

---

**Addendum: for use with Tennessee Property and Casualty online ExamFX course and study guide version 26846en 26847en, per exam content outline updates effective 01/01/2023.**

---

The following are **content additions** to supplement your existing text unless otherwise indicated.

---

## **Introduction**

### **Exam Breakdowns – revised exam breakdowns**

#### **Tennessee Property Insurance Examination**

**77 Total Questions (68 scored, 9 pretest)**

**Time Limit: 1 hour 45 minutes**

**Passing Score: 70%**

<b>CHAPTERS</b>	<b>PERCENTAGE OF EXAM</b>
<b>General Knowledge:</b>	
Insurance Terms and Related Concepts	22%
Policy Provisions and Contract Law	19%
Types of Policies	32%
<b>State Law:</b>	
Tennessee Laws and Departmental Rules Common to All Lines	21%
Tennessee Laws and Departmental Rules Pertinent to Property Insurance Only	6%



**Tennessee Casualty Insurance Examination**  
**77 Total Questions (68 scored, 9 pretest)**  
**Time Limit: 1 hour, 45 minutes**  
**Passing Score: 70%**

<b>CHAPTERS</b>	<b>PERCENTAGE OF EXAM</b>
<b>General Knowledge:</b>	
Insurance Terms and Related Concepts	22%
Policy Provisions	18%
Types of Policies, Bonds, and Related Terms	34%
<b>State Law:</b>	
Tennessee Laws and Departmental Rules Common to All Lines	21%
Tennessee Laws and Departmental Rules Pertinent to Casualty Insurance Only	5%

## **Types of Policies**

### **B. Commercial Lines**

#### **Cyber First-Party Coverage**

With an ever-growing reliance on technology, it is no surprise that cyberattacks and data breaches are more common than ever. Businesses that obtain and store personal, financial, or otherwise sensitive data are prone to extortion and fraud. To protect businesses and consumers, cyber insurance is made available to businesses, designed to lessen the financial impact resulting from cyberattacks and data breaches.

Cyber security insurance is broken into the following coverage types:

- **First-party cyber insurance** – Protects businesses from damages resulting from cyber losses to the business' own network or system; and
- **Third-party cyber insurance** – Covers legal expenses for lawsuits resulting from a business's inability to properly secure consumer data.

Examples of losses covered by a first-party cyber policy include:

- Business interruption and lost revenue;
- Customer notifications;
- Credit monitoring services for affected customers;
- Ransom payments to extortionists holding data hostage; and
- Costs associated with public relation campaigns.

## **Types of Policies, Bonds, and Related Terms**

### **B. Automotive: Personal Auto and Business Auto**

#### **11. Business Auto**

##### **Mobile Equipment Endorsement**

Under the business auto coverage form, mobile equipment is covered for liability insurance when being carried or towed by a covered auto. If a land vehicle that fits the definition of mobile equipment, but because of where or how it is being used becomes subject to compulsory insurance as if it were an auto, an insured could potentially have a coverage problem. For example, a bulldozer is required to have compulsory insurance because to get from one part of a job site to another, it must drive on a public road. If the insured has a Symbol 7 (Specified Auto) listed on the Declarations, that bulldozer would need to be included on the insured's vehicle schedule to be covered for liability. If it is not listed, a solution would be to use this endorsement. The bulldozer would be specifically described in the endorsement and granted coverage.

Covered autos liability coverage does not apply to bodily injury, property damage, or covered pollution cost or expense resulting from the operation of any machinery or equipment that is on, attached to, or part of any of the covered autos.

### **E. Professional Liability**

#### **Liquor Liability**

Liquor liability (also known as dram shop liability) refers to the exposure that bars, restaurants, and other similar establishments face due to the selling, distributing, manufacturing, or serving of alcoholic beverages. Liquor liability provides protection in the event of action brought against the insured for selling liquor to a customer who is later involved in an accident and suffers bodily injury or property damage.

Businesses of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages all may have liability exposure to actions under state or local statutes that establish responsibilities for those injuries arising from the distribution or use of alcoholic beverages and causing injuries to the user or caused to others by the user.



**Businessowners Policy (BOP)** – *please refer to the online course for complete text (“Types of Policies, Bonds, and Related Terms” chapter)*

## **Tennessee Laws and Departmental Rules Common to All Lines**

### **B. License Requirements**

#### **1. Definitions**

##### **Compensation and Referrals**

If a producer is engaged only in the sale of insurance policies, the producer cannot represent that the producer is a financial planner, investment adviser, financial counselor, risk manager, or any other specialist engaged in financial advice unless the producer actually holds some form of certification or designation.

It is an unfair trade practice for an insurance producer to engage in the business of financial planning without disclosing to the client prior to the solicitation of the sale of a product or service, that the person is also an insurance salesperson, and that a commission for the sale of an insurance product will be received in addition to a fee for financial planning, if such is the case.

Fees not associated with the sale of insurance products must be based upon a qualified written agreement and include services charged, charge amounts, and a disclosure stating that a client is not obligated to purchase any insurance product.