

PRACTICE EXAM 15: TENNESSEE PROPERTY AND CASUALTY INSURANCE (100 QUESTIONS)

This 100-question practice exam is modeled on the current Tennessee Property and Casualty content outline. It combines Property, Casualty, and Tennessee-specific topics. Select the single best answer for each item. This study aid is not an official examination and should be used with the current Pearson VUE outline and Tennessee law.

1. Which statement most accurately describes HO-2?

- A. named-peril homeowners coverage for the perils listed in the policy
- B. open-peril coverage for the dwelling only under the policy terms
- C. liability coverage for a business under the policy terms
- D. flood coverage issued by FEMA under the policy terms

2. Which statement most accurately describes HO-3?

- A. named-peril coverage for tenants only under the policy terms
- B. open-peril coverage for the dwelling, subject to exclusions
- C. liability coverage for automobiles under the policy terms
- D. a commercial package policy under the policy terms

3. Which statement most accurately describes HO-4?

- A. a condominium unit-owners policy under the policy terms
- B. a farmowners policy under the policy terms
- C. a dwelling policy for landlords under the policy terms
- D. a tenants policy covering personal property and liability

4. Which statement most accurately describes HO-5?

- A. named-peril coverage for a renter's belongings under the policy terms
- B. a basic fire-only dwelling policy under the policy terms under the policy terms
- C. open-peril coverage for both dwelling and personal property, subject to exclusions
- D. a business income coverage form under the policy terms under the policy terms

5. Which statement most accurately describes HO-6?

- A. a condominium unit-owners policy
- B. a landlord dwelling policy
- C. an owner-occupied farm policy
- D. a mobile-home liability endorsement

6. Which statement most accurately describes HO-8?

- A. a broad commercial property form under the policy terms
- B. a renters policy for apartments under the policy terms
- C. an inland marine floater under the policy terms
- D. a modified homeowners form designed for older homes

7. Which statement most accurately describes DP-1?

- A. an open-peril homeowners form under the policy terms
- B. a businessowners liability policy under the policy terms
- C. a basic dwelling policy commonly written on named-peril terms
- D. a personal auto physical damage form under the policy terms

8. Which statement most accurately describes DP-2?

- A. a special form for condominium units
- B. a broad dwelling policy with named-peril coverage
- C. a property floater for jewelry under the policy terms
- D. a commercial crime coverage form under the policy terms

9. Which statement most accurately describes DP-3?

- A. a basic named-peril renters form under the policy terms
- B. a special dwelling form with open-peril building coverage
- C. a commercial umbrella policy under the policy terms
- D. a workers compensation policy under the policy terms

10. Which statement most accurately describes Businessowners Policy (BOP)?

- A. a personal homeowners contract under the policy terms
- B. a surety bond for contractors under the policy terms
- C. a workers compensation endorsement under the policy terms
- D. a packaged policy for eligible small and medium businesses

11. Which statement most accurately describes Commercial Package Policy (CPP)?

- A. a personal auto package under the policy terms
- B. a residential flood policy under the policy terms
- C. a policy that combines selected commercial coverage parts
- D. a single-peril dwelling policy under the policy terms

12. Which statement most accurately describes Building and Personal Property Coverage Form?

- A. a commercial property form covering buildings and business personal property
- B. a personal liability form for homeowners under the policy terms
- C. a commercial auto liability form under the policy terms

D. a fidelity bond covering employees under the policy terms

13. Which statement most accurately describes Causes of Loss - Basic Form?

- A. a commercial property form using specifically listed covered causes of loss
- B. an open-peril commercial property form under the policy terms under the policy terms
- C. a liability claims-made form under the policy terms under the policy terms
- D. an automobile medical payments form under the policy terms under the policy terms

14. Which statement most accurately describes Causes of Loss - Special Form?

- A. a named-peril form for tenant property under the policy terms
- B. a commercial property form generally providing open-peril coverage subject to exclusions
- C. a guarantee of contractor performance under the policy terms under the policy terms
- D. a workers compensation benefit schedule under the policy terms under the policy terms

15. Which statement most accurately describes Business income coverage?

- A. coverage for damage to a customer's auto under the policy terms
- B. coverage for employee theft under the policy terms under the policy terms
- C. coverage for a homeowner's additional living expense under the policy terms
- D. coverage for loss of income caused by a covered suspension of operations

16. Which statement most accurately describes Extra expense coverage?

- A. coverage for punitive damages under the policy terms under the policy terms
- B. coverage for personal property off premises under the policy terms
- C. coverage for necessary extra costs to avoid or minimize business interruption
- D. coverage for ordinary payroll taxes under the policy terms under the policy terms

17. Which statement most accurately describes Equipment breakdown coverage?

- A. coverage for normal wear and tear under the policy terms
- B. coverage for earth movement only under the policy terms
- C. coverage for employee injuries under the policy terms
- D. coverage for covered loss from mechanical or electrical breakdown

18. Which statement most accurately describes Builders risk insurance?

- A. property coverage for a building while it is under construction
- B. liability coverage after a project is completed under the policy terms
- C. a bond guaranteeing payment to subcontractors under the policy terms
- D. automobile coverage for contractors under the policy terms under the policy terms

