT, AND OTHER LIFE INSURANCE CONCEPTS ..... 8</b>	
<b>A. Third-party ownership</b>	
<b>B. Group life insurance</b>	
1. Conversion privilege	
2. Contributory vs. noncontributory	
<b>C. Retirement plans</b>	
1. Tax-qualified plans	
2. Nonqualified plans	
<b>D. Life insurance needs analysis/suitability</b>	
1. Personal insurance needs	
2. Business insurance needs	
a. Key person	
<b>E. Social Security benefits and taxes</b>	
<b>F. Tax treatment of insurance premiums, proceeds, and dividends</b>	
1. Individual life	
2. Group life	
3. Modified Endowment Contracts (MECs)	
<b>V. TYPES OF HEALTH POLICIES ..... 14</b>	
<b>A. Disability income</b>	
1. Individual disability income policy	
2. Business overhead expense policy	
3. Business disability buyout policy	
4. Group disability income policy	
5. Key employee/partner policies	
<b>B. Accidental death and dismemberment</b>	
<b>C. Medical expense insurance</b>	
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. Health Reimbursement Accounts (HRAs)	

8. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)	
9. Stop loss	
<b>D. Medicare supplement policies</b>	
<b>E. Group insurance</b>	
1. Group conversion	
2. Differences between individual and group contracts	
3. General concepts	
4. COBRA	
5. HIPAA	
<b>F. Long Term Care (LTC)</b>	
1. Individual LTC contracts	
2. Group/voluntary LTC contracts	
<b>G. Limited Benefit Plans</b>	
1. Cancer (or specified diseases) plans	
2. Critical illness plans	
3. Worksite (employer-sponsored) plans	
4. Hospital indemnity plans	
5. Dental	
6. Vision	
<b>VI. HEALTH POLICY PROVISIONS, CLAUSES, AND RIDERS.....</b>	<b>20</b>
<b>A. Mandatory provisions</b>	
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	
<b>B. Optional provisions</b>	
<b>C. Other provisions and clauses</b>	
1. Insuring clause	
2. Free look	
3. Consideration clause	
4. Probationary period	
5. Elimination period	
6. Waiver of premium	
7. Exclusions	
8. Preexisting conditions	
9. Recurrent disability	
10. Coinsurance	
11. Deductibles	
12. Eligible expenses	
13. Copayments	
14. Pre-authorizations and prior approval requirements	
15. Usual, reasonable, and customary (URC) charges	
16. Lifetime, annual, or per cause maximum benefit limits	
17. Misstatement of age	
<b>D. Riders</b>	
1. Impairment/exclusions	
2. Guaranteed insurability	
3. Multiple indemnity (double, triple)	
<b>E. Rights of renewability</b>	
1. Noncancelable	
2. Cancelable	
3. Guaranteed renewable	
4. Conditionally renewable	
5. Optionally renewable	
6. Period of time for renewal	
<b>VII. SOCIAL INSURANCE .....</b>	<b>3</b>
<b>A. Medicare</b>	
1. Primary, secondary payor	
2. Medicare Parts A, B, C, D	
<b>B. Medicaid</b>	
<b>C. Social Security benefits</b>	
<b>VIII. OTHER HEALTH INSURANCE CONCEPTS .....</b>	<b>4</b>
<b>A. Total, partial, and residual disability</b>	
<b>B. Owner's rights</b>	
<b>C. Dependent children benefits</b>	
<b>D. Primary and contingent beneficiaries</b>	
<b>E. Modes of premium payments (annual, semiannual, etc.)</b>	
<b>F. Nonduplication and coordination of benefits (e.g., primary vs. excess)</b>	
<b>G. Occupational vs. non-occupational</b>	
<b>H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)</b>	
<b>I. Managed care</b>	
<b>J. Workers Compensation</b>	
<b>K. Subrogation</b>	
<b>IX. FIELD UNDERWRITING PROCEDURES.....</b>	<b>9</b>
<b>A. Completing application and obtaining necessary signatures</b>	
<b>B. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)</b>	
<b>C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)</b>	
<b>D. Submitting application (and initial premium if collected) to company for underwriting</b>	
<b>E. Ensuring delivery of policy and related documents to client</b>	
<b>F. Explaining policy and its provisions, riders, exclusions, and ratings to clients</b>	
<b>G. Replacement</b>	
<b>H. Contract law</b>	
1. Elements of a contract	
2. Insurable interest	
3. Warranties and representations	
4. Unique aspects of the health contract	
a. Conditional	
b. Unilateral	
c. Adhesion	

