

TENNESSEE PROPERTY AND CASUALTY INSURANCE LICENSE STUDY GUIDE - EXAM 20 (100 QUESTIONS)

This 100-question practice examination is for study use. Select the one best answer for each question. It covers core property, casualty, automobile, workers compensation, and Tennessee producer-law concepts. Verify current Tennessee requirements with the Department of Commerce and Insurance before your licensing examination.

1. A homeowners policy covers a dwelling damaged by wind. Which coverage is designed for the residence itself?

- A. Coverage B - Other Structures
- B. Coverage C - Personal Property
- C. Coverage A - Dwelling
- D. Coverage D - Loss of Use

2. A detached garage is damaged by fire. Under a homeowners policy, which coverage normally applies?

- A. Coverage A - Dwelling
- B. Coverage B - Other Structures
- C. Coverage C - Personal Property
- D. Coverage E - Personal Liability

3. Furniture is stolen from an insured home. Which homeowners coverage is most directly involved?

- A. Coverage A - Dwelling
- B. Coverage B - Other Structures
- C. Coverage D - Loss of Use
- D. Coverage C - Personal Property

4. A covered fire makes a home uninhabitable and the family rents an apartment temporarily. What coverage helps?

- A. Coverage D - Loss of Use
- B. Coverage A - Dwelling
- C. Coverage B - Other Structures
- D. Coverage E - Liability

5. A guest is injured after slipping on an icy walk and sues the homeowner. What coverage responds?

- A. Coverage E - Personal Liability
- B. Coverage A - Dwelling
- C. Coverage C - Personal Property
- D. Coverage F - Medical Payments

6. A guest is accidentally hurt at an insured location but does not sue. Which homeowners coverage may pay small medical bills?

- A. Coverage A - Dwelling
- B. Coverage D - Loss of Use
- C. Coverage E - Personal Liability
- D. Coverage F - Medical Payments to Others

7. Which peril is generally excluded under an unendorsed homeowners policy?

- A. Fire
- B. Theft
- C. Flood
- D. Windstorm

8. A homeowner wants broader protection for an accidental direct physical loss to the dwelling. Which form is typically appropriate?

- A. HO-2 broad form
- B. HO-3 special form
- C. HO-4 tenant form
- D. HO-6 unit-owner form

9. Which homeowners form is designed primarily for tenants who insure personal property and liability?

- A. HO-2
- B. HO-3
- C. HO-4
- D. HO-6

10. Which homeowners form is designed primarily for a condominium unit owner?

- A. HO-3
- B. HO-4
- C. HO-8
- D. HO-6

11. Replacement cost coverage generally pays for a covered loss based on what?

- A. Original purchase price
- B. Cost to replace with like kind and quality
- C. Market value of land
- D. Tax assessed value

12. Actual cash value is usually calculated as replacement cost minus what?

- A. Depreciation
- B. Deductible only
- C. Coinsurance only
- D. Salvage value only

13. The purpose of a property deductible is primarily to do what?

- A. Share part of the loss
- B. Increase the policy limit
- C. Eliminate underwriting
- D. Guarantee replacement cost

14. Which policy provision requires an insured to take reasonable steps to protect property after a loss?

- A. Insuring agreement
- B. Mortgage clause
- C. Duties after loss
- D. Liberalization clause

15. A standard fire policy condition requiring insurance to value be maintained is called what?

- A. Subrogation
- B. Contribution
- C. Appraisal
- D. Coinsurance

16. A building valued at \$200,000 has a required 80% limit. What minimum insurance amount meets coinsurance?

- A. \$80,000
- B. \$160,000
- C. \$120,000
- D. \$200,000

17. A policy condition that allows each party to select an appraiser for a valuation dispute is called?

- A. Arbitration
- B. Subrogation
- C. Appraisal
- D. Abandonment

18. A mortgagee clause primarily protects which party?

- A. The contractor
- B. The public adjuster
- C. The insureds tenant
- D. The lender named in the policy

19. Which commercial property cause-of-loss form provides the broadest listed protection?

- A. Basic form
- B. Special form
- C. Broad form
- D. Named perils form

20. Business income coverage is intended to replace what after a covered suspension?

- A. Lost net income and continuing normal expenses
- B. The value of land
- C. Workers compensation benefits