19. Which statement most accurately describes Inland marine insurance?

- A. liability coverage for bodily injury under the policy terms
- B. workers compensation for employees under the policy terms under the policy terms
- C. property coverage for movable or specialized property and transit exposures
- D. guaranteed auto liability coverage under the policy terms under the policy terms

20. Which statement most accurately describes Personal articles floater?

- A. medical payments coverage for guests under the policy terms
- B. scheduled or broader property coverage for valuable personal items
- C. liability coverage for a rented car under the policy terms
- D. business income coverage for a store under the policy terms

21. Which statement most accurately describes National Flood Insurance Program?

- A. a homeowners endorsement for earth movement under the policy terms
- B. a state guaranty association under the policy terms
- C. a commercial crime insurance plan under the policy terms
- D. a federal program providing flood insurance through participating communities

22. Which statement most accurately describes Actual cash value?

- A. the original purchase price without adjustment
- B. replacement cost less depreciation under the policy terms
- C. market value plus the deductible
- D. replacement cost without any deduction

23. Which statement most accurately describes Replacement cost?

- A. the cost to repair or replace with like kind and quality without depreciation
- B. the price paid when the property was bought under the policy terms
- C. market value minus depreciation under the policy terms under the policy terms
- D. salvage value after a loss under the policy terms under the policy terms

24. Which statement most accurately describes Agreed value?

- A. a formula that always subtracts depreciation under the policy terms
- B. the same as a deductible under the policy terms
- C. a valuation method using an amount agreed upon in advance
- D. a liability limit for third-party claims under the policy terms

25. Which statement most accurately describes Coinsurance clause?

- A. a clause that eliminates deductibles under the policy terms under the policy terms under the policy terms
- B. a liability exclusion for intentional acts under the policy terms under the policy terms

- C. a provision encouraging insurance to value by reducing payment when required insurance is not carried
- D. an agreement to insure all property at market value under the policy terms under the policy terms

26. Which statement most accurately describes Blanket insurance?

- A. one limit applying to more than one item or location
- B. a separate limit for each listed location under the policy terms
- C. a policy with no deductible under the policy terms
- D. coverage limited to one scheduled item under the policy terms

27. Which statement most accurately describes Specific insurance?

- A. one limit shared by all locations under the policy terms
- B. an agreement to waive appraisal under the policy terms
- C. a form that covers every peril under the policy terms
- D. a limit applying to a particular described item or location

28. Which statement most accurately describes Proximate cause?

- A. the last event in time regardless of importance under the policy terms
- B. the dominant cause that sets a loss in motion in an unbroken sequence
- C. a policy condition requiring appraisal under the policy terms under the policy terms
- D. a method of calculating depreciation under the policy terms under the policy terms

29. Which statement most accurately describes Vacancy?

- A. a building temporarily empty while occupants are away under the policy terms
- B. a property insured under a floater under the policy terms under the policy terms
- C. a condition in which a building has no occupants and lacks customary contents
- D. a structure under active construction under the policy terms under the policy terms

30. Which statement most accurately describes Unoccupancy?

- A. a building with no contents or occupants under the policy terms
- B. a building insured on a replacement-cost basis under the policy terms
- C. a property covered by flood insurance under the policy terms
- D. a condition in which a furnished building has no occupants

31. Which statement most accurately describes Binder?

- A. a permanent amendment to the policy under the policy terms
- B. temporary evidence of insurance pending issuance of a policy
- C. a proof-of-loss form under the policy terms under the policy terms
- D. a cancellation notice under the policy terms under the policy terms

32. Which statement most accurately describes Endorsement?

- A. a written change that modifies a policy's terms or coverage
- B. a temporary oral insurance contract under the policy terms
- C. a notice of nonrenewal under the policy terms under the policy terms
- D. an application for coverage under the policy terms under the policy terms

33. Which statement most accurately describes Mortgagee clause?

- A. a provision protecting a mortgagee's separate interest in covered property
- B. a clause excluding property held for sale under the policy terms
- C. a liability agreement for tenants under the policy terms
- D. a valuation method based on salvage under the policy terms

34. Which statement most accurately describes Appraisal condition?

- A. a process for deciding whether a peril is covered under the policy terms
- B. a requirement that the insured accept the insurer's offer under the policy terms
- C. a cancellation procedure for liability policies under the policy terms under the policy terms
- D. a process for resolving disagreement over the amount of a property loss

35. Which statement most accurately describes Subrogation?

- A. the insured's right to collect duplicate benefits under the policy terms under the policy terms
- B. a policyholder's duty to pay a deductible under the policy terms under the policy terms
- C. the insurer's right to recover from a responsible third party after paying a loss
- D. a valuation method for damaged property under the policy terms under the policy terms

36. Which statement most accurately describes Fair Credit Reporting Act?

- A. a state law creating the flood program under the policy terms
- B. a federal law governing consumer reports used in underwriting
- C. a policy provision on appraisal under the policy terms
- D. a liability limit endorsement under the policy terms

