

THIS COURSE OUTLINE IS OUR GIFT FROM THE DEPARTMENT OF INSURANCE. HERE, THEY TELL US EXACTLY WHAT IS ON THE TEST. THEY EVEN TELL US HOW MANY QUESTIONS THERE WILL BE FROM EACH ROMAN NUMERAL HEADING - FOR EXAMPLE, THERE WILL BE 25 QUESTIONS FROM I AND 14 FROM II.

USE THIS AS YOUR GUIDE AND CHECKLIST. I HAVE INDEXED THIS OUTLINE TO THE COURSE MATERIAL, GIVING YOU THE LESSON OR SLIDE NUMBER WHERE WE WENT OVER EACH TOPIC.

ON TEST DAY, YOU HAVE TO MAKE A 70. YOU CAN MISS 42 QUESTIONS AND STILL PASS. AFTER THIS COURSE YOU SHOULD RECOGNISE WHAT 98% OF THE QUESTIONS ARE ABOUT. THERE MAY BE A FEW RANDOM QUESTIONS THAT POP UP ABOUT OBSCURE POLICIES THAT NOBODY HAS EVER HEARD OF. JUST PICK YOUR BEST ANSWER ON MOVE ON WHEN THAT HAPPENS.

GENERAL KNOWLEDGE CONTENT OUTLINE

Product Knowledge, Terms and Concepts

(100 scoreable questions plus 15 pretest questions)

I.	TYPES OF POLICIES.....	25
	A. Homeowners	
	1. HO-2	
	2. HO-3	
	3. HO-4 LESSONS 8-12	
	4. HO-5	
	5. HO-6	
	6. HO-8	
	B. Dwelling policies	
	1. DP-1	
	2. DP-2 LESSON 17	
	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 LESSONS 18-26	
	d. Extra expense	
	e. Equipment breakdown	
	3. Business Owners Policy (BOP)	
	4. Builders Risk	
	D. Inland marine	
	1. Personal Articles floaters LESSON 34	
	2. Commercial Property floaters SLIDE 188	
	E. National Flood Insurance Program LESSON 35	
	F. Others	
	1. Earthquake	
	2. Mobile Homes	
	3. Watercraft LESSON 35	
	4. Farm Owners	
	5. Windstorm	
II.	INSURANCE TERMS AND RELATED CONCEPTS.....	14
	A. Insurance	
	1. Law of Large Numbers LESSON 37-A	
	B. Insurable interest LESSON 37-B	
	C. Risk LESSON 37-C	
	1. Pure vs. Speculative Risk	

- D. Hazard LESSON 37-D**
 - 1. Moral
 - 2. Morale
 - 3. Physical
- DI. Peril LESSON 2**
- DII. Loss SLIDE 113**
 - 1. Direct
 - 2. Indirect
- DIII. Loss Valuation**
 - 1. Actual cash value LESSON 3
 - 2. Replacement cost
 - 3. Market value
 - 4. Stated/agreed value SLIDES 389-393
 - 5. Salvage value SLIDE 360
- DIV. Proximate cause LESSON 6**
- DV. Deductible LESSON 37-E**
- DVI. Indemnity LESSON 37-F**
- DVII. Limits of liability LESSON 37-G**
- DVIII. Coinsurance/Insurance to value LESSON 4**
- DIX. Occurrence SLIDE 133**
- DX. Cancellation SLIDE 168**
- DXI. Nonrenewal SLIDE 168**
- DXII. Vacancy and unoccupancy SLIDE 128**
- DXIII. Liability LESSON 6**
 - 1. Absolute
 - 2. Strict
 - 3. Vicarious
- DXIV. Negligence LESSON 6**
- DXV. Binder LESSON 37-J**
- DXVI. Endorsements**
- DXVII. Blanket vs. Specific LESSON 37-K**
- III. POLICY PROVISIONS AND CONTRACT LAW 11**
 - A. Declarations LESSON 4**
 - B. Insuring agreement**
 - C. Conditions**
 - D. Exclusions ALL DONE IN POLICY REVIEW**
 - E. Definition of the insured**
 - F. Duties of the insured**
 - G. Obligations of the insurance company**
 - H. Mortgagee rights SLIDE 143**
 - I. Proof of loss SLIDE 139**
 - J. Notice of claim SLIDE 138**
 - K. Appraisal SLIDE 140**
 - L. Other Insurance Provision LESSON 37-L**
 - M. Subrogation SLIDE 168**
 - N. Elements of a contract LESSON 37-M**
 - O. Warranties, representations, and concealment LESSON 37-M**
 - P. Sources of underwriting information LESSON 37-N**
 - Q. Fair Credit Reporting Act LESSON 37-N**
 - R. Privacy Protection (Gramm Leach Bliley) SLIDE 498**
 - S. Policy Application**
 - T. Terrorism Risk Insurance Act (TRIA) LESSON 37-O**
- IV. TYPES OF POLICIES, BONDS, AND RELATED TERMS 25**
 - A. Commercial general liability LESSON 27**
 - 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) 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
 - (1) Per occurrence
 - (2) Annual Aggregate
 - g. Damage to Property of Others
- B. Automobile: personal auto and business auto**
 - 1. Liability
 - a. Bodily Injury
 - b. Property Damage LESSON 31
 - 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
 - 2. Work-related vs. non-work-related
 - 3. Other states' insurance
 - 4. Employers Liability LESSON 36
 - 5. Exclusive remedy
 - 6. Premium Determination
- D. Crime**
 - 1. Employee Dishonesty
 - 2. Theft COVERED IN BOP REVIEW
 - 3. Robbery