**LIFE and HEALTH 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), unless otherwise noted

**I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE ..... 12**

**A. Commissioner of Insurance**

Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 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

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

**C. Licensing requirements**

Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030

- 1. Types
  - a. Agent/Agency
  - b. Temporary
  - c. Counselor
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. License denial, renewal, expiration
- 6. License termination, revocation, suspension

**D. Marketing practices**

Ref.: Ins. 541.051-.054, 541.056, 541.060, 542.001-.014, 701.001-.154, 4005.053(c), 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

**E. Agent duties/responsibilities**

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

- 1. Commission sharing

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 5**

**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-.008, 1101.011, 1111.052, 1551.254; TAC §§ 3.101-.106, 3.111-.112, 3.119, 3.123, 3.1708, 3.4301-.4317

**C. Group life**

Ref.: Ins. 1131.002, 1131.110-.112

**D. Credit life**

Ref.: Ins. 1153.204, TAC § 3.5104

**E. Nonforfeiture law**

Ref.: Ins. 1105.055, TAC § 3.3844

**III. TEXAS STATUTES AND RULES PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY ..... 5**

**A. Required policy provisions**

- 1. Coverage for newborns  
Ref.: Ins. 1367.003; TAC § 3.3403
- 2. Coverage for drug and alcohol treatment  
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

- 1. Eligibility
- 2. Coverage and Benefits

**F. Certificate of Coverage**

Ref.: Ins. 887.251 and 887.254

**G. Affordable Care Act**

- 1. Exchanges/Marketplace
- 2. Taxes, penalties, and subsidies
- 3. Essential health benefits
  - a. Mental health parity
  - b. Pediatric services
  - c. Preventive services
- 4. Employer notification responsibilities