37. Which statement most accurately describes Gramm-Leach-Bliley privacy rules?

- A. rules setting auto liability limits under the policy terms
- B. rules requiring safeguards and notices for consumers' nonpublic personal information
- C. rules defining a covered peril under the policy terms
- D. rules governing workers compensation benefits under the policy terms

38. Which statement most accurately describes Terrorism Risk Insurance Act?

- A. a homeowners endorsement for windstorm under the policy terms under the policy terms

- B. a state automobile assigned-risk plan under the policy terms under the policy terms
- C. a flood insurance policy under the policy terms under the policy terms
- D. a federal framework addressing certified acts of terrorism and related insurance availability

39. Which statement most accurately describes Insurable interest in property?

- A. a financial interest in preserving property from loss
- B. a desire to own property in the future
- C. a legal right to collect on any stranger's loss
- D. the same thing as a liability limit under the policy terms

40. Which statement most accurately describes Physical hazard?

- A. a dishonest intent to cause a loss under the policy terms
- B. carelessness caused by indifference under the policy terms under the policy terms
- C. a tangible condition that increases the chance or severity of loss
- D. a contractual promise to pay a claim under the policy terms

41. Which statement most accurately describes Moral hazard?

- A. a structural defect in a building under the policy terms
- B. a character-related condition that increases loss probability, such as dishonesty
- C. an insured's careless attitude under the policy terms under the policy terms
- D. a covered cause of loss under the policy terms

42. Which statement most accurately describes Morale hazard?

- A. a hidden structural defect under the policy terms
- B. an intentional fraudulent act under the policy terms
- C. a policy deductible under the policy terms under the policy terms
- D. carelessness or indifference that increases the chance of loss

43. Which statement most accurately describes Pure risk?

- A. a chance of loss or no loss, without a chance of gain
- B. a chance of profit or loss from investing under the policy terms
- C. a guaranteed financial gain under the policy terms under the policy terms
- D. a policy condition after a loss under the policy terms under the policy terms

44. Which statement most accurately describes Law of large numbers?

- A. the principle that larger groups make loss results more predictable
- B. the rule that every loss must be paid in full
- C. the requirement to insure property to value under the policy terms
- D. the method for computing a deductible under the policy terms

45. Which statement most accurately describes Tennessee fair value fire rule?

- A. a rule that requires flood coverage on all homes under the policy terms
- B. a rule setting auto medical payments limits under the policy terms under the policy terms
- C. a rule addressing fair value in certain total fire losses of real property
- D. a rule allowing rebating under the policy terms under the policy terms

46. Which statement most accurately describes Tennessee property inspection rule?

- A. a rule defining worker classification under the policy terms
- B. a rule creating federal flood insurance under the policy terms
- C. a rule governing health policy renewability under the policy terms
- D. a rule addressing inspections in connection with property insurance

47. Which statement most accurately describes Tennessee personal risk nonrenewal?

- A. a guarantee that every policy renews forever under the policy terms
- B. a flood policy cancellation requirement under the policy terms under the policy terms
- C. state rules that address notice and nonrenewal for personal risk insurance
- D. a criminal bond requirement under the policy terms under the policy terms

48. Which statement most accurately describes Tennessee mandated offer of coverage?

- A. a rule eliminating all policy exclusions under the policy terms
- B. a state requirement that certain coverage be offered in specified circumstances
- C. a requirement that insurers cover intentional losses under the policy terms
- D. a federal rule governing credit reports under the policy terms

49. Which statement most accurately describes Tennessee commercial risk cancellation?

- A. a rule governing only homeowners policies under the policy terms
- B. a federal flood cancellation rule under the policy terms
- C. a life insurance contestability rule under the policy terms
- D. state rules that address cancellation of commercial risk insurance

50. Which statement most accurately describes Tennessee request for loss runs?

- A. a state rule addressing an insured's request for loss-run information
- B. a rule requiring insurers to waive deductibles under the policy terms
- C. a rule requiring open-peril coverage under the policy terms
- D. a rule setting workers compensation benefits under the policy terms

51. Which statement most accurately describes Commercial general liability Coverage A?

- A. coverage for personal and advertising injury only

- B. coverage for medical payments only under the policy terms
- C. coverage for bodily injury and property damage liability
- D. coverage for damage to the insured's own building

52. Which statement most accurately describes Commercial general liability Coverage B?

- A. coverage for employee injuries under workers compensation
- B. coverage for personal and advertising injury liability
- C. coverage for direct physical property loss
- D. coverage for automobile collision damage under the policy terms

53. Which statement most accurately describes Commercial general liability Coverage C?

- A. coverage for punitive damages only under the policy terms under the policy terms
- B. coverage for the insured's own injuries under the policy terms under the policy terms
- C. limited medical payments coverage without regard to fault, subject to policy terms
- D. coverage for commercial property loss under the policy terms under the policy terms

54. Which statement most accurately describes Occurrence liability form?

- A. a form triggered only when a claim is reported under the policy terms
- B. a form triggered by bodily injury or damage occurring during the policy period
- C. a form covering only professional errors under the policy terms under the policy terms
- D. a form that excludes completed operations under the policy terms under the policy terms

