

PRACTICE EXAM 8: TENNESSEE PROPERTY AND CASUALTY INSURANCE LICENSE SIMULATION (100 QUESTIONS)

This original practice examination contains 100 multiple-choice questions covering Tennessee Property and Casualty insurance fundamentals, policy coverages, commercial and personal lines, liability, and Tennessee producer-law topics. Select the single best answer. It is not an official examination; confirm current information with TDCI and Pearson VUE.

1. Select the best answer for this policyholder: which risk is normally insurable?

- A. A wager on a sporting event
- B. A deliberate business venture
- C. A planned stock-market trade
- D. A chance of accidental fire loss

2. Identify the controlling P&C concept: a physical hazard is best described as:

- A. A slippery floor that increases accident probability
- B. A desire to collect insurance proceeds
- C. Carelessness caused by indifference
- D. An insured who exaggerates a claim

3. A licensed producer should recognize that the principle of indemnity is designed to:

- A. Eliminate all deductibles
- B. Restore the insured financially after a covered loss
- C. Punish an insurer for a loss
- D. Guarantee a profit after every loss

4. For this coverage question, a peril is:

- A. A financial consequence of loss
- B. A policy provision limiting payment
- C. The cause of a possible loss, such as fire
- D. A condition increasing the chance of loss

5. Apply the rule to these facts: actual cash value is generally replacement cost minus:

- A. Depreciation
- B. The deductible multiplied by two
- C. The coinsurance percentage
- D. The policy limit

6. Select the best answer for this policyholder: the law of large numbers helps insurers:

- A. Guarantee investment income
- B. Set every premium at the same amount
- C. Prevent every individual loss
- D. Predict aggregate losses from a large group

7. Identify the controlling P&C concept: which is a morale hazard?

- A. An earthquake near an insured location
- B. Leaving a car unlocked because insurance exists
- C. Falsifying a theft claim
- D. Storing gasoline beside a furnace

8. A licensed producer should recognize that proximate cause means the cause that:

- A. Is named by the claimant
- B. Has the largest repair invoice
- C. Sets in motion an unbroken chain leading to loss
- D. Occurs last after every loss

9. For this coverage question, a binder is best described as:

- A. A cancellation notice
- B. Temporary evidence of insurance pending policy issuance
- C. A proof-of-loss form
- D. A permanent policy replacement

10. Apply the rule to these facts: a representation on an application is usually:

- A. A court order changing a policy
- B. An insurer guarantee of coverage
- C. A statement believed true to the applicant knowledge
- D. A promise that can never be breached

11. Select the best answer for this policyholder: which party has insurable interest in a building it owns?

- A. The building owner
- B. A passerby who predicts a loss
- C. A neighbor with no financial interest
- D. A stranger who admires the building

12. Identify the controlling P&C concept: subrogation permits an insurer to:

- A. Transfer a deductible to a claimant

- B. Collect twice for the same loss
- C. Cancel every policy after a claim
- D. Seek recovery from a responsible third party

13. A licensed producer should recognize that an endorsement is used to:

- A. Prove a license appointment
- B. Create a premium audit only
- C. Replace an application with a claim
- D. Modify the policy terms or coverage

14. For this coverage question, a policy deductible primarily:

- A. Requires the insured to absorb an initial amount
- B. Increases recovery beyond the limit
- C. Makes the insurer pay the first dollars of every loss
- D. Eliminates insured participation in loss

15. Apply the rule to these facts: a valued policy states:

- A. The insureds annual income
- B. A predetermined value for covered property
- C. The insurer investment account value
- D. Only the market value after loss

16. Select the best answer for this policyholder: under a direct loss policy, smoke damage from a covered fire is generally:

- A. A direct physical loss
- B. A premium adjustment
- C. An indirect business expense only

D. A liability loss only

17. Identify the controlling P&C concept: an unoccupied dwelling differs from a vacant dwelling because it:

- A. Must be used commercially
- B. Is always owner occupied
- C. Contains contents but lacks regular occupants
- D. Has no structure remaining

18. A licensed producer should recognize that a liberalization clause generally:

- A. Extends a broadened benefit without additional premium
- B. Requires a policy cancellation
- C. Lets an insured rewrite any condition
- D. Eliminates all exclusions immediately

19. For this coverage question, a named-perils policy covers loss caused by:

- A. Only liability claims
- B. Only intentional acts
- C. Every cause except exclusions
- D. Only perils specifically listed in the policy