**IV. TEXAS STATUTES AND RULES PERTINENT TO HEALTH MAINTENANCE ORGANIZATIONS (HMOS)..... 3**

Ref.: TAC §§11.505, 11.506

**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 20 pretest questions)*

**I. TYPES OF POLICIES .....25**

**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
3. Business Owners Policy (BOP)
4. Builders Risk

**D. Inland marine**

1. Personal Articles floaters
2. Commercial Property floaters
3. Nationwide Definition

**E. National Flood Insurance Program**

**F. Others**

1. Earthquake
2. Mobile Homes
3. Watercraft
4. Farm Owners
5. Crop/hail
6. Windstorm

**II. INSURANCE TERMS AND RELATED CONCEPTS ..... 14**

**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. Medical Payments**

**V. Blanket vs. Specific**

**W. Burglary, Robbery, Theft, and Mysterious Disappearance**

**III. POLICY PROVISIONS AND CONTRACT LAW ..... 11**

**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. Assignment**

**N. Subrogation**

**O. Elements of a contract**

**P. Warranties, representations, and concealment**

**Q. Sources of underwriting information**

**R. Fair Credit Reporting Act**

**S. Privacy Protection (Gramm Leach Bliley)**

**T. Policy Application**

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

**IV. TYPES OF CASUALTY 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
    - (1) Occurrence

- (2) Claims made
    - (a) Extended Reporting Periods: Basic and Supplemental
    - (b) Retroactive Date
  - b. Coverage B: Personal Injury and Advertising Injury
  - c. Coverage C: Medical Payments
  - d. Supplemental Payments
  - e. Who is an insured
  - f. Limits
  - g. Damage to Property of Others
    - (1) Per occurrence
    - (2) Annual Aggregate
- 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. Garage Coverage Form, including Garagekeepers Insurance
  - 9. Exclusions
  - 10. Individual Insured and Drive Other Car (DOC)
- 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
      - (1) Loss of wages
      - (2) Medical
      - (3) Disability
      - (4) Vocational Rehabilitation
      - (5) Death/Survivor
  - 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
- 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)
- G. Umbrella/Excess Liability**
- V. CASUALTY INSURANCE TERMS AND RELATED CONCEPTS ..... 15**
- A. Risk**
- B. Hazards**
- 1. Moral
  - 2. Morale
  - 3. Physical
- C. Indemnity**
- D. Insurable interest**
- E. Actual cash 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. CASUALTY 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. Additional (supplementary) payments**
- I. Proof of loss
  - J. Notice of claim
  - K. Arbitration
  - L. Other insurance
  - M. Subrogation

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

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

**PROPERTY AND CASUALTY 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), unless otherwise noted

**I. TEXAS STATUTES AND RULES COMMON TO  
PROPERTY AND CASUALTY 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, 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
6. Texas Lloyds

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503*

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

**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..... 10**

**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 Art. 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)

**E. 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)
  - 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*

**F. Workers' Compensation**

*Ref: Texas Labor Code Title 5: §§401.011, 406.031-032, 034, 408.041, .82, .186*

1. Definitions
2. Coverage
3. Benefits

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

*Ref: Ins. 462.001-.351; TAC § 29.1*

**H. Joint Underwriting Association (JUA)**

**PERSONAL LINES - GENERAL KNOWLEDGE  
CONTENT OUTLINE**

**Product Knowledge, Terms and Concepts**  
(75 scoreable questions plus 11 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
2. Nationwide Definition

**D. National Flood Insurance Program**

**E. Others**

1. Earthquake
2. Mobile Homes
3. Watercraft
4. Crop/hail
5. 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. Medical Payments**

**V. Blanket vs. Specific**

**W. Burglary, Robbery, Theft, and Mysterious Disappearance**

**X. Warranties**

**Y. Representations**

**Z. Concealment**

**AA. Deposit Premium/Audit**

**BB. Certificate of Insurance**

**CC. Damages**

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

**DD. 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**

**G. Obligations of the insurance company**

- H. Mortgagee rights
- I. Proof of loss
- J. Notice of claim
- K. Appraisal
- L. Other Insurance Provision
- M. Assignment
- N. Subrogation
- O. Elements of a contract
- P. Warranties, representations, and concealment
- Q. Sources of underwriting information
- R. Fair Credit Reporting Act
- S. Privacy Protection (Gramm Leach Bliley)
- T. Policy Application
- U. Terrorism Risk Insurance Act (TRIA)
- V. Cancellation and nonrenewal provisions
- W. Additional (supplementary) payments
- X. Arbitration

- i. Risk manager
- j. Emergency
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. License denial, renewal, expiration
- 6. License termination, revocation, suspension

**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)*

**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, 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

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503*

- 1. Types
  - a. Agent
  - b. Nonresident agent
  - c. Temporary
  - d. Limited license
  - e. Managing general agent
  - f. Surplus lines
  - g. Adjuster
  - h. Insurance service representative

**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 Art. 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)

**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*

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

*Ref: Ins. 462.001-.351; TAC § 29.1*

## LIFE AND HEALTH COUNSELOR 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, unless otherwise noted*

### I. TYPES OF LIFE POLICIES

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

#### A. Whole life products

1. Ordinary (straight) life
2. Limited-pay and single premium life
3. Modified and graded premium whole life

#### B. Interest –sensitive life products

1. Universal life
2. Variable life/Variable whole life
3. Variable universal life
4. Interest sensitive whole life
5. Fixed premium vs. flexible premium

#### C. Term life

1. Level, decreasing, increasing
2. Renewable term

#### D. Combination policies and variations

1. Joint life
2. Survivor life

#### E. Annuities

1. Single, level, flexible premium
2. Immediate and deferred
3. Fixed and variable
4. Joint and last survivor
5. Uses

### II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS

#### A. Policy riders

1. Waiver of premium
2. Guaranteed insurability

#### B. Policy provisions and options

1. Entire contract
2. Insuring clause
3. Free look
4. Consideration clause
5. Owner's rights
6. Beneficiary designations
  - a. Primary and contingent
  - b. Revocable and irrevocable
  - c. Common disaster
  - d. Changes
7. Premium payment
  - a. Modes
  - b. Grace period
  - c. Automatic premium loan
8. Reinstatement