55. Which statement most accurately describes Claims-made liability form?

- A. a form triggered solely by when an accident occurs under the policy terms
- B. a policy form for flood coverage under the policy terms under the policy terms
- C. a workers compensation coverage part under the policy terms under the policy terms
- D. a form generally triggered by claims first made during the policy period

56. Which statement most accurately describes Retroactive date?

- A. the date before which acts are not covered under a claims-made policy
- B. the date a policy's deductible resets under the policy terms under the policy terms
- C. the date a loss must be reported under any policy under the policy terms
- D. the date a renewal premium is due under the policy terms

57. Which statement most accurately describes Products-completed operations hazard?

- A. liability arising only from employee injuries under the policy terms under the policy terms
- B. property damage to the insured's own product under the policy terms
- C. liability arising from products or completed work away from the insured's premises
- D. loss of business income after a fire under the policy terms

58. Which statement most accurately describes Premises-operations hazard?

- A. liability arising only after work is completed
- B. liability arising from ongoing operations and premises exposures
- C. coverage for the insured's owned property under the policy terms
- D. coverage for employee dishonesty under the policy terms

59. Which statement most accurately describes Supplementary payments?

- A. payments made in addition to liability limits for specified claim-related expenses
- B. payments that reduce a property deductible under the policy terms
- C. payments for the insured's lost profits under the policy terms
- D. payments for normal auto maintenance under the policy terms under the policy terms

60. Which statement most accurately describes First named insured?

- A. every person who visits the insured premises under the policy terms
- B. only an additional insured under the policy terms under the policy terms
- C. a claimant who sues the insured under the policy terms under the policy terms
- D. the party with certain policy rights and responsibilities identified by the policy

61. Which statement most accurately describes Personal auto liability coverage?

- A. coverage for wear and tear to the insured vehicle under the policy terms under the policy terms
- B. coverage for flood damage to a home under the policy terms under the policy terms
- C. coverage for damages an insured is legally responsible to pay because of an auto accident
- D. coverage for employee theft under the policy terms under the policy terms under the policy terms

62. Which statement most accurately describes Collision coverage?

- A. coverage for fire and theft only under the policy terms under the policy terms
- B. coverage for upset or impact with another vehicle or object, subject to the deductible
- C. coverage for liability to others under the policy terms under the policy terms
- D. coverage for medical treatment of passengers under the policy terms under the policy terms

63. Which statement most accurately describes Other-than-collision coverage?

- A. coverage for specified noncollision losses such as theft, fire, or hail
- B. coverage for impact with another vehicle under the policy terms
- C. coverage for liability judgments under the policy terms under the policy terms
- D. coverage for business income loss under the policy terms under the policy terms

64. Which statement most accurately describes Uninsured motorists coverage?

- A. coverage for the insured's collision damage only under the policy terms under the policy terms

- B. coverage responding when an insured is legally entitled to recover from an uninsured driver
- C. coverage for damage to property owned by the insured under the policy terms
- D. coverage for employee injuries under the policy terms under the policy terms under the policy terms

65. Which statement most accurately describes Underinsured motorists coverage?

- A. coverage for an uninsured driver's vehicle under the policy terms under the policy terms
- B. coverage for collision with an animal under the policy terms under the policy terms
- C. coverage for a business's payroll expense under the policy terms under the policy terms
- D. coverage that may apply when an at-fault driver's liability limits are inadequate

66. Which statement most accurately describes Medical payments coverage?

- A. coverage for liability judgments only under the policy terms under the policy terms
- B. coverage for lost business income under the policy terms under the policy terms
- C. coverage for reasonable medical expenses under the policy regardless of fault, subject to terms
- D. coverage for theft of personal property under the policy terms under the policy terms

67. Which statement most accurately describes Newly acquired auto?

- A. an auto rented for a vacation under the policy terms under the policy terms
- B. an auto owned by an employee under the policy terms under the policy terms
- C. an auto used only for business deliveries under the policy terms under the policy terms
- D. an auto that may receive automatic coverage for a limited time under policy terms

68. Which statement most accurately describes Temporary substitute auto?

- A. a nonowned auto used while the covered auto is out of normal use due to breakdown or repair
- B. a newly purchased vehicle under the policy terms under the policy terms under the policy terms under the policy terms

- C. a vehicle leased for more than one year under the policy terms under the policy terms under the policy terms
- D. a vehicle owned by a household resident under the policy terms under the policy terms under the policy terms

69. Which statement most accurately describes Hired auto?

- A. an auto the business leases, hires, rents, or borrows, subject to policy terms
- B. an employee-owned auto used for errands under the policy terms under the policy terms
- C. a vehicle owned by the named insured under the policy terms under the policy terms
- D. a newly acquired personal auto under the policy terms under the policy terms

70. Which statement most accurately describes Nonowned auto?

- A. a rental auto used by a tourist under the policy terms under the policy terms under the policy terms
- B. an auto purchased during the policy period under the policy terms under the policy terms under the policy terms
- C. an auto not owned by the business but used in its business, such as an employee vehicle
- D. a vehicle specifically scheduled on the policy under the policy terms under the policy terms under the policy terms