20. Apply the rule to these facts: a special form property policy generally covers:

- A. Only flood and earthquake
- B. Direct physical loss unless excluded
- C. Only theft by a named person
- D. Only fire and lightning

21. Select the best answer for this policyholder: which homeowners coverage protects the dwelling itself?

- A. Coverage E
- B. Coverage A
- C. Coverage C
- D. Coverage B

22. Identify the controlling P&C concept: coverage C in a homeowners policy generally insures:

- A. Medical payments to others only
- B. Other structures only
- C. Personal property
- D. The residence premises land

23. A licensed producer should recognize that a homeowners policy typically excludes flood damage because flood:

- A. Requires separate coverage or an endorsement
- B. Is a form of collision damage
- C. Is covered only by liability insurance
- D. Is always covered by Coverage A

24. For this coverage question, loss of use coverage may pay for:

- A. Replacement of excluded property
- B. Routine household groceries
- C. Normal monthly mortgage principal
- D. Extra living expense after a covered loss

25. Apply the rule to these facts: under a homeowners policy, Coverage E applies to:

- A. Mortgage lender interests
- B. Scheduled jewelry only
- C. Personal liability
- D. Dwelling fire damage

26. Select the best answer for this policyholder: medical payments to others coverage is intended to:

- A. Pay small medical expenses without proving negligence
- B. Pay damage to the insured auto
- C. Replace workers compensation benefits
- D. Pay the insureds own medical expenses

27. Identify the controlling P&C concept: which is generally an other structure?

- A. A family automobile
- B. The attached dwelling roof
- C. A sofa inside the home
- D. A detached garage

28. A licensed producer should recognize that replacement cost settlement usually requires:

- A. Selling the damaged property first
- B. Replacing or repairing the property as required by policy
- C. Proving a liability lawsuit
- D. Accepting only depreciated value

29. For this coverage question, personal articles floater coverage is often used for:

- A. Workers compensation claims

- B. Employee payroll records
- C. Routine utility bills
- D. High-value scheduled items such as jewelry

30. Apply the rule to these facts: a vacancy condition primarily addresses increased risk from:

- A. A premium installment plan
- B. A paid liability claim
- C. Extended absence of occupants
- D. A scheduled personal article

31. Select the best answer for this policyholder: the personal auto policy liability coverage pays for:

- A. Bodily injury or property damage the insured is legally liable for
- B. Damage to cargo owned by a shipper
- C. The insured's health insurance deductible
- D. Wear and tear to the insured auto

32. Identify the controlling P&C concept: collision coverage applies to damage caused by:

- A. Mechanical breakdown only
- B. Impact with another object or overturn
- C. Theft from the insured vehicle
- D. Windstorm and hail only

33. A licensed producer should recognize that other-than-collision coverage includes:

- A. Intentional damage by the insured
- B. Wear from normal use
- C. Damage from hitting another car
- D. Theft, fire, and hail loss

34. For this coverage question, uninsured motorist coverage protects an insured injured by:

- A. A workers compensation carrier
- B. A covered garage employee
- C. A driver without applicable liability insurance
- D. The insureds own collision deductible

35. Apply the rule to these facts: underinsured motorist coverage is designed for:

- A. When a policy is cancelled for fraud
- B. When the at-fault drivers limits are insufficient
- C. When a vehicle has no physical damage
- D. When the insured has no auto policy

36. Select the best answer for this policyholder: a newly acquired auto provision gives temporary coverage for:

- A. A vehicle obtained during the policy period
- B. A vehicle sold before policy inception
- C. A dealer inventory vehicle
- D. Any vehicle borrowed forever

37. Identify the controlling P&C concept: a temporary substitute auto is generally used when the covered auto is:

- A. Used in a racing event
- B. Out of normal use because of breakdown or repair
- C. Permanently sold to another owner
- D. Being driven by an uninsured stranger

38. A licensed producer should recognize that bodily injury liability does not pay for:

- A. Legal defense costs as provided
- B. A third partys lost wages
- C. A third partys medical expenses
- D. Damage to another persons vehicle

39. For this coverage question, a personal umbrella policy is intended to:

- A. Provide liability limits above underlying policies
- B. Pay ordinary vehicle maintenance
- C. Insure only a single necklace
- D. Replace comprehensive auto coverage

