

Texas P&C

Identify whose loss - and which coverage.

01 Replacement cost is not actual cash value

Replacement cost uses the cost to repair or replace without deducting depreciation. Actual cash value subtracts depreciation from replacement cost.¹

A limit or deductible can still affect payment. Replacement cost is a valuation method, not a promise to pay any amount requested.^{1,2}

02 Liability versus your vehicle

Liability addresses qualifying injury or damage owed to others. Collision addresses damage to the insured vehicle from a collision with a vehicle or object.³

Comprehensive addresses covered noncollision losses, such as theft. Do not put theft into collision merely because the property is a car.³

Keep going with the full quick sheet.

6 more focused sections: Read 30 / 60 / 25 correctly / Lost income versus extra cost / UM/UIM rejection is written / Amount is not coverage / Occurrence versus claims-made / Match the surety obligation.

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Selective study prompts - not a complete syllabus or insurance advice. Read the cited provision with its conditions and exceptions.

SOURCES - CLICK A LABEL TO CHECK THE ORIGINAL

1. Home insurance policies: Replacement cost or...

2. Home insurance guide

3. Auto insurance guide

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examrefine.com | Selected reminders, not complete exam coverage.