71. Which statement most accurately describes Mobile equipment?

- A. every vehicle licensed for road use under the policy terms
- B. certain land vehicles designed mainly for off-road use or specialized purposes
- C. a personal passenger auto under the policy terms under the policy terms
- D. a vehicle covered only by homeowners insurance under the policy terms

72. Which statement most accurately describes Garagekeepers coverage?

- A. coverage for the dealer's own building under the policy terms under the policy terms

- B. coverage for employee injuries under the policy terms under the policy terms under the policy terms
- C. coverage for advertising injury under the policy terms under the policy terms under the policy terms
- D. coverage for customers' autos in the care, custody, or control of an auto business

73. Which statement most accurately describes Workers compensation exclusive remedy?

- A. a right to sue any coworker for punitive damages under the policy terms
- B. a property insurance valuation rule under the policy terms under the policy terms
- C. the principle that workers compensation benefits generally replace employee tort claims against the employer
- D. a commercial auto cancellation condition under the policy terms under the policy terms

74. Which statement most accurately describes Employers liability coverage?

- A. coverage for certain employer liability claims outside workers compensation benefits
- B. coverage for employee theft under the policy terms under the policy terms
- C. coverage for medical payments to customers under the policy terms
- D. coverage for product recalls under the policy terms under the policy terms

75. Which statement most accurately describes Other states insurance?

- A. a requirement to insure every employee worldwide under the policy terms under the policy terms
- B. a workers compensation provision addressing operations in states listed or qualifying under the policy
- C. coverage for employees commuting to work under the policy terms under the policy terms
- D. a clause governing workers compensation audits under the policy terms under the policy terms

76. Which statement most accurately describes Employee dishonesty coverage?

- A. coverage for burglary by outside thieves only under the policy terms
- B. coverage for employee bodily injury under the policy terms
- C. coverage for errors in professional advice under the policy terms

D. crime coverage for loss caused by dishonest acts of employees

77. Which statement most accurately describes Forgery and alteration coverage?

- A. coverage for counterfeit goods only under the policy terms under the policy terms
- B. coverage for a client's auto in storage under the policy terms
- C. crime coverage for loss from covered forgery or alteration of financial instruments
- D. coverage for libel and slander under the policy terms under the policy terms

78. Which statement most accurately describes Fidelity bond?

- A. a bond guaranteeing a contractor's performance under the policy terms
- B. a bond protecting an employer from dishonest acts of its employees
- C. a property policy for goods in transit under the policy terms
- D. a liability policy for directors under the policy terms under the policy terms

79. Which statement most accurately describes Surety bond?

- A. insurance protecting an employer from employee theft under the policy terms
- B. a policy covering flood damage under the policy terms under the policy terms
- C. a personal auto physical damage form under the policy terms under the policy terms
- D. a three-party agreement guaranteeing the principal's performance or obligation to an obligee

80. Which statement most accurately describes Errors and omissions insurance?

- A. professional liability coverage for negligent acts, errors, or omissions in professional services
- B. coverage for employee crime under the policy terms under the policy terms
- C. coverage for a building under construction under the policy terms under the policy terms
- D. coverage for collision damage under the policy terms under the policy terms

81. Which statement most accurately describes Directors and officers liability?

- A. coverage for automobile medical payments under the policy terms
- B. coverage addressing wrongful acts alleged against directors and officers
- C. coverage for property held in storage under the policy terms
- D. coverage for worker wage replacement under the policy terms

82. Which statement most accurately describes Employment practices liability?

- A. coverage for product defects under the policy terms under the policy terms
- B. coverage for garagekeepers losses under the policy terms under the policy terms
- C. coverage for employment-related claims such as wrongful termination or discrimination
- D. coverage for property damage to rented premises under the policy terms

83. Which statement most accurately describes Liquor liability?

- A. coverage for theft of alcoholic beverages under the policy terms under the policy terms
- B. coverage for alcohol damage to the insured's stock under the policy terms
- C. coverage for employee injuries under the policy terms under the policy terms
- D. liability coverage for insureds exposed to claims arising from furnishing alcoholic beverages

84. Which statement most accurately describes Umbrella liability?

- A. broad liability protection that may provide excess limits and sometimes wider coverage
- B. property insurance for high-value homes under the policy terms under the policy terms
- C. a bond guaranteeing performance under the policy terms under the policy terms
- D. a policy covering employee dishonesty under the policy terms under the policy terms

85. Which statement most accurately describes Compensatory damages?

- A. damages intended solely to punish under the policy terms under the policy terms
- B. damages intended to compensate an injured party for an actual loss
- C. a deductible applied to property claims under the policy terms
- D. a liability coverage exclusion under the policy terms under the policy terms

86. Which statement most accurately describes Punitive damages?

- A. damages intended primarily to punish or deter particularly wrongful conduct
- B. payment for repair costs only under the policy terms
- C. payment for medical expenses without fault under the policy terms
- D. a standard deductible under the policy terms under the policy terms

87. Which statement most accurately describes Deposit premium?

- A. a refundable claim payment under the policy terms under the policy terms
- B. the amount of a policy deductible under the policy terms
- C. an estimated premium subject to adjustment after audit when applicable
- D. a guaranty association assessment under the policy terms under the policy terms

