

PRACTICE EXAM 12: TENNESSEE PROPERTY AND CASUALTY INSURANCE (100 QUESTIONS)

This 100-question combined Property and Casualty study simulation is for exam preparation. Tennessee administers separate major-line Property and Casualty producer examinations; verify current testing details with Pearson VUE and the Tennessee Department of Commerce and Insurance. Choose the single best answer for each question.

1. In a property and casualty review, a policy condition usually describes

- A. duties and requirements that apply to coverage
- B. a covered peril only
- C. a premium discount
- D. the policy's title

2. In a property and casualty review, an exclusion is intended to

- A. increase an agreed value
- B. name additional insureds
- C. create a binder
- D. identify losses or property not covered

3. In a property and casualty review, a unilateral insurance contract means

- A. both parties exchange equal promises
- B. only the insurer makes an enforceable promise
- C. the insured may change terms alone
- D. no premium is required

4. In a property and casualty review, an insurance contract is conditional because

- A. it has no exclusions
- B. it is always negotiable
- C. payment depends on specified conditions being met
- D. it covers speculative risk

5. In a property and casualty review, a contract of adhesion is drafted primarily by

- A. the producer
- B. the claimant
- C. the reinsurer
- D. the insurer

6. In a property and casualty review, a contract is aleatory because

- A. the premium is optional
- B. coverage is illegal
- C. values exchanged may be unequal depending on a loss
- D. no application is needed

7. In a property and casualty review, an applicant must generally have insurable interest

- A. only at renewal
- B. when the policy is issued
- C. only after a loss
- D. only when a claim is denied

8. In a property and casualty review, the principle of utmost good faith requires

- A. honesty and disclosure of material information
- B. automatic claim payment
- C. maximum policy limits
- D. a guaranteed dividend

9. In a property and casualty review, a homeowners policy is designed primarily for

- A. commercial warehouses
- B. owner-occupied residential property and personal liability
- C. ocean cargo
- D. workers compensation

10. In a property and casualty review, coverage C in a homeowners policy generally covers

- A. personal property
- B. the dwelling
- C. other structures
- D. loss assessment only

11. In a property and casualty review, under homeowners coverage, an unattached shed is usually

- A. the dwelling
- B. a business personal property item
- C. an other structure
- D. an inland marine item

12. In a property and casualty review, loss of use coverage may help pay

- A. routine home maintenance
- B. a mortgage principal balance
- C. a property appraisal

D. additional living expense after a covered loss

13. In a property and casualty review, personal liability coverage responds to

- A. wear and tear to the home
- B. covered claims alleging bodily injury or property damage
- C. intentional criminal fines
- D. a decrease in investment value

14. In a property and casualty review, medical payments to others coverage is generally intended for

- A. small medical expenses regardless of legal liability
- B. damage to the insured's home
- C. lost business income
- D. the insured's own injuries

15. In a property and casualty review, a named-peril policy covers

- A. every cause except exclusions
- B. only liability claims
- C. only flood damage
- D. only losses caused by listed perils

16. In a property and casualty review, an open-peril property form covers

- A. only fire and lightning
- B. only scheduled property
- C. direct physical loss unless excluded
- D. only premises liability

17. In a property and casualty review, replacement cost coverage differs from actual cash value because it

- A. always pays market value
- B. covers land value
- C. removes the deductible
- D. does not deduct depreciation when its conditions are met

18. In a property and casualty review, a coinsurance clause encourages

- A. insurance fraud
- B. insurance to value
- C. liability waivers
- D. policy cancellation

19. In a property and casualty review, vacancy can affect property coverage because it

- A. turns a peril into a hazard
- B. eliminates insurable interest
- C. may increase the chance of undetected loss
- D. creates auto liability

20. In a property and casualty review, a dwelling policy is most appropriate for

- A. a residential property that may be non-owner occupied
- B. a commercial auto fleet
- C. a workers compensation risk
- D. a general liability exposure

21. In a property and casualty review, the basic dwelling form typically provides

- A. open-peril coverage on all property
- B. named-peril coverage
- C. liability-only coverage
- D. flood coverage

22. In a property and casualty review, a commercial package policy can combine

- A. multiple commercial coverages in one policy
- B. only personal auto coverages
- C. only life coverages
- D. only government benefits

23. In a property and casualty review, business personal property includes

- A. the land beneath a building
- B. a building's foundation only
- C. movable property owned by a business
- D. a personal auto liability limit

24. In a property and casualty review, business income coverage is intended to help with

- A. ordinary stock-market decline
- B. an employee's medical bills
- C. a customer refund
- D. lost income after a covered direct loss