40. Apply the rule to these facts: the businessowners policy is generally designed for:

- A. Only workers compensation claims
- B. Only ocean marine risks
- C. Eligible small to medium businesses
- D. Only individual homeowners

41. Select the best answer for this policyholder: commercial property building coverage includes:

- A. Accounts receivable records only
- B. Employees personal cell phones
- C. The building and permanently installed fixtures
- D. Customers automobiles in a lot

42. Identify the controlling P&C concept: business personal property generally includes:

- A. The owners private residence
- B. A customers personal property automatically
- C. The land under the building
- D. Furniture and equipment owned by the business

43. A licensed producer should recognize that business income coverage may pay for:

- A. Property wear from ordinary use
- B. Lost income after a covered cause of loss
- C. Fines for intentional misconduct
- D. Losses from poor management alone

44. For this coverage question, extra expense coverage helps pay:

- A. Necessary added costs to continue operations
- B. A liability judgment unrelated to loss
- C. A property purchase price
- D. The insureds regular income tax

45. Apply the rule to these facts: the common policy declarations show:

- A. The insurers investment returns
- B. A court verdict on liability
- C. Every future claim decision
- D. Named insured, limits, and policy period

46. Select the best answer for this policyholder: the commercial general liability policy covers liability arising from:

- A. Employee workplace injuries exclusively
- B. Intentional injury expected by the insured

- C. Bodily injury and property damage, subject to terms
- D. Damage to the insureds own work in all cases

47. Identify the controlling P&C concept: products-completed operations exposure arises from:

- A. Products sold or completed work after completion
- B. Only first-party property losses
- C. Only damage before work begins
- D. Only automobile accidents

48. A licensed producer should recognize that personal and advertising injury may include:

- A. Workers compensation benefits
- B. Libel or slander, subject to policy terms
- C. Collision damage to a truck
- D. A covered fire at the insured building

49. For this coverage question, professional liability is commonly written for:

- A. Employee wage replacement
- B. Errors or omissions in professional services
- C. Direct auto collision loss
- D. Damage to owned office furniture

50. Apply the rule to these facts: workers compensation generally provides benefits for:

- A. A customers property claim
- B. Damage to an employees auto
- C. Every personal illness outside work
- D. Job-related injury or occupational disease

51. Select the best answer for this policyholder: employers liability coverage protects an employer from:

- A. Loss of customer inventory
- B. Damage to the employers building
- C. Certain employee injury lawsuits outside workers compensation
- D. The cost of employee payroll tax

52. Identify the controlling P&C concept: a fidelity bond protects an employer against:

- A. Dishonest acts of employees
- B. Flood damage to inventory
- C. An insureds liability to customers
- D. Fire damage to a building

53. A licensed producer should recognize that a surety bond involves:

- A. A lender and borrower only
- B. Only two homeowners
- C. A principal, obligee, and surety
- D. Only an insurer and claimant

54. For this coverage question, the obligee in a surety bond is:

- A. The agent who sold the bond
- B. The company guaranteeing performance
- C. The party that performs the obligation
- D. The party protected by the bond

55. Apply the rule to these facts: inland marine insurance often covers:

- A. Only life insurance risks
- B. Movable property and specialized property exposures
- C. Only workers compensation losses
- D. Only a private residence

56. Select the best answer for this policyholder: bailees customers coverage is important when:

- A. A business has custody of customers property
- B. An employee receives a paycheck
- C. A driver buys liability limits
- D. A homeowner schedules jewelry

57. Identify the controlling P&C concept: ocean marine hull coverage insures:

- A. An employee injury
- B. A warehouse roof only
- C. The vessel itself
- D. Cargo only

58. A licensed producer should recognize that cargo insurance protects against loss to:

- A. Employee dishonesty only
- B. Goods being transported
- C. Professional negligence only
- D. The insureds real property only

59. For this coverage question, a standard fire policy typically insures against:

- A. Direct loss by fire
- B. Employee wage loss
- C. Liability to the public

D. All causes of water damage

60. Apply the rule to these facts: ordinance or law coverage can address:

A. Normal maintenance expenses

B. Intentional criminal fines

C. Routine depreciation

D. Increased costs due to building code enforcement

61. Select the best answer for this policyholder: coinsurance encourages insureds to:

A. Eliminate the policy deductible

B. Avoid reporting losses

C. Insure property for any chosen token amount

D. Carry insurance close to property value

62. Identify the controlling P&C concept: if required insurance is \$800,000 and carried insurance is \$600,000, a \$100,000 covered loss before deductible is paid at what amount using the coinsurance formula?

