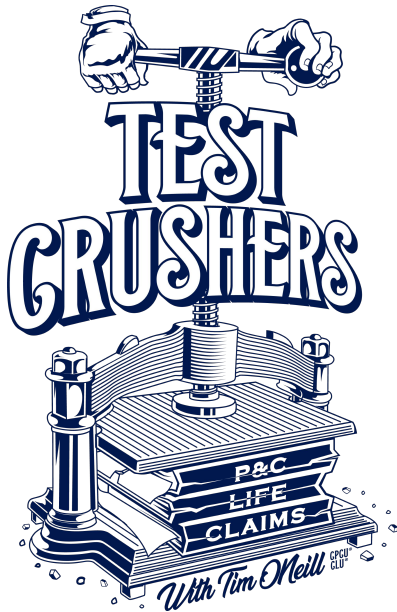


**This is the updated course content outline for 2023-2024. This is what is on the Life and Health Agent Exam**



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

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

**I. TYPES OF POLICIES ..... 15**

**A. Traditional whole life products**

1. Ordinary whole life
2. Limited-pay and single-premium life

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

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

**C. Term life**

7. Types
  - c. Level
  - d. Decreasing
  - e. Return of premium
  - f. Annually renewable
8. Special features
  - c. Renewable

**D. Convertible Annuities**

1. Single and flexible premium

2. Immediate and deferred
  3. Fixed and variable
  4. Indexed
  5. Accumulation and Annuity Periods
  6. Payout options
- E. Combination plans and variations**
1. Joint life (first to die)
  2. Survivorship life (second to die)

**II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS..... 15**

- A. Policy riders**
1. Waiver of premium and waiver of monthly deduction
  2. Guaranteed insurability
  3. Payor benefit
  4. Accidental death and/or accidental death and dismemberment
  5. Term riders
  6. Other insureds
  7. Long term care
  8. Return of premium
  9. Disability
  10. Cost of Living
- 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. Common disaster
    - d. Minor beneficiaries
    - e. Designation by class
  7. Premium Payment
    - a. Modes
    - b. Grace period
    - c. Automatic premium loan
    - d. Level or flexible
  2. Reinstatement
  3. Policy loans, withdrawals, partial surrenders
  4. Non-forfeiture options
  5. Dividends and dividend options (eg. participating, non-participating)
  6. Incontestability
  7. Assignments
  8. Suicide
  9. Misstatement of age and gender
  10. Settlement options
  11. Accelerated death benefits
- D. Policy exclusions**
1. War
  2. Aviation
  3. Dangerous Occupation

**III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICES..... 12**

**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
- 9. Gramm-Leach-Bliley Act (GLBA) Privacy

**B. Underwriting**

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

**C. Delivering the policy**

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

**D. Contract law**

- 1. Elements of a contract
  - a. Consideration
  - b. Offer and Acceptance
  - c. Competent parties
  - d. Legal purpose
- 2. Unique aspects of the insurance contract
  - a. Conditional
  - b. Unilateral
  - c. Adhesion
  - d. Aleatory

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

**A. Third-party ownership**

**B. Life Settlements**

**C. Group life insurance**

- 1. Conversion privilege
- 2. Contributory vs. noncontributory

**D. Retirement plans**

- 1. Qualified plans
- 2. Nonqualified plans

**E. Life insurance needs analysis/suitability**

- 1. Personal insurance needs
- 2. Business insurance needs
  - a. Key person
  - b. Buy sell

**F. Social Security benefits**

**G. Tax treatment of insurance premiums, proceeds, and dividends**

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

**V. TYPES OF POLICIES..... 16**

**A. Disability income**

- 1. Individual disability income policy

- 2. Business overhead expense policy
- 3. Business disability buyout policy
- 4. Group disability income policy
- 5. Key employee policy

**B. Accidental death and dismemberment**

**C. Medical expense insurance**

- 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. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)
- 8. Health Reimbursement Accounts (HRAs)

**D. Medicare supplement policies**

**E. Group insurance**

- 1. Differences between individual and group contracts
- 2. General characteristics
- 3. COBRA

**F. Individual/Group Long Term Care (LTC)**

- 1. Eligibility
- 2. Levels of care

**G. Other policies**

- 1. Dental
- 2. Vision
- 3. Cancer
- 4. Critical illness or specified disease
- 5. Worksite (employer-sponsored)
- 6. Hospital indemnity
- 7. Short-term medical
- 8. Accident

**VI. POLICY PROVISIONS, CLAUSES, AND RIDERS..... 15**

**A. Mandatory and optional provisions**

- 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
- 13. Misstatement of age or gender
- 14. Change of occupation
- 15. Illegal occupation
- 16. Relation of earnings to insurance

**B. Other provisions and clauses**

- 1. Insuring clause
- 2. Free look
- 3. Consideration clause
- 4. Probationary period
- 5. Elimination period

6. Waiver of premium
7. Exclusions and limitations
8. Preexisting conditions
9. Coinsurance
10. Deductibles
11. Eligible expenses
12. Copayments
13. Pre-authorizations and prior approval requirements
14. Usual, reasonable, and customary (URC) charges
15. Lifetime, annual, or per cause maximum benefit limits