- 4. Burglary
- 5. Forgery and Alteration
- 6. Mysterious disappearance

E. Bonds LESSON 30

- 1. Surety
- 2. Fidelity

F. Professional liability SLIDE 288

- 1. Errors and Omissions
- 2. Medical Malpractice
- 3. Directors and Officers (D&O)

G. Employment Practices Liability (EPLI)

H. Cyber liability and data breach

G. Umbrella/Excess Liability

V. INSURANCE TERMS AND RELATED CONCEPTS 14

A. Risk

B. Hazards

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

C. Indemnity ALL REPEATED FROM PERSONAL LINES

D. Insurable interest

E. Loss valuation

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

F. Negligence

G. Liability

H. Occurrence

I. Binders

J. Warranties

K. Representations

L. Concealment

M. Deposit Premium/Audit LESSON 37-P

N. Certificate of Insurance

O. Law of Large Numbers

P. Pure vs. Speculative Risk

Q. Endorsements

R. Damages LESSON 6

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

S. Compliance with provisions of Fair Credit Reporting Act

VI. POLICY PROVISIONS 11

A. Declarations

B. Insuring agreement ALL REPEATED FROM PERSONAL LINES

C. Conditions

D. Exclusions and Limitations

E. Definition of the insured

F. Duties of the insured after a loss

G. Cancellation and nonrenewal provisions

H. Supplementary payments

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

(30 scoreable questions plus 5 pretest questions) LESSON 38

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

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

A. Commissioner of Insurance

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

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

B. Insurance definitions

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

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

C. Licensing requirements

Ref.: Ins. 981.202, 1115.056, 4001.003, 4001.105, 4001.151-.156, 4001.201, 4001.205, 4001.252, 4001.255, 4003.001, 4003.004, 4003.006-.007, 4004.051-055, 4005.101-.102, 4005.105, 4051.051, 4053.051, 4056.001-.004, 4153.051; TAC § 1.502, 19.1001-.1030, 19.1201-.1206, 19.1301-.1320, 19.1501-.1503, 19.805

- 1. Types
 - a. Agent/agency
 - b. Nonresident agent
 - c. Temporary
 - d. Limited license
 - e. Managing general agent
 - f. Surplus lines
 - g. Adjuster
 - h. Insurance service representative
 - i. Risk manager
 - j. Emergency
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education

5. Records maintenance
6. License application, denial, renewal, expiration
7. License termination, revocation, suspension
8. Notification to Department of certain information
 - a. Change of address
 - b. Felony convictions
 - c. Administrative action taken against a license holder

D. Marketing practices

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

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

E. Agent duties/responsibilities

Ref.: General insurance text

1. Fiduciary capacity

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

A. Property and casualty definitions

Ref.: TAC § 5.5002

B. Surplus lines

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

C. Approval of Rates and Forms

Ref: Texas Insurance Code Sec. 5.35

D. Homeowner's Insurance

1. Declination, cancellation, nonrenewal

Ref: General insurance text

2. Texas FAIR Plan Association
3. Texas Windstorm Insurance Association (TWIA)
4. Loss settlement provisions

Ref: Texas Insurance Code § 542.051-.061; § 542.15 - .154

5. Liquidated demand

Ref: Texas Insurance Code §862.053

E. Automobile insurance

1. Provisions

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

- a. Coverage
 - b. Uninsured Motorists/Underinsured Motorists
 - c. Personal Injury Protection (PIP)
 - d. Medical payments
2. Financial responsibility and required minimum liability limits

Ref: Transportation Code: § 601.051, 601.053, 601.056-.057, 601.071-.072

3. Renewal, nonrenewal, and cancellation

Ref: Ins. 551.101-.113, 551.151-.152; TAC § 5.7002

4. Texas Automobile Insurance Plan Association

Ref: Ins. 2151.051-.154

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)

Ref: Ins. Chapter 2203