

TENNESSEE PROPERTY AND CASUALTY INSURANCE LICENSE STUDY GUIDE - EXAM 21 (100 QUESTIONS)

This standalone practice examination contains 100 fresh question presentations across property, casualty, automobile, workers compensation, and Tennessee insurance regulation. Select one best answer. Confirm current Tennessee requirements with the Department of Commerce and Insurance before testing.

1. During a practice review, a candidate must identify the controlling insurance concept. A homeowners policy covers a dwelling damaged by wind. Which coverage is designed for the residence itself?

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

2. During a practice review, a candidate must identify the controlling insurance concept. A detached garage is damaged by fire. Under a homeowners policy, which coverage normally applies?

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

3. During a practice review, a candidate must identify the controlling insurance concept. Furniture is stolen from an insured home. Which homeowners coverage is most directly involved?

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

4. During a practice review, a candidate must identify the controlling insurance concept. A covered fire makes a home uninhabitable and the family rents an apartment temporarily. What coverage helps?

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

5. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. 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 F - Medical Payments to Others
- C. Coverage D - Loss of Use
- D. Coverage E - Personal Liability

7. During a practice review, a candidate must identify the controlling insurance concept. Which peril is generally excluded under an unendorsed homeowners policy?

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

8. During a practice review, a candidate must identify the controlling insurance concept. 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-4 tenant form
- C. HO-3 special form
- D. HO-6 unit-owner form

9. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Which homeowners form is designed primarily for a condominium unit owner?

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

11. During a practice review, a candidate must identify the controlling insurance concept. Replacement cost coverage generally pays for a covered loss based on what?

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

12. During a practice review, a candidate must identify the controlling insurance concept. Actual cash value is usually calculated as replacement cost minus what?

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

13. During a practice review, a candidate must identify the controlling insurance concept. The purpose of a property deductible is primarily to do what?

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

14. During a practice review, a candidate must identify the controlling insurance concept. Which policy provision requires an insured to take reasonable steps to protect property after a loss?

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

15. During a practice review, a candidate must identify the controlling insurance concept. A standard fire policy condition requiring insurance to value be maintained is called what?

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

16. During a practice review, a candidate must identify the controlling insurance concept. A building valued at \$200,000 has a required 80% limit. What minimum insurance amount meets coinsurance?

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

17. During a practice review, a candidate must identify the controlling insurance concept. A policy condition that allows each party to select an appraiser for a valuation dispute is called?

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

18. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Which commercial property cause-of-loss form provides the broadest listed protection?

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

20. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Extra expense coverage is designed to pay for what?

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

22. During a practice review, a candidate must identify the controlling insurance concept. An inland marine policy commonly covers property that is mobile or has a special exposure. Which item fits?

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

23. During a practice review, a candidate must identify the controlling insurance concept. A scheduled personal property endorsement is especially useful for which item?

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

24. During a practice review, a candidate must identify the controlling insurance concept. Which valuation method normally applies to a building when replacement cost is not purchased?

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

25. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Legal liability for injury caused by failure to use reasonable care is called?

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

27. During a practice review, a candidate must identify the controlling insurance concept. Which element of negligence asks whether the defendant failed to act reasonably?

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

28. During a practice review, a candidate must identify the controlling insurance concept. The cause that produces an injury in an unbroken chain of events is called?

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

29. During a practice review, a candidate must identify the controlling insurance concept. Bodily injury liability coverage generally pays damages for what?

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

30. During a practice review, a candidate must identify the controlling insurance concept. Property damage liability coverage is designed to pay for what?

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

31. During a practice review, a candidate must identify the controlling insurance concept. Personal and advertising injury coverage may include liability for what?

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

32. During a practice review, a candidate must identify the controlling insurance concept. An occurrence policy generally responds when what happens?

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

33. During a practice review, a candidate must identify the controlling insurance concept. A claims-made policy generally requires a claim to be made when?

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

34. During a practice review, a candidate must identify the controlling insurance concept. The supplementary payments section commonly pays certain defense costs in addition to what?