9. Policy loans and withdrawals
10. Nonforfeiture options
11. Dividends and dividend options
12. Incontestability
13. Exclusions
14. Misstatement of age
15. Settlement options
16. Suicide

### III. TAXES, RETIREMENT, AND OTHER INSURANCE CONCEPTS

#### A. Third party ownership

#### B. Group life insurance

1. Contributory vs. noncontributory

#### C. Retirement plans

1. Tax-qualified
2. Nonqualified

#### D. Business insurance

1. Key employee
2. Buy and sell agreement
3. Split Dollar
4. Keogh Plan
5. Simplified Employee Pensions (SEPs)
6. Tax sheltered annuities (TSAs)

#### E. Social security benefits and taxes

#### F. Tax treatment of insurance premiums, proceeds, and dividends

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

#### G. IRAs

#### H. Accelerated Death Benefits

#### I. Cash Values/Cash Value Accumulation Test

### IV. TYPES OF HEALTH POLICIES

#### A. Disability income

1. Individual disability income
2. Group disability income
3. Occupational and nonoccupational

#### B. Accidental death and dismemberment

#### C. Medical expense insurance

1. Major medical policies (including comprehensive)
2. Health Maintenance Organizations (HMOs)
3. Preferred Provider Organizations (PPOs)
4. Multiple Employer Trusts (METs)

#### D. Medicare Supplement policies

#### E. Group health insurance

1. Consolidated Omnibus Budget Reconciliation Act (COBRA)
2. Health Insurance Portability and Accountability Act (HIPAA)
3. General concepts

#### F. Long Term Care

### V. HEALTH POLICY PROVISIONS, CLAUSES, RIDERS, AND OPTIONS

#### A. Mandatory provisions

1. Entire contract
  2. Time limit on certain defenses
  3. Grace period
  4. Reinstatement
  5. Payment of claims
  6. Physical examination and autopsy
  7. Legal actions
  8. Change of beneficiary
- B. Other provisions and clauses**
1. Insuring clause
  2. Free look
  3. Consideration clause
  4. Elimination period
  5. Waiver of premium
  6. Coinsurance
- C. Optional provisions**
1. Change of occupation
  2. Misstatement of age
- D. Renewability**
1. Cancellable/noncancellable
  2. Guaranteed renewable
  3. Conditionally renewable
- VI. SOCIAL INSURANCE**
- A. Medicaid**
- B. Medicare**
- C. Social Security**
- VII. OTHER INSURANCE CONCEPTS AND CONTRACT LAW**
- A. Primary and contingent beneficiaries**
- B. Tax treatment of premium and proceeds of insurance contracts disability income, medical expenses, etc.)**
- C. Nonduplication and coordination of benefits**
- D. Requirements of a contract**
- E. Unique aspects of a health contract**
1. Conditional
  2. Unilateral
  3. Adhesion
- VIII. LIFE AND HEALTH AGENT RESPONSIBILITIES AND PROCEDURES**
- A. Completing the application**
1. Required signatures
  2. Changes in the application
  3. Incomplete application
  4. Collecting the initial premium and issuing the receipt
  5. Initial premium not with application
- B. Underwriting**
1. Insurable interest
  2. Medical information/Statement of Good Health
  3. Fair Credit Reporting Act
  4. Risk classification
- C. Delivery**
1. Effective date of coverage
  2. Policy review

**D. Commission/Fees**

**IX. TEXAS STATUTES AND RULES COMMON TO LIFE, ACCIDENT AND HEALTH INSURANCE**

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

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001-.002, 31.021, 38.001, 82.001-.056, 86.001-.002, 201.004, 401.051-.062, 404.051-.053, 481.001-.009, 491.051-.052, 521.003-.004, 4001.005, 4005.102*

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

**B. Licensing requirements**

*Ref.: Ins. 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.304, 1115.056; TAC §§1.502, 19.1001-.1030*