A. \$100,000 before deductible

B. \$80,000 before deductible

C. \$75,000 before deductible

D. \$60,000 before deductible

63. A licensed producer should recognize that a cause-of-loss form identifies:

A. The perils or causes covered by the policy

B. The building construction year

C. The insurance producer license term

D. Only the policy premium due date

64. For this coverage question, builders risk insurance is designed for:

- A. Personal auto liability
- B. Property during construction
- C. Employee disability benefits
- D. Completed professional services

65. Apply the rule to these facts: a standard mortgage clause generally protects:

- A. The mortgagee interest even if the insured breaches conditions
- B. The agent commission interest
- C. Only a tenant without a lease
- D. Only the insureds personal property

66. Select the best answer for this policyholder: a loss payable clause identifies:

- A. A producer who receives premium
- B. A party guaranteed liability coverage
- C. A party entitled to payment for covered property loss
- D. A person who can cancel all policies

67. Identify the controlling P&C concept: the National Flood Insurance Program is associated with:

- A. Employee theft coverage
- B. Workers compensation benefits
- C. Auto collision coverage
- D. Flood coverage for eligible property

68. A licensed producer should recognize that earthquake is commonly treated as:

- A. A scheduled property item
- B. A peril requiring separate coverage or endorsement
- C. A type of liability claim
- D. An automatically covered homeowners peril

69. For this coverage question, a commercial auto policy liability section protects against:

- A. Any employee dishonesty
- B. All cargo loss regardless of terms
- C. All mechanical breakdown
- D. Legal liability for covered autos

70. Apply the rule to these facts: hired auto liability applies to autos:

- A. Leased, hired, rented, or borrowed by the business
- B. Used only for racing
- C. Permanently sold by the insured
- D. Owned by every employee personally

71. Select the best answer for this policyholder: nonowned auto liability commonly applies to:

- A. Customers property in storage
- B. Owned business autos only
- C. Employee-owned autos used in the business
- D. The business building

72. Identify the controlling P&C concept: garagekeepers coverage concerns:

- A. Workers compensation benefits

- B. Customers autos in garage custody
- C. Employee fidelity losses
- D. The garage owners personal residence

73. A licensed producer should recognize that garage liability is intended for businesses such as:

- A. Only ocean cargo carriers
- B. Auto dealers and repair shops
- C. Only life insurers
- D. Only private homeowners

74. For this coverage question, a trucking coverage form is tailored for:

- A. Workers compensation payroll
- B. Professional negligence only
- C. Homeowners personal property
- D. Motor carriers and their trucking exposures

75. Apply the rule to these facts: excess liability coverage normally:

- A. Adds limits above a primary policy
- B. Eliminates a required underlying policy
- C. Replaces a property deductible
- D. Broadens every exclusion automatically

76. Select the best answer for this policyholder: an occurrence-based liability policy responds when:

- A. The insured requests a renewal
- B. The policy is purchased after every claim
- C. The injury or damage occurs during the policy period
- D. The claim is reported years before loss

77. Identify the controlling P&C concept: a claims-made policy is triggered mainly by:

- A. The date a license is issued
- B. The date premium is audited
- C. A claim first made during the policy period
- D. The date property is built

78. A licensed producer should recognize that the retroactive date in a claims-made policy limits coverage for:

- A. Acts occurring before that date
- B. Only auto physical damage
- C. Only property deductibles
- D. All future renewals

79. For this coverage question, tort law deals primarily with:

- A. Producer appointment procedures only
- B. Civil wrongs and resulting legal liability
- C. Property valuation methods only
- D. Insurance premium taxation only

80. Apply the rule to these facts: negligence requires, among other elements:

- A. An intentional criminal act
- B. A premium audit only
- C. A written insurance policy only
- D. A duty and breach causing damages

81. Select the best answer for this policyholder: vicarious liability is liability imposed because of:

- A. A policy deductible
- B. A property coinsurance formula
- C. A named-perils endorsement
- D. A legal relationship with another actor

82. Identify the controlling P&C concept: comparative negligence generally:

- A. Creates a surety bond
- B. Apportions damages based on fault
- C. Guarantees punitive damages
- D. Eliminates all defenses

