

PRACTICE EXAM 16: TENNESSEE PROPERTY AND CASUALTY INSURANCE (100 QUESTIONS)

This 100-question practice exam is a distinct simulation based on the current Tennessee Property and Casualty content outline. It combines property, casualty, coverage-analysis, and Tennessee-specific subjects. Select the single best answer. This is a study aid, not an official examination; consult current Tennessee law and Pearson VUE materials.

1. Which statement is most accurate regarding a homeowners loss from a sudden kitchen fire?
 - A. direct physical loss caused by fire is generally a covered peril unless excluded
 - B. fire is always excluded because it is accidental under applicable policy terms
 - C. only liability coverage can respond to fire damage under applicable policy terms
 - D. a flood policy must pay every fire loss under applicable policy terms

2. Which statement is most accurate regarding a homeowner's temporary relocation after a covered loss?
 - A. Coverage A automatically pays unlimited hotel costs under applicable policy terms as described by the contract
 - B. liability coverage pays all relocation expenses under applicable policy terms as described by the contract
 - C. the deductible is reimbursed as living expense under applicable policy terms as described by the contract
 - D. additional living expense may pay reasonable increased living costs, subject to the policy

3. Which statement is most accurate regarding an HO-3 loss to personal property?
 - A. all personal property is always open-peril covered under applicable policy terms
 - B. liability coverage replaces personal property under applicable policy terms as described by the contract

- C. personal property is generally covered for named perils unless broadened by endorsement
- D. the mortgagee clause determines personal-property perils under applicable policy terms as described by the contract

4. Which statement is most accurate regarding a tenant's guest injury?

- A. Coverage C pays every guest injury without fault under applicable policy terms
- B. personal liability coverage may respond if the insured is legally liable
- C. the tenant's property coverage pays the guest directly under applicable policy terms
- D. flood coverage pays bodily injury claims under applicable policy terms

5. Which statement is most accurate regarding damage to a neighbor's property caused by an insured child?

- A. the insured's dwelling limit automatically pays under applicable policy terms
- B. medical payments always requires negligence under applicable policy terms
- C. personal liability coverage may apply for covered legal liability
- D. the neighbor's insurer has no possible claim under applicable policy terms

6. Which statement is most accurate regarding medical payments to others under homeowners coverage?

- A. it may provide limited no-fault medical expense coverage to eligible persons
- B. it pays only court judgments under applicable policy terms as described by the contract
- C. it covers only the named insured's injuries under applicable policy terms
- D. it replaces personal auto medical payments under applicable policy terms

7. Which statement is most accurate regarding an insured's own intentional act?

- A. intentional acts are always accidents under applicable policy terms as described by the contract
- B. a deductible converts intentional loss into covered loss under applicable policy terms

- C. the mortgagee clause creates liability coverage under applicable policy terms as described by the contract
- D. intentional-loss exclusions generally prevent coverage for expected or intended injury or loss

8. Which statement is most accurate regarding homeowners coverage for earth movement?

- A. earthquake is automatically covered by all HO forms under applicable policy terms
- B. earth movement is commonly excluded unless a policy or endorsement provides coverage
- C. liability coverage pays earth movement damage under applicable policy terms as described by the contract
- D. flood insurance automatically includes earthquake under applicable policy terms as described by the contract

9. Which statement is most accurate regarding a homeowner's water loss from an overflowing appliance?

- A. every water loss is treated as flood under applicable policy terms
- B. water damage is always excluded under applicable policy terms
- C. the loss must be paid under auto physical damage
- D. coverage depends on the source, policy wording, and applicable exclusions

10. Which statement is most accurate regarding a homeowner's deductible?

- A. it is the amount the insured absorbs before covered property payment is calculated
- B. it is added to every claim payment under applicable policy terms as described by the contract
- C. it applies only to liability lawsuits under applicable policy terms as described by the contract
- D. it is the policy's total limit under applicable policy terms as described by the contract

11. Which statement is most accurate regarding scheduled personal property?

- A. it eliminates the need to describe the item under applicable policy terms

- B. scheduling can provide specific coverage and valuation for listed valuable items
- C. it is available only for commercial property under applicable policy terms
- D. it turns a homeowners policy into flood insurance under applicable policy terms