25. In a property and casualty review, extra expense coverage helps pay

- A. the policy deductible

- B. reasonable costs to continue operations after a covered loss
- C. a prior year's taxes
- D. a liability judgment

26. In a property and casualty review, a businessowners policy commonly packages

- A. property and liability coverage for eligible small businesses
- B. life and annuity coverage
- C. ocean marine and aviation
- D. workers compensation only

27. In a property and casualty review, inland marine insurance often covers

- A. only homes
- B. only workers injuries
- C. only auto liability
- D. property that is movable or has a special exposure

28. In a property and casualty review, a personal articles floater is commonly used for

- A. general business income
- B. employers liability
- C. valuable scheduled personal property
- D. a building's foundation

29. In a property and casualty review, the National Flood Insurance Program generally insures against

- A. earth movement
- B. ordinary wind damage
- C. auto collision
- D. flood damage

30. In a property and casualty review, a standard homeowners policy generally excludes

- A. fire
- B. theft
- C. flood
- D. windstorm

31. In a property and casualty review, a standard homeowners policy generally excludes

- A. earth movement
- B. lightning
- C. smoke
- D. vandalism

32. In a property and casualty review, a surety bond involves

- A. an insurer, reinsurer, and broker
- B. a principal, obligee, and surety
- C. a landlord, tenant, and lender
- D. a buyer, seller, and appraiser

33. In a property and casualty review, a fidelity bond protects an employer from

- A. damage from fire
- B. dishonest acts of employees
- C. automobile collision
- D. professional negligence

34. In a property and casualty review, general liability insurance primarily covers

- A. damage to the insured's own building
- B. workers compensation benefits
- C. loss of investment income
- D. legal liability for bodily injury and property damage

35. In a property and casualty review, products-completed operations coverage relates to

- A. injury to employees only
- B. loss of business records
- C. injury or damage arising from products or completed work
- D. flood to inventory

36. In a property and casualty review, premises and operations coverage concerns

- A. liability arising from ongoing business activities
- B. damage to cargo in transit
- C. personal auto damage
- D. employee retirement benefits

37. In a property and casualty review, professional liability is designed for claims alleging

- A. intentional property damage
- B. negligent professional services
- C. fire loss to a building
- D. theft of business inventory

38. In a property and casualty review, an occurrence liability form is triggered by

- A. when bodily injury or property damage occurs

- B. when the claim is reported only
- C. when the premium is audited
- D. when a policy is renewed

39. In a property and casualty review, a claims-made form is generally triggered by

- A. when a building is constructed
- B. when an employee is hired
- C. when a claim is first made during the coverage period
- D. when an auto is purchased

40. In a property and casualty review, an umbrella policy generally provides

- A. primary property coverage only
- B. workers compensation benefits
- C. guaranteed replacement cost
- D. liability limits above underlying coverage

41. In a property and casualty review, workers compensation is intended to provide

- A. coverage for homeowners claims
- B. benefits for job-related injuries or illness
- C. auto collision protection
- D. life insurance proceeds

42. In a property and casualty review, employers liability coverage addresses

- A. damage to an employee's car
- B. the employer's inventory loss
- C. certain employer liability outside workers compensation benefits
- D. personal umbrella claims

43. In a property and casualty review, a commercial crime policy can cover

- A. employee theft
- B. a liability suit by a customer
- C. wind damage to a roof
- D. an auto collision

44. In a property and casualty review, a commercial auto policy may cover

- A. only owner-occupied homes
- B. only flood damage
- C. only employee dishonesty
- D. business-owned vehicles

45. In a property and casualty review, auto liability coverage is intended to pay for

- A. repairs to the insured's engine only
- B. ordinary depreciation
- C. a traffic ticket fine
- D. injury or damage the insured is legally responsible for

46. In a property and casualty review, collision coverage applies when a covered auto

- A. is damaged by hail
- B. is stolen
- C. hits another object or overturns
- D. is struck by lightning

47. In a property and casualty review, other-than-collision coverage commonly includes

- A. theft and hail
- B. wear and tear
- C. mechanical breakdown
- D. intentional damage

48. In a property and casualty review, uninsured motorist coverage protects an insured injured by

- A. the insured's own collision
- B. a driver with no liability insurance
- C. a covered flood
- D. a workers compensation claim

49. In a property and casualty review, underinsured motorist coverage may apply when

- A. the at-fault driver's limits are insufficient
- B. the insured buys no liability coverage
- C. the insured's car is stolen
- D. a home is vacant

50. In a property and casualty review, medical payments coverage under an auto policy helps pay

- A. vehicle depreciation
- B. business income loss
- C. medical expenses from an auto accident
- D. property taxes