83. A licensed producer should recognize that compensatory damages are intended to:

- A. Make an injured party whole for proven loss
- B. Replace policy declarations
- C. Provide insurance premium refunds
- D. Punish without regard to loss

84. For this coverage question, punitive damages are intended primarily to:

- A. Pay a policy deductible
- B. Value damaged property at cost
- C. Punish and deter egregious conduct
- D. Reimburse only medical expenses

85. Apply the rule to these facts: in Tennessee, an insurance producer applicant generally must be:

- A. A Tennessee business entity
- B. At least 21 years old
- C. At least 18 years old
- D. At least 16 years old

86. Select the best answer for this policyholder: tennessee insurance producer licensing is governed principally by:

- A. County property tax rules only
- B. The Uniform Commercial Code only
- C. Federal income tax rules only
- D. Tennessee Code Annotated Title 56 and applicable rules

87. Identify the controlling P&C concept: a Tennessee resident producer ordinarily applies for licensure through:

- A. The state licensing process and required examination unless exempt
- B. A private insurer without state filing
- C. A federal court clerk only
- D. A local property assessor only

88. A licensed producer should recognize that a producer is a person who sells, solicits, or negotiates:

- A. Vehicle registrations only
- B. Insurance contracts
- C. Securities only
- D. Real estate deeds only

89. For this coverage question, a producer should avoid rebating because it is:

- A. A type of property deductible

- B. A mandatory claim settlement method
- C. A required form of commission sharing
- D. An unfair trade practice when prohibited by law

90. Apply the rule to these facts: misrepresentation in insurance advertising is:

- A. An unfair trade practice
- B. A form of subrogation
- C. A type of coinsurance
- D. A permitted method of solicitation

91. Select the best answer for this policyholder: twisting is generally the practice of:

- A. Calculating actual cash value
- B. Inducing replacement using misleading comparisons
- C. Adding a mortgagee clause
- D. Setting a property deductible

92. Identify the controlling P&C concept: an insurer appointment concerns:

- A. A policyholder claim payment
- B. A mortgagee ownership interest
- C. Authority for a producer to act for an insurer
- D. A court order awarding damages

93. A licensed producer should recognize that a fiduciary duty regarding premiums means a producer must:

- A. Send premiums only after a claim
- B. Handle premium funds with proper care and accounting
- C. Use premium funds for personal expenses

D. Keep all collected premiums as commission

94. For this coverage question, the Tennessee Department of Commerce and Insurance is responsible for:

- A. Insurance regulation and producer licensing administration
- B. Operating private insurers
- C. Issuing vehicle titles only
- D. Setting federal income tax rates

95. Apply the rule to these facts: an applicant may be denied a license for:

- A. Requesting a certificate of insurance
- B. Owning a homeowners policy
- C. Using a policy deductible
- D. Conduct demonstrating untrustworthiness or statutory grounds

96. Select the best answer for this policyholder: an insurance policy is a contract requiring:

- A. Only an insurer appointment
- B. Only a premium audit
- C. Offer, acceptance, consideration, and competent parties
- D. Only a signed claim check

97. Identify the controlling P&C concept: consideration in insurance generally includes:

- A. The premium and the insurers promise to perform
- B. Only a policy endorsement
- C. Only a loss date
- D. Only the insureds age

98. A licensed producer should recognize that a unilateral contract is one in which:

- A. The agent is always a party
- B. Only the insurer makes an enforceable promise after conditions
- C. No premium is required
- D. Both parties exchange equal promises before loss

99. For this coverage question, an adhesion contract is drafted primarily by:

- A. A mortgagee after foreclosure
- B. A court after litigation
- C. The insurer, with limited bargaining by the applicant
- D. The insured after a loss

100. Apply the rule to these facts: ambiguous policy wording is generally construed against:

- A. The insurance department
- B. The claimant in every case
- C. The insured in every case
- D. The party that drafted the wording

Practice Exam 8: Answer Key and Explanations

1. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

2. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

3. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

4. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

5. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

6. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

7. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

8. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

9. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

10. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

11. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

12. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

13. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

14. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

15. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

16. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

17. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

18. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

19. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

20. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

21. B — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

22. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

23. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

24. D — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

25. C — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

26. A — The correct choice follows the standard insurance definition and the policy purpose tested by the question. Do not substitute a related coverage or a different legal principle. The remaining options either name a separate exposure, imply coverage that was not purchased, or overlook a policy condition. Under the stated facts, the keyed option gives the most accurate result.

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