12. Which statement is most accurate regarding loss assessment coverage?

- A. it pays every association fee under applicable policy terms as described by the contract
- B. it replaces condominium building coverage under applicable policy terms as described by the contract
- C. it may help a unit owner pay certain covered assessments imposed by an association
- D. it covers only auto liability assessments under applicable policy terms as described by the contract

13. Which statement is most accurate regarding a condominium unit owner?

- A. the unit owner always insures the entire building under applicable policy terms as described by the contract
- B. a tenants policy is the only possible form under applicable policy terms as described by the contract
- C. a BOP is mandatory under applicable policy terms as described by the contract
- D. the unit owner normally insures interior property and personal liability, subject to the form

14. Which statement is most accurate regarding a landlord's dwelling policy?

- A. it is designed primarily for eligible residential dwellings rather than owner-occupied homeowners risks
- B. it provides only automobile liability under applicable policy terms as described by the contract
- C. it is a surety contract under applicable policy terms as described by the contract
- D. it provides workers compensation benefits under applicable policy terms as described by the contract

15. Which statement is most accurate regarding a vacancy condition in a commercial building?

- A. vacancy improves all property coverage under applicable policy terms
- B. certain coverage restrictions may apply after the stated vacancy period

- C. liability limits automatically double under applicable policy terms as described by the contract
- D. the policy becomes an inland marine form under applicable policy terms

16. Which statement is most accurate regarding ordinance or law exposure?

- A. it is the same as a personal liability exclusion under applicable policy terms
- B. it concerns added cost from enforcement of building codes after a covered loss
- C. it covers theft by employees under applicable policy terms as described by the contract
- D. it replaces business income coverage under applicable policy terms as described by the contract

17. Which statement is most accurate regarding business income waiting period?

- A. it is the same as a policy term under applicable policy terms
- B. it cancels the policy after a loss under applicable policy terms as described by the contract
- C. it is the period that must pass before certain business income coverage begins
- D. it is a liability deductible under applicable policy terms as described by the contract

18. Which statement is most accurate regarding civil authority coverage?

- A. it pays all government fines under applicable policy terms as described by the contract
- B. it is a form of auto liability under applicable policy terms as described by the contract
- C. it guarantees coverage for every closure under applicable policy terms as described by the contract
- D. it may apply when access is prohibited by civil authority due to covered nearby damage

19. Which statement is most accurate regarding protective safeguards condition?

- A. it removes all theft exclusions under applicable policy terms as described by the contract
- B. it is a personal auto endorsement under applicable policy terms
- C. it requires maintaining specified protective devices when the policy so provides
- D. it makes flood damage covered under applicable policy terms as described by the contract

20. Which statement is most accurate regarding commercial property building coverage?

- A. it may cover the described building and completed additions, subject to policy terms
- B. it covers only employee dishonesty under applicable policy terms as described by the contract
- C. it covers every vehicle on premises under applicable policy terms as described by the contract
- D. it is a liability-only form under applicable policy terms as described by the contract

21. Which statement is most accurate regarding business personal property?

- A. it always includes customers' property without limit under applicable policy terms as described by the contract
- B. it means the building itself under applicable policy terms as described by the contract
- C. it generally includes property owned and used in the business at the described premises
- D. it is limited to real estate under applicable policy terms as described by the contract

22. Which statement is most accurate regarding property of others coverage?

- A. it is identical to liability coverage under applicable policy terms as described by the contract
- B. it may cover property in the insured's care, custody, or control when included by the form
- C. it applies only to owned buildings under applicable policy terms as described by the contract
- D. it means flood coverage under applicable policy terms as described by the contract subject to stated conditions and limits

23. Which statement is most accurate regarding valuable papers and records?

- A. coverage commonly addresses cost to research or replace covered records, subject to limits
- B. it pays only liability judgments under applicable policy terms as described by the contract
- C. it is a workers compensation benefit under applicable policy terms as described by the contract
- D. it covers ordinary inventory under applicable policy terms as described by the contract

24. Which statement is most accurate regarding accounts receivable coverage?

- A. it is coverage for unpaid insurance premiums under applicable policy terms as described by the contract
- B. it is an auto physical damage form under applicable policy terms as described by the contract
- C. it covers employee medical bills under applicable policy terms as described by the contract
- D. it can address loss caused by inability to collect accounts after covered records loss