1. Counselor
2. Exemptions/exceptions
3. Agreements
4. License denial, renewal, expiration
5. License termination, revocation, suspension

**C. 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. Rebating
2. Misrepresentation
3. Defamation
4. Unfair discrimination

**D. Texas Life, Accident, Health and Hospital Insurance Guaranty Association**

*Ref.: Ins. 463.001-.451, TAC §21.6*

**X. TEXAS LAWS AND RULES PERTINENT TO LIFE INSURANCE ONLY**

**A. Marketing and solicitation**

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

1. Advertising
2. Illustrations

**B. Group Life**

*Ref: Ins. 1131.002, 1131.110-.112*

1. Eligible groups

**C. Credit life**

*Ref.: Ins. 1153.204, TAC § 3.5104*

**XI. TEXAS LAWS AND RULES PERTINENT TO ACCIDENT AND HEALTH INSURANCE ONLY**

**A. Other Required Coverage and Provisions**

1. Newborn and adopted children  
*Ref: Ins.1201.064, 1367.003; TAC § 3.3403*
2. Handicapped dependents  
*Ref: General insurance text*

3. Mental illness, alcoholism, and drug abuse treatment

*Ref.: Ins. 1355.004*

**B. Small employer group**

*Ref.: Ins. 1501.002, 1501.102, 1501.108, 1501.151, 1501.153-154, 1501.252, 1501.352; TAC §26.7-9, 26.13, 26.15-16,*

**C. Group health**

*Ref: TAC § 26.8*

1. Eligible groups

**D. Affordable Care Act**

1. Exchanges/Marketplace
2. Taxes, penalties, and subsidies
3. Essential health benefits
  - a. Mental health parity
  - b. Pediatric services
  - c. Preventive services
4. Employer notification responsibilities

**INSURANCE SERVICE REPRESENTATIVE  
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. TYPES OF PROPERTY POLICIES**

**A. Personal lines**

1. Dwelling and contents (DP forms)
2. Personal liability
3. Homeowners (ISO HO forms)

**B. Commercial lines**

1. Commercial property
  - a. Commercial building and personal property form
  - b. Causes of loss forms
2. Commercial Package Policy (CPP)
3. Businessowners Policy (BOP)
4. Crime

**C. Inland marine**

1. Personal floaters
2. Commercial floaters

**D. Others**

1. Flood

**II. TYPES OF CASUALTY POLICIES**

**A. Automotive: personal auto**

1. Liability
2. Medical Payments
3. Physical damage (collision and other than collision/comprehensive)
4. Uninsured motorists
5. Underinsured motorists

**B. 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

**III. INSURANCE TERMS AND RELATED CONCEPTS**

**A. Insurance**

**B. Insurable interest**

**C. Risk**

**D. Hazard**

**E. Peril**

**F. Loss**

1. Direct
2. Indirect

**G. Proximate cause**

**H. Deductible**

**I. Indemnity**

**J. Limits of liability**

**K. Extensions of coverage**

**IV. POLICY PROVISIONS AND CONTRACT LAW**

**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. Proof of loss**

**I. Notice of claim**

**J. Appraisal**

**K. Subrogation**

**L. Arbitration**

**M. Elements of a contract**

**N. Binders**

**O. Fair Credit Reporting Act**

**V. 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), 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
4. Penalties

**B. Insurance definitions**

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

1. Certificate of authority
2. Transacting insurance
3. Stock, mutual
4. Admitted/nonadmitted

**C. Licensing requirements**

*Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC §§1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503*

1. Types
  - a. Agent
  - b. Nonresident agent
  - c. Temporary
  - d. Limited lines
  - e. Surplus lines
  - f. Adjuster
  - g. Insurance service representative
  - h. Emergency
2. Exemptions/exceptions
3. Appointment
4. Continuing education
5. License denial, renewal, expiration
6. License termination, revocation, suspension

**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. Misrepresentation
  - c. Defamation
  - d. Controlled business
  - e. Rebating
  - f. Fraud
2. Rating and underwriting practices