D. Liability judgments

21. Extra expense coverage is designed to pay for what?

- A. Ordinary mortgage payments only
- B. Costs to minimize business interruption
- C. Property depreciation
- D. Fines for code violations

22. An inland marine policy commonly covers property that is mobile or has a special exposure. Which item fits?

- A. A contractors tools at a jobsite
- B. A permanent foundation
- C. A private passenger auto
- D. A liability lawsuit

23. A scheduled personal property endorsement is especially useful for which item?

- A. Standard wall paint
- B. A utility bill
- C. A mortgage payment
- D. A high-value jewelry item

24. Which valuation method normally applies to a building when replacement cost is not purchased?

- A. Agreed value
- B. Face amount
- C. Actual cash value
- D. Stated amount only

25. The policy period is best described as what?

- A. The time to report a claim
- B. The span during which coverage is in force
- C. The waiting period for all claims
- D. The time to pay a deductible

26. Legal liability for injury caused by failure to use reasonable care is called?

- A. Defamation
- B. Bailment
- C. Negligence
- D. Indemnity

27. Which element of negligence asks whether the defendant failed to act reasonably?

- A. Damages
- B. Proximate cause
- C. Assumption of risk
- D. Breach of duty

28. The cause that produces an injury in an unbroken chain of events is called?

- A. Proximate cause
- B. Consideration
- C. Concealment
- D. Insurable interest

29. Bodily injury liability coverage generally pays damages for what?

- A. Damage to the insureds car only
- B. Wear and tear to property
- C. Injury or sickness sustained by another person
- D. Loss of investment income

30. Property damage liability coverage is designed to pay for what?

- A. The insureds medical bills
- B. Damage to property of others
- C. A policy premium refund
- D. Depreciation of the insureds home

31. Personal and advertising injury coverage may include liability for what?

- A. Intentional property damage
- B. Workers compensation
- C. Mechanical breakdown
- D. Libel or slander

32. An occurrence policy generally responds when what happens?

- A. The injury or damage occurs during the policy period
- B. The claim is paid during the policy period
- C. The lawsuit ends during the policy period
- D. The renewal premium is billed

33. A claims-made policy generally requires a claim to be made when?

- A. Only before the loss occurs
- B. During the policy period or applicable extended reporting period
- C. Only after a court judgment

D. Only at renewal

34. The supplementary payments section commonly pays certain defense costs in addition to what?

- A. The deductible
- B. The premium
- C. The applicable limit of liability
- D. The declarations page

35. Medical payments coverage under a CGL policy is intended to pay small injuries regardless of what?

- A. Whether the person is a customer
- B. Whether property was damaged
- C. Whether the policy has a deductible
- D. The insureds legal liability

36. A liability limit stated for all covered claims during a policy period is the?

- A. Aggregate limit
- B. Per occurrence deductible
- C. Per person limit
- D. Policy premium

37. A per occurrence limit is the most the insurer will pay for what?

- A. All claims in ten years
- B. One insureds premium
- C. One covered occurrence
- D. One renewal term

38. Vicarious liability means one party may be liable because of what?

- A. Its own property damage only
- B. The acts of another person
- C. A contract cancellation
- D. A premium audit

39. A business owner is liable for an employees negligent driving within assigned duties under?

- A. Subrogation
- B. Contribution
- C. Estoppel
- D. Respondeat superior

40. Which is a common remedy for a defamation claim?

- A. Damages for injury to reputation
- B. Replacement cost for a building
- C. Collision benefits
- D. Workers compensation wage benefits

41. A waiver of subrogation prevents an insurer from doing what?

- A. Canceling a policy
- B. Seeking recovery from a responsible party
- C. Collecting a deductible
- D. Defending the insured

42. Subrogation helps prevent an insured from receiving what?

- A. A renewal offer
- B. A binder
- C. A double recovery for the same loss
- D. A premium refund

43. An umbrella policy is designed primarily to provide what?

- A. First-party collision coverage
- B. A homeowners deductible waiver
- C. A replacement cost guarantee
- D. Higher limits over underlying liability policies