25. Which statement is most accurate regarding commercial property exclusions?

- A. they automatically create additional coverage under applicable policy terms as described by the contract
- B. they are the policy declarations under applicable policy terms as described by the contract
- C. they define the deductible only under applicable policy terms as described by the contract
- D. they identify losses or causes of loss the policy does not insure

26. Which statement is most accurate regarding a property policy declaration page?

- A. it identifies key facts such as named insured, locations, limits, and premium
- B. it lists every claim paid by the insurer under applicable policy terms
- C. it is always an endorsement under applicable policy terms as described by the contract
- D. it replaces the insuring agreement under applicable policy terms as described by the contract

27. Which statement is most accurate regarding a property proof of loss?

- A. it is a temporary insurance contract under applicable policy terms as described by the contract
- B. it is a statement supporting a claim that the insured may be required to provide
- C. it is the insurer's cancellation notice under applicable policy terms as described by the contract
- D. it guarantees the claim will be paid under applicable policy terms as described by the contract

28. Which statement is most accurate regarding a property insurer's right to inspect?

- A. inspection transfers ownership to the insurer under applicable policy terms as described by the contract
- B. inspection waives all policy exclusions under applicable policy terms as described by the contract
- C. the insurer may inspect the property and records as allowed by policy conditions
- D. inspection guarantees renewal under applicable policy terms as described by the contract

29. Which statement is most accurate regarding salvage after a covered property loss?

- A. salvage value may be considered in determining the net amount of loss
- B. salvage is always paid to a third party under applicable policy terms
- C. salvage increases the deductible under applicable policy terms as described by the contract
- D. salvage is an exclusion under applicable policy terms as described by the contract

30. Which statement is most accurate regarding a property policy limit?

- A. it is the amount of every deductible under applicable policy terms as described by the contract
- B. it is a guaranteed minimum payment under applicable policy terms as described by the contract
- C. it is the maximum amount payable for covered loss under the applicable coverage
- D. it applies only to premiums under applicable policy terms as described by the contract

31. Which statement is most accurate regarding a property endorsement changing coverage?

- A. the base form is automatically void under applicable policy terms as described by the contract
- B. the endorsement modifies the policy and should be read with the base form
- C. the endorsement is only a sales brochure under applicable policy terms as described by the contract
- D. it has no effect after issuance under applicable policy terms as described by the contract

32. Which statement is most accurate regarding a personal umbrella policy?

- A. it is a replacement-cost property policy under applicable policy terms
- B. it covers employee dishonesty under applicable policy terms as described by the contract

- C. it is a flood insurance form under applicable policy terms
- D. it generally provides excess liability limits above required underlying coverage

33. Which statement is most accurate regarding an excess liability limit?

- A. it replaces all deductibles under applicable policy terms as described by the contract
- B. it is paid before primary coverage under applicable policy terms as described by the contract
- C. it responds above specified underlying limits when its coverage requirements are met
- D. it applies only to property valuation under applicable policy terms as described by the contract

34. Which statement is most accurate regarding an insured's duty after a property loss?

- A. the insured must take reasonable steps to protect property from further damage
- B. the insured must discard damaged property immediately under applicable policy terms
- C. the insured may conceal loss facts under applicable policy terms as described by the contract
- D. the insured must repair without documenting anything under applicable policy terms

35. Which statement is most accurate regarding a mortgagee after a covered building loss?

- A. the mortgagee becomes the liability insurer under applicable policy terms
- B. the mortgagee may have separate protection under the mortgagee clause
- C. the mortgagee chooses the deductible under applicable policy terms
- D. the mortgagee loses all interest automatically under applicable policy terms

36. Which statement is most accurate regarding a fair rental value loss?

- A. it pays a tenant's liability judgment under applicable policy terms as described by the contract
- B. it pays property tax increases under applicable policy terms as described by the contract
- C. it is auto transportation expense under applicable policy terms as described by the contract
- D. it may cover lost rental value following covered property damage, subject to form terms

37. Which statement is most accurate regarding a DP policy personal liability endorsement?

- A. liability is always built into every DP policy under applicable policy terms
- B. it can add personal liability coverage when the endorsement is included
- C. it changes the policy to commercial auto under applicable policy terms
- D. it removes property coverage under applicable policy terms as described by the contract