51. In a property and casualty review, a temporary substitute auto is generally used when

- A. an insured buys a new house

- B. a business changes owners
- C. a policy is cancelled
- D. a covered auto is out of normal use

52. In a property and casualty review, a newly acquired auto provision can provide

- A. automatic workers compensation
- B. limited automatic coverage for a new vehicle
- C. permanent flood coverage
- D. commercial general liability

53. In a property and casualty review, garagekeepers coverage is designed for

- A. the insured's house
- B. employee medical bills
- C. professional errors
- D. customers' autos in the insured's care

54. In a property and casualty review, a personal umbrella policy is intended to

- A. provide additional personal liability protection
- B. replace an auto physical damage policy
- C. insure jewelry on an open-peril basis
- D. pay a mortgage

55. In a property and casualty review, the duty to defend means an insurer may need to

- A. guarantee a plaintiff wins
- B. provide a legal defense for a covered suit
- C. pay criminal penalties
- D. cancel all other policies

56. In a property and casualty review, comparative negligence generally

- A. eliminates all liability
- B. creates strict liability
- C. allocates fault among parties
- D. requires no damages

57. In a property and casualty review, vicarious liability may make an employer liable for

- A. an employee's personal investment loss
- B. a customer's storm loss
- C. a supplier's property insurance
- D. an employee's negligent act within scope of employment

58. In a property and casualty review, strict liability can apply without proving

- A. negligence
- B. a loss
- C. a claimant
- D. a policy

59. In a property and casualty review, compensatory damages are intended to

- A. punish every defendant
- B. cancel a policy
- C. make an injured party financially whole
- D. create insurance coverage

60. In a property and casualty review, punitive damages are intended primarily to

- A. replace medical payments
- B. punish and deter egregious conduct
- C. measure depreciation
- D. set an auto deductible

61. In a property and casualty review, a release is commonly signed to

- A. settle a claim and relinquish further recovery rights
- B. renew a policy automatically
- C. add a named insured
- D. create a binder

62. In a property and casualty review, a proof of loss is a document that

- A. sets future premium rates
- B. supports a claim with requested loss information
- C. lists all agency employees
- D. creates coinsurance

63. In a property and casualty review, salvage is property remaining after a loss that

- A. must always be destroyed
- B. is never owned by anyone
- C. automatically increases limits
- D. may retain value

64. In a property and casualty review, a producer's fiduciary duty concerning premiums requires

- A. keeping premiums as personal funds

- B. waiving every deductible
- C. handling funds properly and as required by law
- D. changing policy terms unilaterally

65. In a property and casualty review, in Tennessee, insurance producer licensing is administered by the

- A. Tennessee Department of Revenue
- B. Tennessee Department of Commerce and Insurance
- C. Tennessee Supreme Court
- D. Federal Reserve Board

66. In a property and casualty review, a producer should avoid misrepresentation by

- A. promising uncovered losses
- B. altering applications after signature
- C. withholding material exclusions
- D. making truthful statements about policy terms

67. In a property and casualty review, rebating generally involves

- A. offering an improper inducement not stated in the policy
- B. explaining a deductible
- C. collecting a premium
- D. issuing a binder

68. In a property and casualty review, unfair discrimination in insurance means

- A. charging any lawful premium
- B. using underwriting data
- C. treating similar risks differently without a valid basis
- D. requiring an application

69. In a property and casualty review, twisting refers to

- A. paying a covered loss
- B. adding an endorsement
- C. inducing replacement through misleading comparisons
- D. using a deductible

70. In a property and casualty review, defamation in insurance involves

- A. explaining an exclusion
- B. making false statements that harm an insurer
- C. sending a renewal notice
- D. collecting policy information

71. In a property and casualty review, boycott, coercion, or intimidation are prohibited because they

- A. reduce deductibles
- B. increase indemnity
- C. create open-peril coverage
- D. are unfair trade practices

72. In a property and casualty review, an insurer's certificate of authority permits it to

- A. transact authorized insurance business in a jurisdiction
- B. guarantee all claims
- C. avoid producer licensing
- D. ignore policy forms

73. In a property and casualty review, a domestic insurer is organized under the laws of

- A. every state where it sells
- B. a foreign country only
- C. the state in which it is incorporated
- D. the federal government

74. In a property and casualty review, a foreign insurer is organized

- A. outside the United States only
- B. under another U.S. state or territory's laws
- C. only in Tennessee
- D. by a policyholder group

75. In a property and casualty review, an alien insurer is organized

- A. under the laws of a country outside the United States
- B. in a neighboring state
- C. by an agency
- D. by a reinsurer

