

PRACTICE EXAM 14: 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. During a Tennessee P&C insurance 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

2. During a Tennessee P&C insurance review, a newly acquired auto provision can provide

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

3. During a Tennessee P&C insurance review, garagekeepers coverage is designed for

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

4. During a Tennessee P&C insurance review, a personal umbrella policy is intended to

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

5. During a Tennessee P&C insurance 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

6. During a Tennessee P&C insurance review, comparative negligence generally

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

7. During a Tennessee P&C insurance review, vicarious liability may make an employer liable for

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

8. During a Tennessee P&C insurance review, strict liability can apply without proving

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

9. During a Tennessee P&C insurance 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

10. During a Tennessee P&C insurance review, punitive damages are intended primarily to

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

11. During a Tennessee P&C insurance review, a release is commonly signed to

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

12. During a Tennessee P&C insurance review, a proof of loss is a document that

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

D. creates coinsurance

13. During a Tennessee P&C insurance review, salvage is property remaining after a loss that

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

14. During a Tennessee P&C insurance review, a producer's fiduciary duty concerning premiums requires

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

15. During a Tennessee P&C insurance review, in Tennessee, insurance producer licensing is administered by the

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

16. During a Tennessee P&C insurance 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

17. During a Tennessee P&C insurance review, rebating generally involves

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

18. During a Tennessee P&C insurance review, unfair discrimination in insurance means

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

19. During a Tennessee P&C insurance review, twisting refers to

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

20. During a Tennessee P&C insurance review, defamation in insurance involves

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

21. During a Tennessee P&C insurance review, boycott, coercion, or intimidation are prohibited because they

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

22. During a Tennessee P&C insurance review, an insurer's certificate of authority permits it to

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

23. During a Tennessee P&C insurance review, a domestic insurer is organized under the laws of

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

24. During a Tennessee P&C insurance review, a foreign insurer is organized

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

25. During a Tennessee P&C insurance 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

26. During a Tennessee P&C insurance review, an admitted insurer is one that

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

27. During a Tennessee P&C insurance review, surplus lines insurance is generally used when

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

28. During a Tennessee P&C insurance 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

29. During a Tennessee P&C insurance review, the purpose of an insurance guaranty association is generally to

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

30. During a Tennessee P&C insurance review, a cancellation notice is used to

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

31. During a Tennessee P&C insurance 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

32. During a Tennessee P&C insurance review, an insurer investigates a claim primarily to

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

33. During a Tennessee P&C insurance review, a reservation of rights notice informs an insured that

- A. the claim is automatically paid
- B. the policy is renewed
- C. the deductible is waived

D. coverage issues may affect the insurer's obligations

34. During a Tennessee P&C insurance review, the fair claims handling principle requires insurers to

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

35. During a Tennessee P&C insurance review, a producer should protect consumer information by

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

36. During a Tennessee P&C insurance review, a loss caused by fire is best classified as a

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

37. During a Tennessee P&C insurance review, which statement best describes indemnity?

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

38. During a Tennessee P&C insurance review, a building owner installs deadbolt locks after a burglary. The locks are a

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

39. During a Tennessee P&C insurance review, a homeowner intentionally leaves a door unlocked because insurance will pay for theft. This illustrates

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

40. During a Tennessee P&C insurance review, the uncertain possibility of loss is called

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

41. During a Tennessee P&C insurance review, which is a pure risk?

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

42. During a Tennessee P&C insurance review, the cause of a loss, such as lightning, is a

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

43. During a Tennessee P&C insurance review, a deductible primarily serves to

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

44. During a Tennessee P&C insurance review, actual cash value is generally replacement cost minus

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

45. During a Tennessee P&C insurance review, a binder is best described as

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

46. During a Tennessee P&C insurance review, an endorsement is used to

- A. cancel a loss

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

47. During a Tennessee P&C insurance review, a blanket limit generally applies to

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

48. During a Tennessee P&C insurance review, subrogation allows an insurer to

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

49. During a Tennessee P&C insurance review, a representation on an insurance application is normally

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

50. During a Tennessee P&C insurance 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

51. During a Tennessee P&C insurance review, the declarations page normally includes

- A. all state statutes
- B. every claim payment
- C. the named insured, limits, and policy period
- D. the insurer's investments

52. During a Tennessee P&C insurance review, the insuring agreement states

- A. all excluded causes
- B. the insurer's broad promise to pay covered losses
- C. the agency commission
- D. the applicant's credit score