**VI. TEXAS STATUTES AND RULES PERTINENT TO PROPERTY AND CASUALTY INSURANCE**

**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. Homeowner's Insurance**

1. Declination, cancellation, nonrenewal  
*Ref: General insurance text*
2. Texas FAIR Plan Association
3. Texas Windstorm Insurance Association (TWIA)

**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*

**E. Workers' Compensation**

*Ref: Texas Labor Code Title 5: §§401.011-.013, 401.022, 403.006-.007, 406.002, 406.034, 408.041, 408.001-.008, 408.021-.030, 408.041-.047, 408.061-.064, 408.081-.086, 408.101-.105, 408.121-.129, 408.141-.151, 408.161-.162, 408.182, 409.001-.004, 417.002*

1. Benefits

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

*Ref: Ins. 462.001-.351; TAC § 29.1*

**G. Joint Underwriting Association (JUA)**

**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. INSURANCE TERMS AND RELATED CONCEPTS**

- A. Insurance**
- B. Elements of a contract**
- C. Indemnity**
- D. Risk**
- E. Hazard**
- F. Peril**
- G. Loss**
- H. Proximate cause**
- I. Liability**
- J. Actual Cash Value**
- K. Replacement cost**
- L. Subrogation**
- M. Salvage**
- N. Negligence**
- O. Warranties, representation/misrepresentation**
- P. Lloyd's**
- Q. Reinsurance**

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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*
7. Domestic, foreign, and alien companies  
*Ref.: General insurance text*
8. Stock, mutual companies  
*Ref.: General insurance text*

**C. Licensing requirements**

*Ref.: Ins. 981.202-.204; TAC §15.3-.4*

1. Surplus lines agent
2. License renewal
3. License suspension, revocation, termination

**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. Unfair/Prohibited trade practices
  - 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 §15.22*
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§ 15.23, 15.101*
9. Recordkeeping  
*Ref.: Ins. 981.215-.216; TAC §§15.5, 15. 7, 15.12, 15.14-.17, 15.19-.20*
10. Minimum capital and surplus  
*Ref.: Ins. 981.057*
11. Contract requirements  
*Ref.: Ins. 981.102; TAC §15.21*

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**
- 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**

**II. POLICY PROVISIONS**

- A. Declarations**
- B. Insuring Agreement**
- C. Conditions**
- D. Exclusions**
- E. Duties of the insured after a loss**

**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. Segregation
  - 7. 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**
  - 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. Boiler and Machinery (includes small Boiler and Machinery) coverage**
  - 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**
  - 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), 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*

    - 1. General powers and duties
    - 2. Examination of records
  - B. Licensing requirements**

*Ref.: Ins. 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
- 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*

## 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**
  - 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**

## II. POLICY PROVISIONS

- 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. Sources of insurability information
- P. Fair Credit Reporting Act
- Q. Additional payments
- R. Subrogation
- S. Claims made policy form
- T. Loss settlement
- U. Limitations
- V. Liberalization clause

## 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), 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, 4001.105-.106, 4003.001-.007, 4001.254, 4004.051-.054, 4005.101-.105, 4051.151, 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

2. Exemptions/exceptions

3. Contract

4. Continuing education

5. License denial, renewal, expiration

6. License termination, revocation, suspension

7. Appointments

### 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*

- 1. Fiduciary capacity
- 2. Processes
- 3. Reinsurance
- 4. Reports/records

### F. Premium financing/premium taxes

*Ref.: Ins. 221.002*

### G. Rates and ratemaking

*Ref: Texas Insurance Code Art. 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

### L. Workers' Compensation

*Ref.: Texas Labor Code-Title 5: Secs. 401.012; 406.002, 406.034; 407.061-.065, 409.003*

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

**M Medical Liability Insurance Underwriting Association (JUA)**

*Ref.: TAC §§ 5.2001-2002*

**N. 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**

*Ref.: Ins.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

**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
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. 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'*

**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**

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

**II. POLICY PROVISIONS**

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

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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**