38. Which statement is most accurate regarding a flood loss to a home?

- A. fire coverage automatically includes flood under applicable policy terms as described by the contract
- B. liability coverage pays flood repairs under applicable policy terms as described by the contract
- C. standard homeowners insurance generally excludes flood, requiring separate coverage for flood risk
- D. a deductible converts flood into covered loss under applicable policy terms

39. Which statement is most accurate regarding a personal articles loss away from home?

- A. a floater may provide broader coverage for scheduled items away from the residence
- B. homeowners liability pays the item value under applicable policy terms as described by the contract
- C. a commercial property form must respond under applicable policy terms as described by the contract
- D. the item cannot be insured off premises under applicable policy terms as described by the contract

40. Which statement is most accurate regarding a property condition requiring timely notice?

- A. notice is never required for property losses under applicable policy terms
- B. notice determines the policy limit under applicable policy terms as described by the contract
- C. notice is a form of depreciation under applicable policy terms as described by the contract
- D. prompt notice allows the insurer to investigate and adjust a reported loss

41. Which statement is most accurate regarding a personal property replacement-cost endorsement?

- A. it removes all limits under applicable policy terms as described by the contract subject to stated conditions and limits
- B. it guarantees payment for wear and tear under applicable policy terms as described by the contract
- C. it may change loss settlement so eligible property is valued without depreciation, subject to terms
- D. it adds auto liability coverage under applicable policy terms as described by the contract

42. Which statement is most accurate regarding a homeowners policy exclusion for business pursuits?

- A. it increases business liability limits under applicable policy terms as described by the contract
- B. it provides business income coverage under applicable policy terms as described by the contract
- C. it creates workers compensation coverage under applicable policy terms as described by the contract
- D. it generally limits coverage for certain business-related activities unless an exception applies

43. Which statement is most accurate regarding a homeowner's theft loss?

- A. theft is always covered without limits under applicable policy terms
- B. coverage depends on the form, location, limits, and policy exclusions
- C. theft is covered only by auto insurance under applicable policy terms
- D. theft losses have no deductible under applicable policy terms

44. Which statement is most accurate regarding a loss payable clause?

- A. it identifies how payment may be made to a named loss payee with an insured interest
- B. it removes the need for an insured interest under applicable policy terms as described by the contract
- C. it guarantees every claim is covered under applicable policy terms as described by the contract
- D. it changes liability limits under applicable policy terms as described by the contract subject to stated conditions and limits

45. Which statement is most accurate regarding Tennessee producer appointment?

- A. an appointment is a property insurance endorsement under applicable policy terms as described by the contract
- B. it is a proof of loss under applicable policy terms as described by the contract subject to stated conditions and limits
- C. an insurer's appointment process authorizes a producer to act for that insurer as required by state law
- D. it is a federal license under applicable policy terms as described by the contract subject to stated conditions and limits

46. Which statement is most accurate regarding Tennessee license renewal?

- A. renewal permanently eliminates producer duties under applicable policy terms
- B. renewal occurs only after a claim under applicable policy terms
- C. renewal is a property valuation method under applicable policy terms
- D. resident producers must meet applicable renewal and continuing-education requirements

47. Which statement is most accurate regarding Tennessee unfair claim settlement conduct?

- A. it is a policy endorsement that increases limits under applicable policy terms
- B. state law and rules prohibit specified unfair practices in handling claims
- C. it applies only to flood claims under applicable policy terms
- D. it allows deceptive claim practices under applicable policy terms as described by the contract

48. Which statement is most accurate regarding Tennessee insurer insolvency protection?

- A. it guarantees all policy limits in every case under applicable policy terms as described by the contract
- B. it is a federal property program under applicable policy terms as described by the contract
- C. the guaranty association may provide limited statutory protection for covered claims when a member insurer fails
- D. it replaces an insured's deductible under applicable policy terms as described by the contract subject to stated conditions and limits

49. Which statement is most accurate regarding Tennessee commercial risk loss runs?

- A. state law addresses access to loss-run information in applicable commercial insurance situations
- B. loss runs are insurance binders under applicable policy terms as described by the contract
- C. loss runs replace applications under applicable policy terms as described by the contract
- D. loss runs establish policy limits under applicable policy terms as described by the contract