44. A contractual liability exclusion is most relevant when liability arises solely from?

- A. An assumed contract obligation
- B. A slip and fall
- C. A fire loss
- D. A theft loss

45. Which type of damages are intended to punish especially wrongful conduct?

- A. Punitive damages
- B. Compensatory damages
- C. Special damages
- D. Liquidated damages

46. Compensatory damages are intended to do what?

- A. Punish every negligent act
- B. Set a policy deductible
- C. Compensate an injured party

D. Increase a premium

47. A certificate of insurance is generally evidence of what?

- A. A permanent coverage guarantee
- B. A claim payment promise
- C. A change to policy terms
- D. The existence of insurance at the time issued

48. An additional insured is a person or organization that receives what?

- A. Ownership of the policy
- B. Liability coverage under another policy
- C. A premium audit
- D. A property valuation

49. The duty to defend is generally broader than the duty to do what?

- A. Sell the policy
- B. Collect premiums
- C. Indemnify the insured
- D. Inspect property

50. An intentional injury is generally excluded from liability coverage because insurance is intended for?

- A. Certain investment gains
- B. Guaranteed business profits
- C. Known criminal penalties
- D. Fortuitous accidental losses

51. Auto liability coverage applies when an insured is legally liable for what?

- A. Bodily injury or property damage to others
- B. Mechanical repairs to the insured auto
- C. Wear and tear
- D. Routine maintenance

52. Collision coverage pays for damage to a covered auto caused by what?

- A. Theft only
- B. Impact with another vehicle or object
- C. Flood only
- D. Glass breakage only

53. Other than collision coverage includes damage caused by what?

- A. Theft, fire, or hail
- B. A sideswipe with another auto
- C. A collision with a guardrail
- D. A rollover after impact

54. Uninsured motorist coverage protects an insured injured by what?

- A. A drivers own collision deductible
- B. A driver without applicable liability insurance
- C. A repair shop error
- D. A homeowners loss

55. Underinsured motorist coverage may apply when the at-fault drivers limits are?

- A. Higher than every loss
- B. Not yet purchased
- C. Equal to the insured's deductible
- D. Insufficient for the covered damages

56. Medical payments coverage under an auto policy pays eligible medical costs without regard to?

- A. The vehicle age
- B. The garaging address
- C. Fault
- D. The renewal date

57. A temporary substitute auto is used when the covered auto is unavailable because of?

- A. Breakdown, repair, servicing, loss, or destruction
- B. A permanent sale
- C. A new driver's license
- D. A premium increase

58. A newly acquired auto provision gives temporary coverage subject to what?

- A. A guaranteed lifetime rate
- B. Policy conditions and timely notice requirements
- C. No underwriting
- D. No need for a policy

59. A personal auto policy generally excludes liability arising from use as what?

- A. A private commute
- B. A family errand
- C. A public or livery conveyance

D. A vacation trip

60. Towing and labor costs coverage is an example of what?

- A. Bodily injury liability
- B. Collision liability
- C. A statutory penalty
- D. An optional auto endorsement or coverage

61. The declarations page identifies which information?

- A. Every claim investigation note
- B. Court verdicts
- C. Named insureds, vehicles, limits, and premiums
- D. Repair estimates only

62. A split limit of 25/50/15 typically expresses limits for what?

- A. Collision, comprehensive, and towing
- B. Bodily injury and property damage limits
- C. Medical payments, rental, and gap
- D. Premium, deductible, and appraisal

63. The purpose of a deductible in physical damage coverage is to?

- A. Share each physical damage loss
- B. Raise liability limits
- C. Eliminate theft coverage
- D. Guarantee no premium change

64. An insurer may pay a total loss based on the autos actual cash value because?

- A. All autos are replacement cost property
- B. The insured owns the salvage automatically
- C. Liability limits set physical damage value
- D. Insurance indemnifies rather than creates a profit

65. Rental reimbursement coverage may pay for what after a covered auto loss?

- A. The purchase price of a new home
- B. The cost of a temporary rental vehicle
- C. The insureds lost vacation time
- D. A traffic citation

66. A permissive user is generally covered when using the insured auto with?

- A. A commercial license only
- B. A signed rental contract
- C. A separate homeowners policy
- D. Reasonable belief of permission