76. In a property and casualty review, an admitted insurer is one that

- A. never uses producers
- B. cannot write liability
- C. only sells surplus lines
- D. is authorized to transact insurance in the state

77. In a property and casualty review, surplus lines insurance is generally used when

- A. a loss has already occurred

- B. coverage is unavailable through authorized insurers
- C. an applicant refuses underwriting
- D. a policy has no exclusions

78. In a property and casualty review, a producer acting within authority may

- A. change statutes
- B. guarantee claim payment
- C. bind coverage when the insurer authorizes it
- D. waive all conditions

79. In a property and casualty review, the purpose of an insurance guaranty association is generally to

- A. replace every policy limit
- B. guarantee investment returns
- C. set producer commissions
- D. provide limited protection when a member insurer becomes insolvent

80. In a property and casualty review, a cancellation notice is used to

- A. end a policy before its expiration date
- B. add a coverage endorsement
- C. report a claim
- D. increase a deductible

81. In a property and casualty review, nonrenewal means

- A. a claim is denied
- B. a policy will not continue beyond its current term
- C. coverage begins immediately
- D. an insured has moved

82. In a property and casualty review, an insurer investigates a claim primarily to

- A. increase the insured's deductible
- B. avoid reading the policy
- C. determine coverage, facts, and the amount of loss
- D. create a new application

83. In a property and casualty review, a reservation of rights notice informs an insured that

- A. coverage issues may affect the insurer's obligations
- B. the claim is automatically paid
- C. the policy is renewed
- D. the deductible is waived

84. In a property and casualty review, the fair claims handling principle requires insurers to

- A. pay every demand without review
- B. ignore policy conditions
- C. offer illegal inducements
- D. handle claims promptly and in good faith

85. In a property and casualty review, a producer should protect consumer information by

- A. sharing it freely with competitors
- B. adding it to advertisements
- C. selling it without notice
- D. using and disclosing it only as permitted

86. In a property and casualty review, a loss caused by fire is best classified as a

- A. morale hazard
- B. direct loss
- C. speculative risk
- D. indirect loss

87. On a Tennessee licensing practice test, which statement best describes indemnity?

- A. It guarantees full market appreciation.
- B. It requires identical coverage limits.
- C. It restores the insured financially without allowing profit.
- D. It eliminates every deductible.

88. In a property and casualty review, a building owner installs deadbolt locks after a burglary. The locks are a

- A. physical hazard control
- B. moral hazard
- C. peril
- D. liability exposure

89. In a property and casualty review, a homeowner intentionally leaves a door unlocked because insurance will pay for theft. This illustrates

- A. physical hazard
- B. morale hazard
- C. proximate cause
- D. moral hazard

90. In a property and casualty review, the uncertain possibility of loss is called

- A. peril
- B. hazard
- C. risk
- D. indemnity

91. On a Tennessee licensing practice test, which is a pure risk?

- A. A stock may increase in value.
- B. A house may be damaged by a windstorm.
- C. A business may gain market share.
- D. A collector may profit from art.

92. In a property and casualty review, the cause of a loss, such as lightning, is a

- A. peril
- B. condition
- C. representation
- D. hazard

93. In a property and casualty review, a deductible primarily serves to

- A. increase policy limits
- B. eliminate underwriting
- C. make the insured share part of a loss
- D. guarantee replacement cost

94. In a property and casualty review, actual cash value is generally replacement cost minus

- A. depreciation
- B. salvage
- C. coinsurance

D. premium

95. In a property and casualty review, a binder is best described as

- A. a permanent endorsement
- B. temporary evidence of insurance
- C. a proof of loss
- D. a policy exclusion

96. In a property and casualty review, an endorsement is used to

- A. cancel a loss
- B. set a court verdict
- C. replace an application
- D. modify a policy's terms or coverage

97. In a property and casualty review, a blanket limit generally applies to

- A. one scheduled building only
- B. one named driver only
- C. one occurrence only
- D. multiple locations or items under one limit

98. In a property and casualty review, subrogation allows an insurer to

- A. collect a deductible twice
- B. avoid paying valid claims
- C. seek recovery from a responsible third party
- D. increase a limit after loss

99. In a property and casualty review, a representation on an insurance application is normally

- A. an unconditional guarantee
- B. a statement believed true to the applicant's knowledge
- C. a policy condition after loss
- D. an insurer's promise

100. In a property and casualty review, concealment occurs when an applicant

- A. fails to disclose a material fact
- B. uses an endorsement
- C. pays a premium late
- D. reports a loss promptly