*Compensation Policy*

- a. Employers Liability insurance
- b. Other States insurance
- 14. Federal Workers' Compensation (US Code)  
*Ref.: Texas Workers' Compensation Manual*
  - a. Who is covered
  - b. Federal Employers Liability Act (FELA)  
*Ref.: 45 USC 51-60*
  - c. 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**
  - A. General policy terms**
    - 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
    - 3. PAP
  - C. Personal lines Home owner coverage**
    - 1. Dwelling and contents
    - 2. Homeowners forms/coverages
      - a. Policy provisions
      - b. Replacement costs
      - c. Appraisal
      - d. Optional provisions
      - e. Special limits of liability
      - f. Proof of loss
    - 3. General property forms
      - a. ISO, HO-B, HO-C
  - 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 (includes small Boiler and Machinery)
    - 4. Businessowners policy
    - 5. Commercial and Special Multi-peril
    - 6. Cargo
  - E. Inland Marine**

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

**F. Ocean Marine**  
**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. Protection and Indemnity
- 10. Yacht

**H. Bonds**

**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**
- H. Valued policy**
- I. Appraisal**
- J. Actual cash value, fair market value**
- K. Robbery**
- L. Burglary and theft**
- M. Agreed value**
- N. Replacement cost**
- O. Indemnity**
- P. Damages**
- Q. Subrogation**
- R. Other insurance**
- S. Arbitration**
- T. Insuring agreement**
- U. Constructive total loss**
- V. Loss**
- W. Warranties**
- X. Salvage**
- Y. Risk**
- Z. Hazard**
- AA. Liberalization**
- BB. Binder**

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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/hearing
4. Penalties

**B. Licensing requirements**

*Ref.: Ins. 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

**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

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

*Ref.: Ins. 4101.251; TAC Ins § 19.602; General insurance text*

**E. Workers' Compensation**

1. Definitions

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

  - a. Workers' Compensation insurance
  - b. Employer
  - c. Employee
  - d. Disability definitions
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

## 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**

**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
3. PAP

**C. Personal lines coverage**

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

**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 (includes small Boiler and Machinery)
4. Businessowners policy
5. Commercial and Special Multi-peril
6. Cargo

**E. Inland Marine**

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

**F. Ocean Marine**

**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. Protection and Indemnity
- 10. Yacht

**H. Bonds**

**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**
- I. Valued policy**
- J. 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. Insuring agreement**
- V. Constructive total loss**
- W. Loss**
  - Warranties
- X. Salvage**
- Y. Risk**
- Z. Hazard**
- AA. Liberalization**
- BB. Binder**

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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/hearing
  - 4. Penalties
- B. Licensing requirements**

*Ref.: Ins. 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

**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

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

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

**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**
- B. Hazard**
- C. Peril**
- D. Loss**
- 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**

**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), 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, 4001.254, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4051.051-.054, 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
  2. Exemptions/exceptions
  3. Appointment/contract
  4. Continuing education
  5. License denial, renewal, expiration
  6. License termination, revocation, suspension
- D. Marketing practices**  
*Ref.: Ins. 541.051-.054, 541.056-.057, 541.060-.061, 542.001-.014, 701.001-.154, 1806.001-.007, 4001.104, 4005.053(e), 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. Auto liability**
1. Personal
  2. Coverage
  3. PAP
- C. Personal lines coverage**
1. Dwelling and contents
  2. Homeowners forms/coverages
    - a. Policy provisions
    - b. Replacement costs
    - c. Appraisal
    - d. Optional provisions
    - e. Special limits of liability
    - f. Proof of loss
  3. General property forms
    - a. ISO, HO-B, HO-C
- 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 (includes small Boiler and Machinery)
  4. Businessowners policy
  5. Commercial and Special Multi-peril
  6. Cargo
- E. Inland Marine**
1. Definitions
  2. Policies
    - a. Personal floaters
    - b. Commercial floaters
    - c. Commercial inland marine
- F. Ocean Marine**
- 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
  10. Coinsurance
- H. Bonds**

## 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. Insuring agreement
- V. Constructive total loss
- W. Loss
- X. Salvage
- Y. Risk
- Z. Hazard
- AA. Liberalization

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

*All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), 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. 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

### 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; TAC 19.708, 19.713; General insurance text*

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