**C. Riders**

1. Impairment/exclusions
2. Guaranteed insurability
3. Future increase option

**D. Rights of renewability**

1. Noncancelable
2. Cancelable
3. Guaranteed renewable

**VII. SOCIAL INSURANCE..... 6**

**A. Medicare (Parts A, B, C, D)**

**B. Medicaid**

**C. Social Security benefits**

**VIII. OTHER INSURANCE CONCEPTS ..... 5**

**A. Total, partial, recurrent and residual disability**

**B. Owner's rights**

**C. Dependent children benefits**

**D. Primary and contingent beneficiaries**

**E. Modes of premium payments**

**F. Nonduplication and coordination of benefits (e.g., primary vs. excess)**

**G. Occupational vs. non-occupational**

**H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)**

**I. Managed care**

**J. Workers Compensation**

**K. Subrogation**

**IX. FIELD UNDERWRITING PROCEDURES ..... 8**

**A. Completing the application**

**B. Explaining sources of insurability and HIPAA privacy information (e.g., MIB Report, Fair Credit Reporting Act, etc.)**

**C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.)**

**D. Submitting application (and initial premium if collected) to company for underwriting**

**E. Policy delivery**

**F. Explaining policy and its provisions, riders, exclusions, and ratings to clients**

**G. Replacement**

**H. Contract law**

1. Elements of a contract
2. Insurable interest

3. Warranties and representations
4. Unique aspects of the insurance contract
  - a. Conditional
  - b. Unilateral
  - c. Adhesion
  - d. Aleatory

**LIFE and HEALTH AGENT  
STATE SPECIFIC CONTENT OUTLINE**

*(30 scoreable questions plus 5 pretest questions)*

*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 LIFE AND HEALTH INSURANCE..... 14**

**A. Commissioner of Insurance**

*Ref.: Ins. 31.001-.002, 31.021-.022, 38.001, 82.001-.056, 86.001-.002, 401.051-.056, 404.003, 051-.053, 521.003-.004, 541.107-108, 546.151, 4001.005, 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. 101.051; 547.001; 801.051-.053, .057, 885.001-706; TAC § 3.9704; General insurance text*

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

**C. Licensing requirements**

*Ref.: Ins. 4001.003, .006; 4001.104-.106, 4001.151-.156, 4001.201 - .206, 4001.252, 4001.254-255, 4002.003, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.303, 1115.056, 4056; TAC § 1.502, 19.1001-.1030*

1. Types
  - a. Agent/Agency
  - b. Temporary
2. Exemptions/exceptions
3. Appointment
4. Continuing education
5. Records maintenance
6. License 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-.61, .101-.111; 542.001-.014, .054-.058; 544.002; 701.001-.005, .051-.052, .101-.109, .151-.154; 1104.024; 4005.053, 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
  - h. Commingling
  - i. Unfair discrimination

**E. Agent duties/responsibilities**

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

1. Commission sharing
2. Fiduciary capacity

**F. Texas Life and Health Guaranty Association**

Ref.: Ins. 443.004, 463.205

**II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY ..... 6**

**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-.009, .053 .055, .156; 1101.011, 1103.055; 1108.101; 1111.052; 1551.254; TAC § 3.101-.106, 3.111-.112, 3.119, 3.121, 3.123, 3.4301-.4317, 3.804 (5)(A)

**C. Individual life and annuity**

Ref.: Ins. 1101.001, .105, .009, .051; 1116.002; TAC § 3.9711

1. Free look
2. Grace period
3. Policy loans
4. Prohibited provisions

**D. Group life**

Ref.: Ins. 1101.053; 1131.001-.806

1. Group eligibility and underwriting requirements
2. Conversion to individual policy
3. Dependent coverage
4. Assignment

**E. Credit life**

Ref.: Ins. 1153.003, .004, .151, .153, .155, .157, .201-.204, TAC § 3.5001 – 3.5206

**F. Replacement**

Ref.: Ins. 1114.001 - .102

1. Purpose
2. Definitions
3. Duties of agent
4. Duties of replacing insurance company

**G. Nonforfeiture law**

Ref.: Ins. 1105.001 - .153, TAC § 3.3844

**III. Texas statutes and rules pertinent to accident and health insurance only ..... 7**

**A. Required policy provisions**

1. Coverage for newborns  
Ref.: Ins. 1551.004; 1367.003; TAC § 3.3403
2. Coverage for chemical dependency  
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; Ins 1501

1. Eligibility
2. Coverage and Benefits

**F. Affordable Care Act**

1. Exchanges/Marketplace (Section 1321)
2. Taxes and subsidies (Section 1401, 1402)
3. Essential health benefits (Section 1302, 18022)
  - a. Mental health and substance use disorder services
  - b. Pediatric services
  - c. Preventive services
4. Employer notification responsibilities (Section 1511-1515)

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

Ref.: TAC Chapter 11; 11.501, 11.1611; Ins. 843, 1271

**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 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)