50. Which statement is most accurate regarding a CGL bodily injury claim?

- A. Coverage A may respond when the insured is legally liable for covered bodily injury
- B. Coverage C always pays any liability judgment under applicable policy terms as described by the contract
- C. the policy covers only the insured's own injury under applicable policy terms as described by the contract
- D. business income coverage pays the claimant under applicable policy terms as described by the contract

51. Which statement is most accurate regarding a CGL property damage claim?

- A. the insured's own property is always covered as liability
- B. medical payments is the only possible coverage under applicable policy terms
- C. a fidelity bond must respond under applicable policy terms
- D. Coverage A may respond to covered third-party property damage liability

52. Which statement is most accurate regarding personal and advertising injury?

- A. it is physical damage to the insured's auto under applicable policy terms as described by the contract
- B. it can include specified offenses such as certain libel, slander, or wrongful eviction claims
- C. it is workers compensation under applicable policy terms as described by the contract
- D. it is first-party property coverage under applicable policy terms as described by the contract

53. Which statement is most accurate regarding CGL medical payments?

- A. it may pay eligible medical expenses without establishing legal liability, subject to exclusions
- B. it pays the insured's own work injuries under applicable policy terms as described by the contract
- C. it replaces workers compensation under applicable policy terms as described by the contract
- D. it pays property repair costs under applicable policy terms as described by the contract

54. Which statement is most accurate regarding a CGL aggregate limit?

- A. it is the deductible for each occurrence under applicable policy terms as described by the contract
- B. it is a premium audit under applicable policy terms as described by the contract
- C. it is an auto liability split limit under applicable policy terms as described by the contract
- D. it is the maximum payable for certain covered losses during the policy period

55. Which statement is most accurate regarding a CGL per-occurrence limit?

- A. it is the policy's annual premium under applicable policy terms as described by the contract
- B. it covers all losses without limit under applicable policy terms as described by the contract
- C. it is the maximum payable for covered damages arising from one occurrence, subject to terms
- D. it applies only to property coinsurance under applicable policy terms as described by the contract

56. Which statement is most accurate regarding a CGL additional insured?

- A. it is every person injured by the insured under applicable policy terms as described by the contract
- B. it is a person or organization given insured status by policy wording or endorsement
- C. it is a policy beneficiary receiving dividends under applicable policy terms as described by the contract
- D. it is an employee dishonesty claimant under applicable policy terms as described by the contract

57. Which statement is most accurate regarding a contractual liability exposure?

- A. all contracts are automatically excluded under applicable policy terms as described by the contract
- B. coverage may apply for certain insured contracts as defined by the liability policy
- C. it applies only to property valuation under applicable policy terms as described by the contract
- D. it is a workers compensation exclusion under applicable policy terms as described by the contract

58. Which statement is most accurate regarding a CGL damage-to-rented-premises exposure?

- A. the policy may provide limited coverage for certain damage to premises rented to the insured
- B. it covers all property owned by the insured under applicable policy terms as described by the contract
- C. it is always excluded as intentional loss under applicable policy terms as described by the contract
- D. it replaces a property policy under applicable policy terms as described by the contract

59. Which statement is most accurate regarding a products liability claim?

- A. it is a claim for employee wages under applicable policy terms as described by the contract
- B. it is first-party business income loss under applicable policy terms as described by the contract subject to stated conditions and limits
- C. it is auto collision damage under applicable policy terms as described by the contract subject to stated conditions and limits
- D. it may arise from injury or damage caused by a product after it leaves the insured's control

60. Which statement is most accurate regarding a completed-operations claim?

- A. it applies only while work is ongoing under applicable policy terms as described by the contract
- B. it is property coverage for tools under applicable policy terms as described by the contract
- C. it may arise from injury or damage after the insured's work has been completed
- D. it is a crime coverage form under applicable policy terms as described by the contract

61. Which statement is most accurate regarding personal auto bodily injury liability?

- A. it pays repair of the insured vehicle under applicable policy terms as described by the contract

- B. it pays covered damages for which an insured is legally liable because of bodily injury
- C. it pays business income loss under applicable policy terms as described by the contract
- D. it covers employee dishonesty under applicable policy terms as described by the contract subject to stated conditions and limits

62. Which statement is most accurate regarding personal auto property damage liability?

- A. it pays covered damages for which an insured is legally liable because of property damage
- B. it pays the insured's collision deductible under applicable policy terms as described by the contract
- C. it provides first-party medical coverage under applicable policy terms as described by the contract
- D. it is a property coinsurance clause under applicable policy terms as described by the contract

