
Addendum: for use with Texas Property and Casualty online ExamFX courses and study guide version 25923en, per exam content outline updates effective 9/1/2022.

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

Introduction

Exam Breakdown – new exam breakdown

**Texas Property and Casualty Insurance
145 Total Questions (130 scored, 15 pretest)**

CHAPTER	PERCENTAGE OF EXAM
General Knowledge:	
Insurance Terms and Related Concepts	23%
Policy Provisions and Contract Law	19%
Types of Property Policies	17%
Types of Casualty Policies, Bonds, and Related Terms	18%
State Law:	
Texas Statutes, Rules and Regulations Common to All Lines	14%
Texas Statutes, Rules and Regulations for P&C Only	9%

Policy Provisions and Contract Law

D. Provisions and Clauses

Policy Territory

The policy territory defines the location where coverage will be provided.

Types of Property 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 Casualty Policies, Bonds, and Related Terms

A. Automobile: Personal Auto and Business Auto

Business Auto Coverage Forms

Mobile Equipment

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.

F. 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, (“Types of Casualty Policies, Bonds, and Related Terms” chapter) for complete text*

Texas Statutes and Rules Common to Property and Casualty Insurance

B. Commissioner of Insurance

3. Investigations, Hearings, and Penalties – *time limits updated*

Unless the person in violation requests a hearing, emergency cease and desist orders are final **61 days** from the date they are received.

The person charged may request a hearing to contest or review the charges. The written request must be made **within 60 days** of the emergency cease and desist order. The hearing must be held no later than **30 days** after the date the Commissioner receives the request for a hearing.

C. Licensing Requirements

1. Types of Licensees

Nonresident Agents – *addition to the existing text*

A nonresident license will automatically be suspended, canceled, or revoked if the licensee's home state suspends, cancels, or revokes the licensee's resident license.

A nonresident license may also be granted to individuals not licensed in other states as long as the applicant has:

- Passed the examination for an agent's license;
- Met eligibility requirements after an examination of the applicant's criminal history records; and
- Satisfied all requirements for an individual license as required under law.

Temporary – *section revised as follows:*

The Commissioner may issue a **temporary agent's license** to an applicant who is being considered for appointment as an agent by another agent, an insurer, or a health maintenance organization (HMO), without a written examination. An agent, insurer, or HMO that is considering appointment of a temporary license applicant must provide at least 40 hours of training to the applicant within 30 days after applying for the license.

A temporary license is valid for **180 days** after the date of issuance. A temporary license may not be issued to a person who does not intend to apply for a license to sell insurance to the general public.