This is what's on the test. It comes straight from the Department of Insurance.

I-III are Property
IV-VI are Casualty

You can see the notations as to how many questions are drawn from each Section Heading

Texas does not regulate the business of Pre-Licensing Exam Prep. Anyone can take the exam. So, there is No Course Completion Certificate at the end of the class. You just make your test appointment when you feel ready.

PROPERTY AND CASUALTY - GENERAL KNOWLEDGE CONTENT OUTLINE

Product Knowledge, Terms and Concepts

(100 scoreable questions plus 10 pretest questions)

I. TYPES OF POLICIES... 22

- **A. Homeowners**
  1. HO-2
  2. HO-3
  3. HO-4
  4. HO-5
  5. HO-6
  6. HO-8
- **B. Dwelling policies**
  1. DP-1
  2. DP-2
  3. DP-3
- **C. Commercial lines**
  1. Commercial Package Policy (CPP)
  2. Commercial property
     - a. Commercial building and business personal property form
     - b. Causes of loss forms
     - c. Business income
     - d. Extra expense
     - e. Equipment breakdown
  3. Business Owners Policy (BOP)
  4. Builders Risk
  5. Cyber First-Party Coverage
- **D. Inland marine**
  1. Personal Articles floaters
  2. Commercial Property floaters
- **E. National Flood Insurance Program**
- **F. Others**
  1. Earthquake
  2. Mobile Homes
  3. Watercraft
  4. Farm Owners
  5. Windstorm

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

- **A. Insurance**
  1. Law of Large Numbers
- **B. Insurable interest**
- **C. Risk**
  1. Pure vs. Speculative Risk
- **D. Hazard**
  1. Moral
  2. Morale
  3. Physical
- **E. Peril**
- **F. Loss**
  1. Direct
  2. Indirect
- **G. Loss Valuation**
  1. Actual cash value

2. Replacement cost
3. Market value
4. Stated/agreed value
5. Salvage value

H. Proximate cause
I. Deductible
J. Indemnity
K. Limits of liability
L. Coinsurance/Insurance to value
M. Occurrence
N. Cancellation
O. Nonrenewal
P. Vacancy and unoccupancy
Q. Liability

1. Absolute
2. Strict
3. Vicarious

R. Negligence
S. Binder
T. Endorsements
U. Blanket vs. Specific

III. POLICY PROVISIONS AND CONTRACT LAW 13

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

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

A. Commercial general liability

1. Exposures
   a. Premises and Operations
   b. Products and Completed Operations
2. Coverage
   a. Coverage A: Bodily Injury and Property Damage Liability (Occurrence, Claims made including Retroactive Date)
   b. Coverage B: Personal Injury and Advertising Injury
   c. Coverage C: Medical Payments
   d. Supplemental Payments
   e. Who is an insured
   f. First named insured
   g. Limits (Per occurrence, Annual Aggregate)
   h. Damage to Property of Others

B. Automobile: personal auto and business auto

1. Liability
   a. Bodily Injury
   b. Property Damage
   c. Split Limits
   d. Combined Single Limit
2. Medical Payments
3. Physical Damage (collision; other than collision; specified perils)
4. Uninsured motorists
5. Underinsured motorists
6. Who is an insured
7. Types of Auto
   a. Owned
   b. Non-owned
   c. Hired
   d. Temporary Substitute
   e. Newly Acquired Autos
   f. Transportation Expense and Rental Reimbursement Expense
8. Auto Dealers Coverage Form, including Garagekeepers Insurance
9. Exclusions
10. Individual Insured and Drive Other Car (DOC)
11. Mobile equipment

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

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

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

D. Crime

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

E. Bonds

1. Surety
2. Fidelity

F. Professional liability

1. Errors and Omissions
2. Medical Malpractice
3. Directors and Officers (D&O)
4. Employment Practices Liability (EPLI)

5. Cyber liability and data breach, funds transfer
6. Liquor liability

G. Umbrella/Excess Liability

H. Business Owners Policy (BOP)

V. INSURANCE TERMS AND RELATED CONCEPTS 15

A. Risk

B. Hazards
1. Moral
2. Morale
3. Physical

C. Indemnity

D. Insurable interest

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

F. Negligence

G. Liability

H. Occurrence

I. Binders

J. Warranties

K. Representations

L. Concealment

M. Deposit Premium/Audit

N. Certificate of Insurance

O. Law of Large Numbers

P. Pure vs. Speculative Risk

Q. Endorsements

R. Damages
1. Compensatory
   a. General
   b. Special
2. Punitive

S. Compliance with provisions of Fair Credit Reporting Act

VI. POLICY PROVISIONS...12

A. Declarations

B. Insuring agreement

C. Conditions

D. Exclusions and Limitations

E. Definition of the insured

F. Duties of the insured after a loss

G. Cancellation and nonrenewal provisions

H. Supplementary payments

I. Proof of loss

J. Notice of claim

K. Other insurance

L. Subrogation

M. Loss settlement provisions including consent to settle a loss

N. Terrorism Risk Insurance Act (TRIA)

PROPERTY AND CASUALTY AGENT STATE SPECIFIC CONTENT OUTLINE

(30 scoreable questions plus 5 pretest questions)