53. During a Tennessee P&C insurance 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

54. During a Tennessee P&C insurance review, an exclusion is intended to

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

55. During a Tennessee P&C insurance 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

56. During a Tennessee P&C insurance review, an insurance contract is conditional because

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

57. During a Tennessee P&C insurance review, a contract of adhesion is drafted primarily by

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

58. During a Tennessee P&C insurance review, a contract is aleatory because

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

59. During a Tennessee P&C insurance 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

60. During a Tennessee P&C insurance review, the principle of utmost good faith requires

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

61. During a Tennessee P&C insurance review, a homeowners policy is designed primarily for

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

62. During a Tennessee P&C insurance review, coverage C in a homeowners policy generally covers

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

63. During a Tennessee P&C insurance 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

64. During a Tennessee P&C insurance review, loss of use coverage may help pay

- A. routine home maintenance
- B. additional living expense after a covered loss
- C. a mortgage principal balance
- D. a property appraisal

65. During a Tennessee P&C insurance 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

66. During a Tennessee P&C insurance 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

67. During a Tennessee P&C insurance review, a named-peril policy covers

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

68. During a Tennessee P&C insurance review, an open-peril property form covers

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

69. During a Tennessee P&C insurance review, replacement cost coverage differs from actual cash value because it

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

70. During a Tennessee P&C insurance review, a coinsurance clause encourages

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

71. During a Tennessee P&C insurance review, vacancy can affect property coverage because it

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

72. During a Tennessee P&C insurance review, a dwelling policy is most appropriate for

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

73. During a Tennessee P&C insurance review, the basic dwelling form typically provides

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

74. During a Tennessee P&C insurance review, a commercial package policy can combine

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

75. During a Tennessee P&C insurance review, business personal property includes

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

76. During a Tennessee P&C insurance review, business income coverage is intended to help with

- A. ordinary stock-market decline

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

77. During a Tennessee P&C insurance 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

78. During a Tennessee P&C insurance review, a businessowners policy commonly packages

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

79. During a Tennessee P&C insurance 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

80. During a Tennessee P&C insurance review, a personal articles floater is commonly used for

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

81. During a Tennessee P&C insurance review, the National Flood Insurance Program generally insures against

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

82. During a Tennessee P&C insurance review, a standard homeowners policy generally excludes

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

83. During a Tennessee P&C insurance review, a standard homeowners policy generally excludes

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

84. During a Tennessee P&C insurance review, a surety bond involves

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

85. During a Tennessee P&C insurance review, a fidelity bond protects an employer from

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

86. During a Tennessee P&C insurance review, general liability insurance primarily covers

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

87. During a Tennessee P&C insurance review, products-completed operations coverage relates to

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

88. During a Tennessee P&C insurance review, premises and operations coverage concerns

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

89. During a Tennessee P&C insurance review, professional liability is designed for claims alleging

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

90. During a Tennessee P&C insurance review, an occurrence liability form is triggered by

- A. when the claim is reported only
- B. when the premium is audited
- C. when bodily injury or property damage occurs
- D. when a policy is renewed

91. During a Tennessee P&C insurance review, a claims-made form is generally triggered by

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

92. During a Tennessee P&C insurance 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

93. During a Tennessee P&C insurance review, workers compensation is intended to provide

- A. coverage for homeowners claims
- B. auto collision protection
- C. life insurance proceeds

D. benefits for job-related injuries or illness

94. During a Tennessee P&C insurance review, employers liability coverage addresses

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

95. During a Tennessee P&C insurance review, a commercial crime policy can cover

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

96. During a Tennessee P&C insurance review, a commercial auto policy may cover

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

97. During a Tennessee P&C insurance review, auto liability coverage is intended to pay for

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

98. During a Tennessee P&C insurance review, collision coverage applies when a covered auto

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

99. During a Tennessee P&C insurance review, other-than-collision coverage commonly includes

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

100. During a Tennessee P&C insurance review, uninsured motorist coverage protects an insured injured by

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

Practice Exam 14: Answer Key and Explanations

1. D — The correct answer is a covered auto is. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

2. C — The correct answer is limited automatic coverage for. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

3. A — The correct answer is customers' autos in the. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

4. B — The correct answer is provide additional personal liability. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

5. B — The correct answer is provide a legal defense. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

6. A — The correct answer is allocates fault among parties. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

7. C — The correct answer is an employee's negligent act. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

8. D — The correct answer is negligence. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

9. C — The correct answer is make an injured party. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

10. D — The correct answer is punish and deter egregious. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

11. B — The correct answer is settle a claim and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match

the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

12. A — The correct answer is supports a claim with. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

13. C — The correct answer is may retain value. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

14. B — The correct answer is handling funds properly and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

15. A — The correct answer is Tennessee Department of Commerce. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

16. D — The correct answer is making truthful statements about. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

17. C — The correct answer is offering an improper inducement. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

18. B — The correct answer is treating similar risks differently. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

19. D — The correct answer is inducing replacement through misleading. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