67. An auto policy cancellation notice requirement is primarily intended to?

- A. Increase collision limits
- B. Eliminate underwriting
- C. Give the insured advance notice of termination
- D. Create a new binder

68. A financial responsibility law is designed to assure drivers can respond to?

- A. Liability for damages they cause
- B. Routine maintenance expenses
- C. Traffic school tuition
- D. Vehicle registration fees

69. Which loss is normally covered by other than collision rather than collision?

- A. Damage from a falling tree
- B. Impact with a parked car
- C. Collision with a fence
- D. Overturn after striking an object

70. An insurer that obtains recovery from an at-fault party after paying its insured is exercising?

- A. Coinsurance
- B. Estoppel
- C. Concealment
- D. Subrogation

71. Workers compensation is generally a no-fault system providing benefits for what?

- A. All off-duty injuries
- B. Damage to an employees vehicle
- C. Work-related injury or occupational disease
- D. An employers lost profit

72. The exclusive remedy principle generally limits an employees ability to?

- A. Report an injury
- B. Sue an employer for work injury
- C. Receive medical care

D. Return to work

73. A compensable workers compensation injury usually must arise out of and occur?

- A. In the course of employment
- B. After retirement
- C. Only at the employees home
- D. During a vacation

74. Workers compensation medical benefits are intended to pay for?

- A. A workers mortgage
- B. Treatment for a covered injury
- C. An employers property loss
- D. Punitive damages

75. Temporary total disability benefits are designed for an employee who is?

- A. Permanently retired
- B. Working full duty
- C. Temporarily unable to work
- D. Uninjured but dissatisfied

76. Permanent partial disability benefits address what?

- A. A short absence from work
- B. A property claim
- C. An employer premium audit
- D. Lasting work impairment

77. Employers liability coverage protects an employer from certain suits not barred by?

- A. A homeowners deductible
- B. A flood exclusion
- C. Workers compensation exclusive remedy
- D. A surety bond

78. A workers compensation experience modification is based primarily on?

- A. The employees age only
- B. An employers loss experience compared with expected losses
- C. The company logo
- D. The building replacement cost

79. The assigned risk plan is intended for employers that?

- A. Want a lower homeowners deductible
- B. Own no business
- C. Need auto collision coverage
- D. Cannot obtain workers compensation in the voluntary market

80. An occupational disease is generally a condition caused by?

- A. Exposure or conditions characteristic of employment
- B. A weekend hobby only
- C. A vehicle collision unrelated to work
- D. A property theft

81. A workers compensation premium audit helps determine what?

- A. The employees medical diagnosis
- B. The policy deductible only
- C. The vehicle value
- D. The final premium based on actual exposure

82. The workers compensation employer duty after injury commonly includes?

- A. Prompt reporting and cooperation with claim procedures
- B. Guaranteeing a promotion
- C. Paying punitive damages
- D. Canceling the employees coverage

83. A sole proprietor may need to elect coverage because workers compensation laws commonly treat owners?

- A. As automatic claim adjusters
- B. As insured vehicles
- C. Differently from regular employees
- D. As public officials

84. A second injury fund concept is intended to encourage employment of workers with?

- A. No work history
- B. Preexisting disabilities
- C. Only property claims
- D. Personal auto policies

85. Loss control services are intended to reduce workplace injuries through?

- A. Hazard identification and prevention measures
- B. Increasing deductibles automatically

- C. Avoiding all employee training
- D. Eliminating claim reporting

86. In Tennessee, the Department of Commerce and Insurance regulates insurance producers under the authority of?

- A. A county assessor
- B. A federal trial judge
- C. A private trade association
- D. The Commissioner of Commerce and Insurance

87. A Tennessee producer must act within the authority granted by whom?

- A. Any claimant
- B. A repair contractor
- C. The insurer the producer represents
- D. A competing insurer

88. A binder is best described as?

- A. A permanent policy endorsement
- B. Temporary evidence of insurance pending policy issuance
- C. A claim settlement check
- D. A premium refund

89. Misrepresenting policy terms to induce a sale is an example of?

- A. A covered peril
- B. A deductible
- C. A coinsurance clause
- D. An unfair trade practice