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

35. During a practice review, a candidate must identify the controlling insurance concept. Medical payments coverage under a CGL policy is intended to pay small injuries regardless of what?

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

36. During a practice review, a candidate must identify the controlling insurance concept. A liability limit stated for all covered claims during a policy period is the?

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

37. During a practice review, a candidate must identify the controlling insurance concept. A per occurrence limit is the most the insurer will pay for what?

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

38. During a practice review, a candidate must identify the controlling insurance concept. Vicarious liability means one party may be liable because of what?

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

39. During a practice review, a candidate must identify the controlling insurance concept. A business owner is liable for an employees negligent driving within assigned duties under?

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

40. During a practice review, a candidate must identify the controlling insurance concept. Which is a common remedy for a defamation claim?

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

41. During a practice review, a candidate must identify the controlling insurance concept. A waiver of subrogation prevents an insurer from doing what?

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

42. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. A contractual liability exclusion is most relevant when liability arises solely from?

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

45. During a practice review, a candidate must identify the controlling insurance concept. Which type of damages are intended to punish especially wrongful conduct?

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

46. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. A certificate of insurance is generally evidence of what?

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

48. During a practice review, a candidate must identify the controlling insurance concept. An additional insured is a person or organization that receives what?

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

49. During a practice review, a candidate must identify the controlling insurance concept. The duty to defend is generally broader than the duty to do what?

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

50. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Auto liability coverage applies when an insured is legally liable for what?

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

52. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Other than collision coverage includes damage caused by what?

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

54. During a practice review, a candidate must identify the controlling insurance concept. Uninsured motorist coverage protects an insured injured by what?

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

55. During a practice review, a candidate must identify the controlling insurance concept. Underinsured motorist coverage may apply when the at-fault drivers limits are?

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

56. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. A temporary substitute auto is used when the covered auto is unavailable because of?

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

58. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. A personal auto policy generally excludes liability arising from use as what?

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

60. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. The declarations page identifies which information?

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

62. During a practice review, a candidate must identify the controlling insurance concept. A split limit of 25/50/15 typically expresses limits for what?

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

63. During a practice review, a candidate must identify the controlling insurance concept. The purpose of a deductible in physical damage coverage is to?

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

64. During a practice review, a candidate must identify the controlling insurance concept. An insurer may pay a total loss based on the autos actual cash value because?

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

- 65.** During a practice review, a candidate must identify the controlling insurance concept. Rental reimbursement coverage may pay for what after a covered auto loss?
- A. The purchase price of a new home
 - B. The insureds lost vacation time
 - C. The cost of a temporary rental vehicle
 - D. A traffic citation
- 66.** During a practice review, a candidate must identify the controlling insurance concept. A permissive user is generally covered when using the insured auto with?
- A. A commercial license only
 - B. Reasonable belief of permission
 - C. A signed rental contract
 - D. A separate homeowners policy
- 67.** During a practice review, a candidate must identify the controlling insurance concept. An auto policy cancellation notice requirement is primarily intended to?
- A. Increase collision limits
 - B. Eliminate underwriting
 - C. Create a new binder
 - D. Give the insured advance notice of termination
- 68.** During a practice review, a candidate must identify the controlling insurance concept. 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.** During a practice review, a candidate must identify the controlling insurance concept. Which loss is normally covered by other than collision rather than collision?
- A. Impact with a parked car
 - B. Collision with a fence
 - C. Damage from a falling tree
 - D. Overturn after striking an object

70. During a practice review, a candidate must identify the controlling insurance concept. An insurer that obtains recovery from an at-fault party after paying its insured is exercising?

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

71. During a practice review, a candidate must identify the controlling insurance concept. Workers compensation is generally a no-fault system providing benefits for what?

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

72. During a practice review, a candidate must identify the controlling insurance concept. The exclusive remedy principle generally limits an employees ability to?