63. Which statement is most accurate regarding a personal auto split limit?

- A. it is a single limit for all losses under applicable policy terms as described by the contract
- B. it is a replacement-cost valuation under applicable policy terms as described by the contract subject to stated conditions and limits
- C. it is an auto deductible under applicable policy terms as described by the contract subject to stated conditions and limits
- D. it states separate limits for bodily injury per person, bodily injury per accident, and property damage

64. Which statement is most accurate regarding a combined single limit?

- A. it provides one stated liability limit for covered bodily injury and property damage combined
- B. it creates three separate limits under applicable policy terms as described by the contract
- C. it applies only to collision under applicable policy terms as described by the contract
- D. it eliminates legal liability under applicable policy terms as described by the contract

65. Which statement is most accurate regarding an auto collision with an animal?

- A. it is always liability coverage under applicable policy terms

- B. it is a medical payments claim under applicable policy terms
- C. it is generally treated as other-than-collision rather than collision coverage
- D. it cannot be insured under applicable policy terms as described by the contract

66. Which statement is most accurate regarding an auto theft loss?

- A. liability coverage pays the insured vehicle under applicable policy terms
- B. other-than-collision coverage may apply if that coverage is carried
- C. medical payments pays the vehicle value under applicable policy terms
- D. a surety bond is required under applicable policy terms

67. Which statement is most accurate regarding an auto glass loss?

- A. glass is always a liability claim under applicable policy terms as described by the contract
- B. glass is always excluded under applicable policy terms as described by the contract
- C. glass loss is workers compensation under applicable policy terms as described by the contract
- D. coverage and deductible treatment depend on the physical-damage coverage and policy terms

68. Which statement is most accurate regarding transportation expense coverage?

- A. it pays liability judgments under applicable policy terms as described by the contract
- B. it replaces collision coverage under applicable policy terms as described by the contract
- C. it may reimburse covered transportation expenses after a covered physical-damage loss
- D. it applies to property tax bills under applicable policy terms

69. Which statement is most accurate regarding uninsured motorists bodily injury coverage?

- A. it is intended to protect insured persons legally entitled to recover damages from an uninsured motorist
- B. it pays the uninsured motorist's repairs under applicable policy terms as described by the contract

- C. it replaces collision coverage under applicable policy terms as described by the contract subject to stated conditions and limits
- D. it pays the insured's business income under applicable policy terms as described by the contract

70. Which statement is most accurate regarding a permissive auto user?

- A. permission never matters under applicable policy terms as described by the contract subject to stated conditions and limits
- B. every driver worldwide is automatically insured under applicable policy terms as described by the contract
- C. only the named insured can drive under applicable policy terms as described by the contract
- D. coverage may extend to a person using a covered auto with permission, subject to policy terms

71. Which statement is most accurate regarding an auto exclusion for racing?

- A. racing always increases liability coverage under applicable policy terms as described by the contract
- B. policies commonly limit coverage for certain organized racing or speed contests
- C. racing converts collision to medical payments under applicable policy terms
- D. racing is a property endorsement under applicable policy terms as described by the contract

72. Which statement is most accurate regarding a business auto symbol?

- A. it is a deductible amount under applicable policy terms as described by the contract
- B. it is an employee classification under applicable policy terms as described by the contract
- C. it identifies the category of autos to which a coverage applies
- D. it is a property valuation method under applicable policy terms

73. Which statement is most accurate regarding a business auto hired-auto exposure?

- A. hired autos are always covered by workers compensation under applicable policy terms

- B. hired auto means employee-owned auto only under applicable policy terms as described by the contract
- C. a business may need coverage for autos it leases, hires, rents, or borrows
- D. hired auto is a property form under applicable policy terms as described by the contract

74. Which statement is most accurate regarding an employee's own auto used for business?

- A. it is always a covered owned auto under applicable policy terms as described by the contract
- B. it is covered by a fidelity bond under applicable policy terms as described by the contract
- C. it is a flood exposure under applicable policy terms as described by the contract
- D. a business may face nonowned-auto exposure when employees use personal autos for business