90. Rebating is generally prohibited because it involves offering what not stated in the policy?

- A. A claim investigation
- B. An inducement to purchase insurance
- C. A policy exclusion
- D. A cancellation notice

91. Twisting is the unfair practice of inducing a policyholder to replace coverage through?

- A. Misleading comparisons or representations
- B. A lawful rate filing
- C. A loss control inspection
- D. An appraisal process

92. An insurer may not cancel or nonrenew coverage in a manner that is?

- A. Supported by underwriting
- B. Explained in writing
- C. Unfairly discriminatory or contrary to law
- D. Allowed by the policy

93. A producer has a fiduciary duty regarding premiums collected for an insurer. This means the producer must?

- A. Handle and remit the funds properly
- B. Use them for personal expenses
- C. Treat them as a commission immediately
- D. Loan them to applicants

94. An insured has an obligation to disclose material facts because a material misrepresentation may?

- A. Guarantee a claim payment
- B. Increase policy limits automatically
- C. Affect underwriting or the insurers decision
- D. Replace a deductible

95. Concealment differs from misrepresentation because concealment involves?

- A. Giving a correct answer
- B. Withholding a material fact
- C. Paying a premium
- D. Requesting a binder

96. An insurer may investigate a suspicious claim in order to?

- A. Avoid every claim payment
- B. Raise all deductibles
- C. Rewrite a statute
- D. Determine coverage and prevent fraud

97. A producer license is generally required for a person who sells, solicits, or negotiates?

- A. A personal automobile
- B. Real estate title
- C. Insurance for compensation
- D. Construction services

98. Continuing education requirements are intended primarily to?

- A. Maintain producer competence and current knowledge
- B. Guarantee sales volume
- C. Eliminate license renewal
- D. Set claim reserves

99. The purpose of an insurance guaranty association is generally to?

- A. Guarantee investment returns
- B. Replace all private insurance
- C. Set producer commissions
- D. Provide limited protection if an insurer becomes insolvent

100. A cease and desist order is used by a regulator to require a person or entity to?

- A. Issue a new policy
- B. Stop an unlawful insurance practice
- C. Pay a deductible
- D. Appraise a building

Exam 20: Answer Key and Explanations

1. C — The correct answer is Coverage A - Dwelling. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

2. B — The correct answer is Coverage B - Other Structures. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

3. D — The correct answer is Coverage C - Personal Property. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the

exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

4. A — The correct answer is Coverage D - Loss of Use. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

5. A — The correct answer is Coverage E - Personal Liability. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

6. D — The correct answer is Coverage F - Medical Payments to Others. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

7. C — The correct answer is Flood. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

8. B — The correct answer is HO-3 special form. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

9. C — The correct answer is HO-4. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

10. D — The correct answer is HO-6. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

11. B — The correct answer is Cost to replace with like kind and quality. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

12. A — The correct answer is Depreciation. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam,

identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

13. A — The correct answer is Share part of the loss. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

14. C — The correct answer is Duties after loss. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

15. D — The correct answer is Coinsurance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

16. B — The correct answer is \$160,000. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

17. C — The correct answer is Appraisal. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

18. D — The correct answer is The lender named in the policy. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

19. B — The correct answer is Special form. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

20. A — The correct answer is Lost net income and continuing normal expenses. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

21. B — The correct answer is Costs to minimize business interruption. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best

response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

22. A — The correct answer is A contractors tools at a jobsite. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

23. D — The correct answer is A high-value jewelry item. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

24. C — The correct answer is Actual cash value. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

25. B — The correct answer is The span during which coverage is in force. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

26. C — The correct answer is Negligence. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

27. D — The correct answer is Breach of duty. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

28. A — The correct answer is Proximate cause. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

29. C — The correct answer is Injury or sickness sustained by another person. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

30. B — The correct answer is Damage to property of others. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the

exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

31. D — The correct answer is Libel or slander. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

32. A — The correct answer is The injury or damage occurs during the policy period. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

33. B — The correct answer is During the policy period or applicable extended reporting period. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