20. A — The correct answer is making false statements that. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties.

Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

21. B — The correct answer is are unfair trade practices. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

22. C — The correct answer is transact authorized insurance business. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

23. D — The correct answer is the state in which. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

24. A — The correct answer is under another U.S. state. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

25. A — The correct answer is under the laws of. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

26. B — The correct answer is is authorized to transact. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

27. D — The correct answer is coverage is unavailable through. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

28. C — The correct answer is bind coverage when the. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

29. C — The correct answer is provide limited protection when. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

30. D — The correct answer is end a policy before. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

31. B — The correct answer is a policy will not. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

32. A — The correct answer is determine coverage, facts, and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

33. D — The correct answer is coverage issues may affect. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

34. A — The correct answer is handle claims promptly and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

35. C — The correct answer is using and disclosing it. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

36. B — The correct answer is direct loss. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

37. A — The correct answer is It restores the insured. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

38. B — The correct answer is physical hazard control. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties.

Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

39. C — The correct answer is moral hazard. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

40. D — The correct answer is risk. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

41. A — The correct answer is A house may be. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

42. C — The correct answer is peril. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

43. D — The correct answer is make the insured share. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

44. B — The correct answer is depreciation. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

45. C — The correct answer is temporary evidence of insurance. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

46. B — The correct answer is modify a policy's terms. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

47. A — The correct answer is multiple locations or items. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties.

Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

48. D — The correct answer is seek recovery from a. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

49. D — The correct answer is a statement believed true. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

50. A — The correct answer is fails to disclose a. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

51. C — The correct answer is the named insured, limits,. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

52. B — The correct answer is the insurer's broad promise. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

53. A — The correct answer is duties and requirements that. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

54. C — The correct answer is identify losses or property. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

55. B — The correct answer is only the insurer makes. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

56. D — The correct answer is payment depends on specified. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

57. D — The correct answer is the insurer. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

58. A — The correct answer is values exchanged may be. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

59. B — The correct answer is when the policy is. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

60. C — The correct answer is honesty and disclosure of. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

61. D — The correct answer is owner-occupied residential property and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

62. A — The correct answer is personal property. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

63. C — The correct answer is an other structure. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

64. B — The correct answer is additional living expense after. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

65. B — The correct answer is covered claims alleging bodily. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

66. A — The correct answer is small medical expenses regardless. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

67. C — The correct answer is only losses caused by. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

68. D — The correct answer is direct physical loss unless. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

69. C — The correct answer is does not deduct depreciation. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

70. A — The correct answer is insurance to value. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

71. D — The correct answer is may increase the chance. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

72. B — The correct answer is a residential property that. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

73. D — The correct answer is named-peril coverage. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

74. B — The correct answer is multiple commercial coverages in. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

75. A — The correct answer is movable property owned by. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

76. C — The correct answer is lost income after a. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

77. B — The correct answer is reasonable costs to continue. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

78. C — The correct answer is property and liability coverage. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

79. D — The correct answer is property that is movable. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

80. A — The correct answer is valuable scheduled personal property. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

81. D — The correct answer is flood damage. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

82. B — The correct answer is flood. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

83. A — The correct answer is earth movement. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the

facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

84. C — The correct answer is a principal, obligee, and. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

85. D — The correct answer is dishonest acts of employees. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

86. C — The correct answer is legal liability for bodily. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

87. A — The correct answer is injury or damage arising. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

88. B — The correct answer is liability arising from ongoing. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

89. A — The correct answer is negligent professional services. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

90. C — The correct answer is when bodily injury or. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

91. B — The correct answer is when a claim is. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

92. D — The correct answer is liability limits above underlying. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer

duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

93. D — The correct answer is benefits for job-related injuries. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

94. A — The correct answer is certain employer liability outside. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

95. B — The correct answer is employee theft. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

96. C — The correct answer is business-owned vehicles. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

97. A — The correct answer is injury or damage the. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

98. B — The correct answer is hits another object or. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

99. C — The correct answer is theft and hail. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.

100. D — The correct answer is a driver with no. It is the term or coverage that applies to the stated facts. Other options refer to different insurance concepts, policy provisions, or producer duties. Match the facts to the controlling principle, and do not select an answer that assumes extra coverage, adds missing facts, or changes the contract language.