75. Which statement is most accurate regarding a workers compensation injury?

- A. the injury must generally arise out of and in the course of employment
- B. any illness is automatically work related under applicable policy terms as described by the contract
- C. liability coverage always replaces workers compensation under applicable policy terms as described by the contract
- D. employment status is irrelevant under applicable policy terms as described by the contract

76. Which statement is most accurate regarding workers compensation medical benefits?

- A. they are paid only after a lawsuit under applicable policy terms
- B. they provide benefits for covered work-related medical care under applicable law
- C. they insure business personal property under applicable policy terms as described by the contract
- D. they are an auto physical-damage benefit under applicable policy terms

77. Which statement is most accurate regarding workers compensation wage benefits?

- A. they are a property deductible refund under applicable policy terms as described by the contract
- B. they are medical payments to customers under applicable policy terms as described by the contract

- C. they may replace a portion of wages when a covered injury causes disability
- D. they are surety bond proceeds under applicable policy terms as described by the contract

78. Which statement is most accurate regarding an independent contractor?

- A. every contractor is automatically an employee under applicable policy terms as described by the contract
- B. classification depends on facts and law; it is not determined by a label alone
- C. classification never affects insurance under applicable policy terms as described by the contract
- D. contractors are always excluded from all coverage under applicable policy terms as described by the contract

79. Which statement is most accurate regarding employers liability?

- A. it is an employee theft bond under applicable policy terms as described by the contract
- B. it is a commercial property form under applicable policy terms as described by the contract
- C. it is medical payments to customers under applicable policy terms as described by the contract
- D. it addresses certain liability exposures not covered by the workers compensation law benefits

80. Which statement is most accurate regarding a workers compensation premium audit?

- A. it adjusts premium based on actual exposure information after the policy period
- B. it decides fault for injuries under applicable policy terms as described by the contract
- C. it sets auto liability limits under applicable policy terms as described by the contract
- D. it is a claim settlement procedure under applicable policy terms as described by the contract

81. Which statement is most accurate regarding crime coverage for burglary?

- A. coverage depends on the policy's definition of burglary and applicable insuring agreement
- B. burglary is always employee dishonesty under applicable policy terms as described by the contract
- C. burglary is a liability offense only under applicable policy terms as described by the contract

D. burglary is always a property valuation method under applicable policy terms

82. Which statement is most accurate regarding robbery under a crime policy?

- A. it is the same as unexplained disappearance under applicable policy terms
- B. it is always employee dishonesty under applicable policy terms as described by the contract
- C. it involves taking property by force or threat under the policy definition
- D. it is a CGL personal injury offense under applicable policy terms

83. Which statement is most accurate regarding mysterious disappearance?

- A. it is identical to robbery under applicable policy terms as described by the contract
- B. it may be excluded or limited because the cause of loss cannot be established
- C. it is automatically employee theft under applicable policy terms as described by the contract
- D. it is workers compensation under applicable policy terms as described by the contract

84. Which statement is most accurate regarding a fidelity loss?

- A. it is a contractor's performance default under applicable policy terms
- B. it is a customer's auto damage loss under applicable policy terms
- C. it is an auto collision under applicable policy terms as described by the contract
- D. it concerns dishonest acts by employees causing loss to the employer

85. Which statement is most accurate regarding a surety principal?

- A. the principal is the party receiving the guarantee under applicable policy terms
- B. the principal is always the surety under applicable policy terms
- C. the principal is the claimant's attorney under applicable policy terms
- D. the principal is the party whose performance or obligation is guaranteed

86. Which statement is most accurate regarding a surety obligee?

- A. the obligee is the insurer issuing the bond under applicable policy terms
- B. the obligee is the party protected by the principal's promised performance
- C. the obligee is always the employee under applicable policy terms
- D. the obligee is a property deductible under applicable policy terms

87. Which statement is most accurate regarding a surety's right of reimbursement?

- A. the surety permanently absorbs every loss under applicable policy terms as described by the contract
- B. the obligee must reimburse the principal under applicable policy terms as described by the contract
- C. the principal generally remains responsible to reimburse the surety for amounts paid
- D. reimbursement is a property coverage limit under applicable policy terms as described by the contract

88. Which statement is most accurate regarding professional liability?

- A. it addresses alleged negligence in rendering professional services
- B. it is a personal auto coverage under applicable policy terms
- C. it is commercial property insurance under applicable policy terms
- D. it is workers compensation under applicable policy terms