34. C — The correct answer is The applicable limit of liability. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

35. D — The correct answer is The insured's legal liability. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

36. A — The correct answer is Aggregate limit. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

37. C — The correct answer is One covered occurrence. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

38. B — The correct answer is The acts of another person. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

39. D — The correct answer is Respondeat superior. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam,

identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

40. A — The correct answer is Damages for injury to reputation. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

41. B — The correct answer is Seeking recovery from a responsible party. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

42. C — The correct answer is A double recovery for the same loss. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

43. D — The correct answer is Higher limits over underlying liability policies. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

44. A — The correct answer is An assumed contract obligation. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

45. A — The correct answer is Punitive damages. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

46. C — The correct answer is Compensate an injured party. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

47. D — The correct answer is The existence of insurance at the time issued. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

48. B — The correct answer is Liability coverage under another policy. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best

response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

49. C — The correct answer is Indemnify the insured. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

50. D — The correct answer is Fortuitous accidental losses. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

51. A — The correct answer is Bodily injury or property damage to others. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

52. B — The correct answer is Impact with another vehicle or object. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

53. A — The correct answer is Theft, fire, or hail. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

54. B — The correct answer is A driver without applicable liability insurance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

55. D — The correct answer is Insufficient for the covered damages. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

56. C — The correct answer is Fault. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

57. A — The correct answer is Breakdown, repair, servicing, loss, or destruction. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the

best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

58. B — The correct answer is Policy conditions and timely notice requirements. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

59. C — The correct answer is A public or livery conveyance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

60. D — The correct answer is An optional auto endorsement or coverage. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

61. C — The correct answer is Named insureds, vehicles, limits, and premiums. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

62. B — The correct answer is Bodily injury and property damage limits. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

63. A — The correct answer is Share each physical damage loss. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

64. D — The correct answer is Insurance indemnifies rather than creates a profit. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

65. B — The correct answer is The cost of a temporary rental vehicle. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

66. D — The correct answer is Reasonable belief of permission. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On

the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

67. C — The correct answer is Give the insured advance notice of termination. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

68. A — The correct answer is Liability for damages they cause. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

69. A — The correct answer is Damage from a falling tree. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

70. D — The correct answer is Subrogation. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

71. C — The correct answer is Work-related injury or occupational disease. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

72. B — The correct answer is Sue an employer for work injury. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

73. A — The correct answer is In the course of employment. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

74. B — The correct answer is Treatment for a covered injury. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

75. C — The correct answer is Temporarily unable to work. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the

exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

76. D — The correct answer is Lasting work impairment. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

77. C — The correct answer is Workers compensation exclusive remedy. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

78. B — The correct answer is An employers loss experience compared with expected losses. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

79. D — The correct answer is Cannot obtain workers compensation in the voluntary market. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

80. A — The correct answer is Exposure or conditions characteristic of employment. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

81. D — The correct answer is The final premium based on actual exposure. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

82. A — The correct answer is Prompt reporting and cooperation with claim procedures. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

83. C — The correct answer is Differently from regular employees. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

84. B — The correct answer is Preexisting disabilities. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the

exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

85. A — The correct answer is Hazard identification and prevention measures. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

86. D — The correct answer is The Commissioner of Commerce and Insurance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

87. C — The correct answer is The insurer the producer represents. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

88. B — The correct answer is Temporary evidence of insurance pending policy issuance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

89. D — The correct answer is An unfair trade practice. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

90. B — The correct answer is An inducement to purchase insurance. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

91. A — The correct answer is Misleading comparisons or representations. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

92. C — The correct answer is Unfairly discriminatory or contrary to law. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

93. A — The correct answer is Handle and remit the funds properly. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response.

On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

94. C — The correct answer is Affect underwriting or the insurers decision. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

95. B — The correct answer is Withholding a material fact. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

96. D — The correct answer is Determine coverage and prevent fraud. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

97. C — The correct answer is Insurance for compensation. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

98. A — The correct answer is Maintain producer competence and current knowledge. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

99. D — The correct answer is Provide limited protection if an insurer becomes insolvent. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.

100. B — The correct answer is Stop an unlawful insurance practice. It applies here. The other choices refer to separate coverages, conditions, or legal concepts and therefore do not provide the best response. On the exam, identify the loss, the involved party, and the coverage trigger, then select the most clearly applicable provision in this case.