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

73. During a practice review, a candidate must identify the controlling insurance concept. A compensable workers compensation injury usually must arise out of and occur?

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

74. During a practice review, a candidate must identify the controlling insurance concept. Workers compensation medical benefits are intended to pay for?

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

75. During a practice review, a candidate must identify the controlling insurance concept. Temporary total disability benefits are designed for an employee who is?

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

76. During a practice review, a candidate must identify the controlling insurance concept. Permanent partial disability benefits address what?

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

77. During a practice review, a candidate must identify the controlling insurance concept. Employers liability coverage protects an employer from certain suits not barred by?

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

78. During a practice review, a candidate must identify the controlling insurance concept. A workers compensation experience modification is based primarily on?

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

79. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. An occupational disease is generally a condition caused by?

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

81. During a practice review, a candidate must identify the controlling insurance concept. A workers compensation premium audit helps determine what?

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

82. During a practice review, a candidate must identify the controlling insurance concept. The workers compensation employer duty after injury commonly includes?

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

83. During a practice review, a candidate must identify the controlling insurance concept. 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. As public officials
- D. Differently from regular employees

84. During a practice review, a candidate must identify the controlling insurance concept. A second injury fund concept is intended to encourage employment of workers with?

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

85. During a practice review, a candidate must identify the controlling insurance concept. Loss control services are intended to reduce workplace injuries through?

- A. Increasing deductibles automatically
- B. Avoiding all employee training
- C. Hazard identification and prevention measures
- D. Eliminating claim reporting

86. During a practice review, a candidate must identify the controlling insurance concept. In Tennessee, the Department of Commerce and Insurance regulates insurance producers under the authority of?

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

87. During a practice review, a candidate must identify the controlling insurance concept. A Tennessee producer must act within the authority granted by whom?

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

88. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Misrepresenting policy terms to induce a sale is an example of?

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

90. During a practice review, a candidate must identify the controlling insurance concept. Rebating is generally prohibited because it involves offering what not stated in the policy?

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

91. During a practice review, a candidate must identify the controlling insurance concept. Twisting is the unfair practice of inducing a policyholder to replace coverage through?

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

92. During a practice review, a candidate must identify the controlling insurance concept. An insurer may not cancel or nonrenew coverage in a manner that is?

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

93. During a practice review, a candidate must identify the controlling insurance concept. A producer has a fiduciary duty regarding premiums collected for an insurer. This means the producer must?

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

94. During a practice review, a candidate must identify the controlling insurance concept. 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. During a practice review, a candidate must identify the controlling insurance concept. Concealment differs from misrepresentation because concealment involves?

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

96. During a practice review, a candidate must identify the controlling insurance concept. An insurer may investigate a suspicious claim in order to?

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

97. During a practice review, a candidate must identify the controlling insurance concept. A producer license is generally required for a person who sells, solicits, or negotiates?

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

98. During a practice review, a candidate must identify the controlling insurance concept. Continuing education requirements are intended primarily to?

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

99. During a practice review, a candidate must identify the controlling insurance concept. The purpose of an insurance guaranty association is generally to?

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

100. During a practice review, a candidate must identify the controlling insurance concept. A cease and desist order is used by a regulator to require a person or entity to?

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

EXAM 21: ANSWER KEY

1. **A** - Coverage A - Dwelling is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
2. **D** - Coverage B - Other Structures is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
3. **B** - Coverage C - Personal Property is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
4. **C** - Coverage D - Loss of Use is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
5. **A** - Coverage E - Personal Liability is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
6. **B** - Coverage F - Medical Payments to Others is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
7. **D** - Flood is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
8. **C** - HO-3 special form is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
9. **C** - HO-4 is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
10. **A** - HO-6 is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
11. **D** - Cost to replace with like kind and quality is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
12. **B** - Depreciation is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
13. **C** - Share part of the loss is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
14. **A** - Duties after loss is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
15. **B** - Coinsurance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
16. **D** - \$160,000 is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
17. **B** - Appraisal is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
18. **D** - The lender named in the policy is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
19. **C** - Special form is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