Practice Exam 12: Answer Key and Explanations

1. A — The best response is duties and requirements that. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

2. D — The best response is identify losses or property. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

3. B — The best response is only the insurer makes. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

4. C — The best response is payment depends on specified. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

5. D — The best response is the insurer. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

6. C — The best response is values exchanged may be. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

7. B — The best response is when the policy is. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

8. A — The best response is honesty and disclosure of. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

9. B — The best response is owner-occupied residential property and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

10. A — The best response is personal property. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

11. C — The best response is an other structure. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

12. D — The best response is additional living expense after. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

13. B — The best response is covered claims alleging bodily. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

14. A — The best response is small medical expenses regardless. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

15. D — The best response is only losses caused by. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

16. C — The best response is direct physical loss unless. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

17. D — The best response is does not deduct depreciation. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

18. B — The best response is insurance to value. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

19. C — The best response is may increase the chance. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

20. A — The best response is a residential property that. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

21. B — The best response is named-peril coverage. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

22. A — The best response is multiple commercial coverages in. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

23. C — The best response is movable property owned by. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

24. D — The best response is lost income after a. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

25. B — The best response is reasonable costs to continue. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

26. A — The best response is property and liability coverage. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

27. D — The best response is property that is movable. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

28. C — The best response is valuable scheduled personal property. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

29. D — The best response is flood damage. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

30. C — The best response is flood. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

31. A — The best response is earth movement. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

32. B — The best response is a principal, obligee, and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

33. B — The best response is dishonest acts of employees. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

34. D — The best response is legal liability for bodily. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

35. C — The best response is injury or damage arising. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

36. A — The best response is liability arising from ongoing. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

37. B — The best response is negligent professional services. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

38. A — The best response is when bodily injury or. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

39. C — The best response is when a claim is. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

40. D — The best response is liability limits above underlying. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

41. B — The best response is benefits for job-related injuries. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

42. C — The best response is certain employer liability outside. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

43. A — The best response is employee theft. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

44. D — The best response is business-owned vehicles. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

45. D — The best response is injury or damage the. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

46. C — The best response is hits another object or. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

47. A — The best response is theft and hail. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

48. B — The best response is a driver with no. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

49. A — The best response is the at-fault driver's limits. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

50. C — The best response is medical expenses from an. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

51. D — The best response is a covered auto is. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

52. B — The best response is limited automatic coverage for. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

53. D — The best response is customers' autos in the. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

54. A — The best response is provide additional personal liability. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

55. B — The best response is provide a legal defense. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

56. C — The best response is allocates fault among parties. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

57. D — The best response is an employee's negligent act. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

58. A — The best response is negligence. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

59. C — The best response is make an injured party. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

60. B — The best response is punish and deter egregious. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

61. A — The best response is settle a claim and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

62. B — The best response is supports a claim with. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

63. D — The best response is may retain value. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

64. C — The best response is handling funds properly and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

65. B — The best response is Tennessee Department of Commerce. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

66. D — The best response is making truthful statements about. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

67. A — The best response is offering an improper inducement. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

68. C — The best response is treating similar risks differently. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

69. C — The best response is inducing replacement through misleading. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

70. B — The best response is making false statements that. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

71. D — The best response is are unfair trade practices. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

72. A — The best response is transact authorized insurance business. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

73. C — The best response is the state in which. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

74. B — The best response is under another U.S. state. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

75. A — The best response is under the laws of. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

76. D — The best response is is authorized to transact. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

77. B — The best response is coverage is unavailable through. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

78. C — The best response is bind coverage when the. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

79. D — The best response is provide limited protection when. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

80. A — The best response is end a policy before. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

81. B — The best response is a policy will not. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

82. C — The best response is determine coverage, facts, and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

83. A — The best response is coverage issues may affect. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

84. D — The best response is handle claims promptly and. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

85. D — The best response is using and disclosing it. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

86. B — The best response is direct loss. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

87. C — The best response is It restores the insured. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

88. A — The best response is physical hazard control. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

89. D — The best response is moral hazard. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

90. C — The best response is risk. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

91. B — The best response is A house may be. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

92. A — The best response is peril. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

93. C — The best response is make the insured share. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

94. A — The best response is depreciation. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

95. B — The best response is temporary evidence of insurance. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

96. D — The best response is modify a policy's terms. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

97. D — The best response is multiple locations or items. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

98. C — The best response is seek recovery from a. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

99. B — The best response is a statement believed true. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.

100. A — The best response is fails to disclose a. It is the insurance concept that matches the stated facts. Other choices may use familiar words but describe a different coverage, condition, claim duty, or producer practice. Read the situation carefully, identify the policy function, and reject answers that add unstated facts, change the contract, or ignore a limitation.