All references are to the Texas Insurance Code (TIC) 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
1. General powers and duties
   Ref.: TIC 31.001, 31.002, 31.021, 201.004, 404.051-.053, 481.001-.009, 491.051-.052, 541.107-108, 4001.005, 86.001-.002
2. Examination of records
   Ref.: TIC 521.003-.004, 401.051-.062
3. Investigation/Notice of hearing
   Ref.: TIC 541.107-108, 38.001; Govt 2001.051
4. Penalties
   Ref.: TIC 546.152, 82.001-.056, 4005.102,
5. Cease and desist orders
   Ref.: TIC 546.151, 83.051-.054

B.Insurance definitions
1. Certificate of authority
   Ref.: TIC 801.051-.053
2. Transacting insurance
   Ref.: TAC § 15.2
3. Foreign, domestic, alien
   Ref.: TIC 982.001
4. Stock, mutual
   Ref.: TIC 547.001, 801.001
5. Admitted/nonadmitted
   Ref.: TIC 801.052
6. Texas Lloyds
   Ref: TIC 941.051

C. Licensing requirements
1. Types
   a. Agent/agency
      Ref.: TIC 4001.003, 4001.051, 4051.051; 28 TAC § 19.1501-.1503
   b. Nonresident agent
      Ref.: TIC 4056
   c. Temporary
      Ref.: TIC 4001.151-.156
   d. Limited license
      Ref.: TIC 4051.101
   e. Managing general agent
      Ref.: TIC 19.1201-.1206
   f. Surplus lines
      Ref.: TIC 981.202
   g. Adjuster
      Ref.: TIC 4101.001-.005
   h. Risk manager
      Ref.: TIC 4153.051; TAC § 19.1301-.1320
   i. Emergency
      Ref.: TIC 4051.054
2. Exemptions/exceptions
   Ref.: TIC 4053.051

3. Appointment
   Ref.: TIC 4001.201
4. Continuing education
   Ref.: TIC 1115.056, 4004.051-055, TAC § 19.1001-.1030
5. Records maintenance
   Ref.: TIC 4001.255
6. License application, denial, renewal, expiration
   Ref.: TIC 4001.105, 4003.001, 4003.004, 4003.006-.007, 4005.105 TAC 19.805
7. License termination, revocation, suspension
   Ref.: TIC 4005.101-.102, 4005.105
8. Notification to Department of certain information
   a. Change of address
   Ref.: TIC 4001.252
   b. Felony convictions
   Ref.: TAC § 1.502
   c. Administrative action taken against a license holder
   Ref.: TIC 4005.101-.102

D. Marketing practices

1. Unfair/Prohibited trade practices
   Ref.: TIC 4005.101
   a. Claims methods and practices
   Ref.: TIC 541.101-.111; 542.001-.014, .054-.058; 4005.053, 4005.101; 28 TAC § 21.201-.205
   b. False advertising
   Ref.: TAC § 21.11, 21.115
   c. Misrepresentation
   Ref.: TIC 541.051-.054 541.060 542.001-.014; TAC § 21.4
   d. Defamation
   Ref.: TIC 541.053
   e. Controlled business/Intent to engage
   Ref.: TIC 4001.104
   f. Rebating
   Ref.: TIC 541.056, 1806.104
   g. Discrimination
   Ref.: TIC 544.002, 1806.153
   h. Fraud
   Ref.: TIC 701.001-.154
   i. Boycott, coercion, intimidation
   Ref.: TIC 541.054
2. Rating and underwriting practices
   Ref: TAC §5.9340-9357

E. Agent duties/responsibilities

Ref.: TAC § 4.620

1. Commission sharing
   Ref.: TIC 4001.157, 4005.053-.054

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

C. Approval of Rates and Forms

Ref: TIC 5.35

D. Homeowner's Insurance

1. Declination, cancellation, nonrenewal
   Ref: TIC 551.001-.113
2. Texas FAIR Plan Association
   Ref.: TIC 2211.051-.059
3. Texas Windstorm Insurance Association (TWIA)
   Ref.: TIC 2210.001-.084
4. Loss settlement provisions
   Ref: TIC § 542.051-.061; § 542.15 -.154
5. Liquidated demand
   Ref: TIC §862.053

E. Automobile insurance

1. Provisions
   a. Coverage
   Ref: Transportation Code: Chapter 601; TAC § 5.204
   b. Uninsured Motorists/Underinsured Motorists
   Ref.: TIC 1952.101–.110
   c. Personal Injury Protection (PIP)
   Ref.: TIC 1952.151–.161
   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: TIC 551.101–.113, 551.151-.152; TAC § 5.7002
4. Texas Automobile Insurance Plan Association
   Ref: TIC 2151.051–.154
5. Transportation network company (rideshare)
   Ref: Chap. 1954

F. Workers' Compensation

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

G. Texas Property and Casualty Insurance Guaranty Association

Ref: TIC 462.001–.351; TAC § 29.1

H. Texas Medical Liability Underwriting Association (JUA)

Ref: TIC. Chapter 2203.001 – .152