88. Which statement most accurately describes Certificate of insurance?

- A. an endorsement that expands coverage under the policy terms under the policy terms
- B. a temporary binder under the policy terms under the policy terms under the policy terms
- C. a proof-of-loss statement under the policy terms under the policy terms under the policy terms
- D. evidence that insurance has been issued, not a document that changes policy terms

89. Which statement most accurately describes Tennessee financial responsibility?

- A. state requirements intended to demonstrate ability to respond for certain automobile accident liabilities
- B. a rule requiring collision coverage under the policy terms under the policy terms

- C. a rule creating the NFIP under the policy terms under the policy terms
- D. a rule requiring a homeowners policy under the policy terms under the policy terms

90. Which statement most accurately describes Tennessee SR-22?

- A. a type of homeowners endorsement under the policy terms
- B. a workers compensation audit form under the policy terms
- C. a filing used as evidence of financial responsibility when required
- D. a flood insurance application under the policy terms under the policy terms

91. Which statement most accurately describes Tennessee auto liability primary coverage?

- A. a rule making medical payments primary in all claims under the policy terms
- B. state law recognizing specified automobile liability coverage as primary in stated situations
- C. a rule eliminating uninsured motorists coverage under the policy terms under the policy terms
- D. a property coinsurance requirement under the policy terms under the policy terms

92. Which statement most accurately describes Tennessee uninsured motorists law?

- A. a law requiring all auto policies to include collision
- B. a law governing commercial property valuation under the policy terms
- C. a federal rule governing flood insurance under the policy terms
- D. state statutes addressing uninsured motorists coverage and related requirements

93. Which statement most accurately describes Tennessee auto cancellation?

- A. state statutes addressing cancellation and notice for automobile insurance
- B. a rule that permits immediate cancellation for any reason
- C. a workers compensation benefit schedule under the policy terms
- D. a fire insurance valuation rule under the policy terms

94. Which statement most accurately describes Tennessee assigned risk eligibility?

- A. a rule guaranteeing every driver standard-market rates
- B. a rule requiring business income coverage
- C. a rule abolishing deductibles under the policy terms
- D. a notice requirement related to assigned-risk eligibility

95. Which statement most accurately describes Tennessee ridesharing requirements?

- A. a requirement that every ride be covered by homeowners insurance
- B. state provisions addressing insurance and financial responsibility for ridesharing services
- C. a flood insurance rule for vehicles under the policy terms
- D. a commercial property inspection rule under the policy terms

96. Which statement most accurately describes Tennessee workers compensation?

- A. a property law governing fire loss valuation under the policy terms
- B. a law governing personal articles floaters under the policy terms
- C. state law governing workers compensation obligations and related issues
- D. a federal law governing credit reports under the policy terms

97. Which statement most accurately describes Tennessee producer fiduciary duty?

- A. a duty to guarantee every claim will be paid under the policy terms
- B. a duty to handle premiums and other funds received in a fiduciary capacity
- C. a duty to waive all policy exclusions under the policy terms under the policy terms
- D. a duty to provide free insurance advice under the policy terms under the policy terms

98. Which statement most accurately describes Tennessee producer licensing?

- A. a policy condition after a property loss under the policy terms
- B. a federal auto safety requirement under the policy terms
- C. a form of commercial crime coverage under the policy terms
- D. state requirements governing qualifications and licensing of insurance producers

99. Which statement most accurately describes Tennessee unfair trade practices?

- A. state prohibitions on practices such as misrepresentation, rebating, and unfair claims conduct
- B. a requirement to provide open-peril coverage under the policy terms under the policy terms
- C. a rule setting every insurer's premium rate under the policy terms
- D. a substitute for federal privacy law under the policy terms under the policy terms

100. Which statement most accurately describes Tennessee guaranty association?

- A. a private insurer providing flood coverage under the policy terms under the policy terms under the policy terms
- B. a surety guaranteeing construction performance under the policy terms under the policy terms under the policy terms
- C. a state mechanism that may provide protection when a member insurer becomes insolvent, subject to law
- D. a federal program for earthquake coverage under the policy terms under the policy terms under the policy terms

Practice Exam 15: Answer Key and Explanations

1. A — HO-2 is correctly described as named-peril homeowners coverage for the perils listed in the policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices

2. B — HO-3 is correctly described as open-peril coverage for the dwelling, subject to exclusions. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe

- 3. D** — HO-4 is correctly described as a tenants policy covering personal property and liability. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe
- 4. C** — HO-5 is correctly described as open-peril coverage for both dwelling and personal property, subject to exclusions. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 5. A** — HO-6 is correctly described as a condominium unit-owners policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe another line of insurance
- 6. D** — HO-8 is correctly described as a modified homeowners form designed for older homes. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe
- 7. C** — DP-1 is correctly described as a basic dwelling policy commonly written on named-peril terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that
- 8. B** — DP-2 is correctly described as a broad dwelling policy with named-peril coverage. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe another
- 9. B** — DP-3 is correctly described as a special dwelling form with open-peril building coverage. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe
- 10. D** — Businessowners Policy (BOP) is correctly described as a packaged policy for eligible small and medium businesses. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 11. C** — Commercial Package Policy (CPP) is correctly described as a policy that combines selected commercial coverage parts. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