- 20. A** - Lost net income and continuing normal expenses is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 21. A** - Costs to minimize business interruption is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 22. B** - A contractors tools at a jobsite is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 23. C** - A high-value jewelry item is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 24. D** - Actual cash value is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 25. B** - The span during which coverage is in force is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 26. A** - Negligence is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 27. C** - Breach of duty is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 28. D** - Proximate cause is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 29. B** - Injury or sickness sustained by another person is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 30. D** - Damage to property of others is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 31. A** - Libel or slander is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 32. C** - The injury or damage occurs during the policy period is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 33. C** - During the policy period or applicable extended reporting period is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 34. B** - The applicable limit of liability is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 35. A** - The insureds legal liability is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 36. D** - Aggregate limit is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 37. B** - One covered occurrence is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 38. D** - The acts of another person is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

- 39. A** - Respondeat superior is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 40. C** - Damages for injury to reputation is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 41. A** - Seeking recovery from a responsible party is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 42. C** - A double recovery for the same loss is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 43. D** - Higher limits over underlying liability policies is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 44. B** - An assumed contract obligation is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 45. A** - Punitive damages is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 46. C** - Compensate an injured party is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 47. B** - The existence of insurance at the time issued is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 48. D** - Liability coverage under another policy is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 49. A** - Indemnify the insured is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 50. D** - Fortuitous accidental losses is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 51. C** - Bodily injury or property damage to others is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 52. B** - Impact with another vehicle or object is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 53. D** - Theft, fire, or hail is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 54. A** - A driver without applicable liability insurance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 55. B** - Insufficient for the covered damages is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 56. C** - Fault is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 57. C** - Breakdown, repair, servicing, loss, or destruction is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 58. B** - Policy conditions and timely notice requirements is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

- 59. A** - A public or livery conveyance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 60. D** - An optional auto endorsement or coverage is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 61. A** - Named insureds, vehicles, limits, and premiums is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 62. C** - Bodily injury and property damage limits is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 63. D** - Share each physical damage loss is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 64. B** - Insurance indemnifies rather than creates a profit is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 65. C** - The cost of a temporary rental vehicle is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 66. B** - Reasonable belief of permission is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 67. D** - Give the insured advance notice of termination is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 68. A** - Liability for damages they cause is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 69. C** - Damage from a falling tree is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 70. A** - Subrogation is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 71. B** - Work-related injury or occupational disease is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 72. D** - Sue an employer for work injury is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 73. D** - In the course of employment is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 74. C** - Treatment for a covered injury is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 75. A** - Temporarily unable to work is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 76. B** - Lasting work impairment is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 77. B** - Workers compensation exclusive remedy is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.
- 78. A** - An employers loss experience compared with expected losses is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or

coverages.

79. D - Cannot obtain workers compensation in the voluntary market is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

80. C - Exposure or conditions characteristic of employment is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

81. B - The final premium based on actual exposure is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

82. C - Prompt reporting and cooperation with claim procedures is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

83. D - Differently from regular employees is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

84. A - Preexisting disabilities is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

85. C - Hazard identification and prevention measures is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

86. A - The Commissioner of Commerce and Insurance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

87. D - The insurer the producer represents is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

88. B - Temporary evidence of insurance pending policy issuance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

89. C - An unfair trade practice is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

90. A - An inducement to purchase insurance is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

91. D - Misleading comparisons or representations is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

92. A - Unfairly discriminatory or contrary to law is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

93. B - Handle and remit the funds properly is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

94. C - Affect underwriting or the insurers decision is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

95. D - Withholding a material fact is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

96. B - Determine coverage and prevent fraud is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

97. A - Insurance for compensation is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

98. C - Maintain producer competence and current knowledge is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

99. B - Provide limited protection if an insurer becomes insolvent is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.

100. D - Stop an unlawful insurance practice is the best answer because it directly matches the insurance principle or coverage described in the question. The other options identify different policy concepts or coverages.