- 12. A** — Building and Personal Property Coverage Form is correctly described as a commercial property form covering buildings and business personal property. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to
- 13. A** — Causes of Loss - Basic Form is correctly described as a commercial property form using specifically listed covered causes of loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage
- 14. B** — Causes of Loss - Special Form is correctly described as a commercial property form generally providing open-peril coverage subject to exclusions. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage
- 15. D** — Business income coverage is correctly described as coverage for loss of income caused by a covered suspension of operations. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the
- 16. C** — Extra expense coverage is correctly described as coverage for necessary extra costs to avoid or minimize business interruption. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,
- 17. D** — Equipment breakdown coverage is correctly described as coverage for covered loss from mechanical or electrical breakdown. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 18. A** — Builders risk insurance is correctly described as property coverage for a building while it is under construction. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then
- 19. C** — Inland marine insurance is correctly described as property coverage for movable or specialized property and transit exposures. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then
- 20. B** — Personal articles floater is correctly described as scheduled or broader property coverage for valuable personal items. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

- 21. D** — National Flood Insurance Program is correctly described as a federal program providing flood insurance through participating communities. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then
- 22. B** — Actual cash value is correctly described as replacement cost less depreciation. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that describe another line
- 23. A** — Replacement cost is correctly described as the cost to repair or replace with like kind and quality without depreciation. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the
- 24. C** — Agreed value is correctly described as a valuation method using an amount agreed upon in advance. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 25. C** — Coinsurance clause is correctly described as a provision encouraging insurance to value by reducing payment when required insurance is not carried. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage
- 26. A** — Blanket insurance is correctly described as one limit applying to more than one item or location. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 27. D** — Specific insurance is correctly described as a limit applying to a particular described item or location. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 28. B** — Proximate cause is correctly described as the dominant cause that sets a loss in motion in an unbroken sequence. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the
- 29. C** — Vacancy is correctly described as a condition in which a building has no occupants and lacks customary contents. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

30. D — Unoccupancy is correctly described as a condition in which a furnished building has no occupants. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices

31. B — Binder is correctly described as temporary evidence of insurance pending issuance of a policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that

32. A — Endorsement is correctly described as a written change that modifies a policy's terms or coverage. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices

33. A — Mortgagee clause is correctly described as a provision protecting a mortgagee's separate interest in covered property. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

34. D — Appraisal condition is correctly described as a process for resolving disagreement over the amount of a property loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

35. C — Subrogation is correctly described as the insurer's right to recover from a responsible third party after paying a loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

36. B — Fair Credit Reporting Act is correctly described as a federal law governing consumer reports used in underwriting. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

37. B — Gramm-Leach-Bliley privacy rules is correctly described as rules requiring safeguards and notices for consumers' nonpublic personal information. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

38. D — Terrorism Risk Insurance Act is correctly described as a federal framework addressing certified acts of terrorism and related insurance availability. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

39. A — Insurable interest in property is correctly described as a financial interest in preserving property from loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

40. C — Physical hazard is correctly described as a tangible condition that increases the chance or severity of loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

41. B — Moral hazard is correctly described as a character-related condition that increases loss probability, such as dishonesty. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

42. D — Morale hazard is correctly described as carelessness or indifference that increases the chance of loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices

43. A — Pure risk is correctly described as a chance of loss or no loss, without a chance of gain. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

44. A — Law of large numbers is correctly described as the principle that larger groups make loss results more predictable. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

45. C — Tennessee fair value fire rule is correctly described as a rule addressing fair value in certain total fire losses of real property. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the

46. D — Tennessee property inspection rule is correctly described as a rule addressing inspections in connection with property insurance. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

47. C — Tennessee personal risk nonrenewal is correctly described as state rules that address notice and nonrenewal for personal risk insurance. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

- 48. B** — Tennessee mandated offer of coverage is correctly described as a state requirement that certain coverage be offered in specified circumstances. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to
- 49. D** — Tennessee commercial risk cancellation is correctly described as state rules that address cancellation of commercial risk insurance. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then
- 50. A** — Tennessee request for loss runs is correctly described as a state rule addressing an insured's request for loss-run information. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the
- 51. C** — Commercial general liability Coverage A is correctly described as coverage for bodily injury and property damage liability. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then
- 52. B** — Commercial general liability Coverage B is correctly described as coverage for personal and advertising injury liability. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate
- 53. C** — Commercial general liability Coverage C is correctly described as limited medical payments coverage without regard to fault, subject to policy terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage
- 54. B** — Occurrence liability form is correctly described as a form triggered by bodily injury or damage occurring during the policy period. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to
- 55. D** — Claims-made liability form is correctly described as a form generally triggered by claims first made during the policy period. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the
- 56. A** — Retroactive date is correctly described as the date before which acts are not covered under a claims-made policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

57. C — Products-completed operations hazard is correctly described as liability arising from products or completed work away from the insured's premises. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

58. B — Premises-operations hazard is correctly described as liability arising from ongoing operations and premises exposures. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices that

59. A — Supplementary payments is correctly described as payments made in addition to liability limits for specified claim-related expenses. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

60. D — First named insured is correctly described as the party with certain policy rights and responsibilities identified by the policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

61. C — Personal auto liability coverage is correctly described as coverage for damages an insured is legally responsible to pay because of an auto accident. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match

62. B — Collision coverage is correctly described as coverage for upset or impact with another vehicle or object, subject to the deductible. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

63. A — Other-than-collision coverage is correctly described as coverage for specified noncollision losses such as theft, fire, or hail. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

64. B — Uninsured motorists coverage is correctly described as coverage responding when an insured is legally entitled to recover from an uninsured driver. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

65. D — Underinsured motorists coverage is correctly described as coverage that may apply when an at-fault driver's liability limits are inadequate. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

66. C — Medical payments coverage is correctly described as coverage for reasonable medical expenses under the policy regardless of fault, subject to terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

67. D — Newly acquired auto is correctly described as an auto that may receive automatic coverage for a limited time under policy terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

68. A — Temporary substitute auto is correctly described as a nonowned auto used while the covered auto is out of normal use due to breakdown or repair. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being

69. A — Hired auto is correctly described as an auto the business leases, hires, rents, or borrows, subject to policy terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the

70. C — Nonowned auto is correctly described as an auto not owned by the business but used in its business, such as an employee vehicle. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match

71. B — Mobile equipment is correctly described as certain land vehicles designed mainly for off-road use or specialized purposes. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

72. D — Garagekeepers coverage is correctly described as coverage for customers' autos in the care, custody, or control of an auto business. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

73. C — Workers compensation exclusive remedy is correctly described as the principle that workers compensation benefits generally replace employee tort claims against the employer. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the

74. A — Employers liability coverage is correctly described as coverage for certain employer liability claims outside workers compensation benefits. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

75. B — Other states insurance is correctly described as a workers compensation provision addressing operations in states listed or qualifying under the policy. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

76. D — Employee dishonesty coverage is correctly described as crime coverage for loss caused by dishonest acts of employees. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

77. C — Forgery and alteration coverage is correctly described as crime coverage for loss from covered forgery or alteration of financial instruments. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

78. B — Fidelity bond is correctly described as a bond protecting an employer from dishonest acts of its employees. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

79. D — Surety bond is correctly described as a three-party agreement guaranteeing the principal's performance or obligation to an obligee. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

80. A — Errors and omissions insurance is correctly described as professional liability coverage for negligent acts, errors, or omissions in professional services. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

81. B — Directors and officers liability is correctly described as coverage addressing wrongful acts alleged against directors and officers. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

82. C — Employment practices liability is correctly described as coverage for employment-related claims such as wrongful termination or discrimination. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

83. D — Liquor liability is correctly described as liability coverage for insureds exposed to claims arising from furnishing alcoholic beverages. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

84. A — Umbrella liability is correctly described as broad liability protection that may provide excess limits and sometimes wider coverage. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure,

85. B — Compensatory damages is correctly described as damages intended to compensate an injured party for an actual loss. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

86. A — Punitive damages is correctly described as damages intended primarily to punish or deter particularly wrongful conduct. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

87. C — Deposit premium is correctly described as an estimated premium subject to adjustment after audit when applicable. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

88. D — Certificate of insurance is correctly described as evidence that insurance has been issued, not a document that changes policy terms. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

89. A — Tennessee financial responsibility is correctly described as state requirements intended to demonstrate ability to respond for certain automobile accident liabilities. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

90. C — Tennessee SR-22 is correctly described as a filing used as evidence of financial responsibility when required. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

91. B — Tennessee auto liability primary coverage is correctly described as state law recognizing specified automobile liability coverage as primary in stated situations. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

92. D — Tennessee uninsured motorists law is correctly described as state statutes addressing uninsured motorists coverage and related requirements. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

93. A — Tennessee auto cancellation is correctly described as state statutes addressing cancellation and notice for automobile insurance. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

94. D — Tennessee assigned risk eligibility is correctly described as a notice requirement related to assigned-risk eligibility. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate choices

95. B — Tennessee ridesharing requirements is correctly described as state provisions addressing insurance and financial responsibility for ridesharing services. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then

96. C — Tennessee workers compensation is correctly described as state law governing workers compensation obligations and related issues. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

97. B — Tennessee producer fiduciary duty is correctly described as a duty to handle premiums and other funds received in a fiduciary capacity. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage

98. D — Tennessee producer licensing is correctly described as state requirements governing qualifications and licensing of insurance producers. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to the exposure, then eliminate

99. A — Tennessee unfair trade practices is correctly described as state prohibitions on practices such as misrepresentation, rebating, and unfair claims conduct. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match the coverage to

100. C — Tennessee guaranty association is correctly described as a state mechanism that may provide protection when a member insurer becomes insolvent, subject to law. The alternatives point to different forms, coverage triggers, or legal concepts and do not answer the question asked. On an insurance licensing exam, focus on the operative policy language and the risk being addressed. Match