89. Which statement is most accurate regarding cyber liability?

- A. it covers every ordinary property fire under applicable policy terms as described by the contract
- B. it can address liability and expenses arising from covered data or network incidents
- C. it is a homeowners form under applicable policy terms as described by the contract
- D. it replaces a fidelity bond under applicable policy terms as described by the contract

90. Which statement is most accurate regarding employment practices claim?

- A. it is an auto collision loss under applicable policy terms as described by the contract
- B. it is a business income loss under applicable policy terms as described by the contract
- C. it may allege wrongful employment conduct such as discrimination or wrongful termination
- D. it is an inland marine claim under applicable policy terms as described by the contract

91. Which statement is most accurate regarding an occurrence policy period?

- A. the timing of injury or damage during the policy period is central to coverage analysis
- B. only the claim reporting date matters under applicable policy terms as described by the contract
- C. coverage is determined by premium due date under applicable policy terms as described by the contract
- D. the deductible date controls under applicable policy terms as described by the contract subject to stated conditions and limits

92. Which statement is most accurate regarding a claims-made extended reporting period?

- A. it changes the retroactive date to any year under applicable policy terms as described by the contract
- B. it adds property coverage under applicable policy terms as described by the contract subject to stated conditions and limits
- C. it eliminates all exclusions under applicable policy terms as described by the contract subject to stated conditions and limits
- D. it may allow reporting of certain claims after the policy expires, subject to its terms

93. Which statement is most accurate regarding Tennessee financial responsibility proof?

- A. state law may require evidence of ability to respond for specified motor vehicle liabilities
- B. it is a property proof of loss under applicable policy terms as described by the contract
- C. it is an employer liability form under applicable policy terms as described by the contract
- D. it is a flood application under applicable policy terms as described by the contract

94. Which statement is most accurate regarding Tennessee uninsured motorists provisions?

- A. it abolishes all auto deductibles under applicable policy terms
- B. state law addresses uninsured motorists coverage and related policy requirements
- C. it guarantees collision coverage under applicable policy terms as described by the contract
- D. it regulates commercial property coinsurance under applicable policy terms

95. Which statement is most accurate regarding Tennessee auto policy cancellation notice?

- A. the insurer may cancel without any required notice under applicable policy terms
- B. it applies only to a property floater under applicable policy terms
- C. state requirements address cancellation and notice procedures for automobile insurance
- D. it is a workers compensation audit under applicable policy terms

96. Which statement is most accurate regarding Tennessee rideshare insurance?

- A. it requires homeowners coverage for every trip under applicable policy terms
- B. it is a federal flood rule under applicable policy terms as described by the contract
- C. it removes auto liability requirements under applicable policy terms as described by the contract
- D. state law addresses financial responsibility and insurance for transportation network company activity

97. Which statement is most accurate regarding Tennessee producer compensation?

- A. producers may offer any rebate under applicable policy terms
- B. compensation rules apply only after a loss under applicable policy terms
- C. compensation is a property limit under applicable policy terms
- D. state law limits compensation practices and prohibits certain improper inducements

98. Which statement is most accurate regarding Tennessee producer fiduciary handling of premiums?

- A. premiums received for an insurer must be handled in accordance with fiduciary duties
- B. producer funds can be freely used personally under applicable policy terms as described by the contract

- C. premiums are a form of salvage under applicable policy terms as described by the contract
- D. premiums replace a surety bond under applicable policy terms as described by the contract

99. Which statement is most accurate regarding Tennessee commissioner authority?

- A. the commissioner sets every private claim payment under applicable policy terms
- B. the commissioner has regulatory and enforcement powers provided by insurance law
- C. the commissioner is the insured's agent under applicable policy terms
- D. the commissioner issues auto titles under applicable policy terms as described by the contract

100. Which statement is most accurate regarding Tennessee producer license suspension?

- A. licenses cannot be disciplined under applicable policy terms as described by the contract subject to stated conditions and limits
- B. discipline occurs only after a property fire under applicable policy terms as described by the contract
- C. a producer's license may be suspended or revoked for statutory grounds and due process procedures
- D. suspension increases liability limits under applicable policy terms as described by the contract subject to stated conditions and limits

Practice Exam 16: Answer Key and Explanations

- 1. A** — The best answer applies the policy concept to a homeowners loss from a sudden kitchen fire. Direct physical loss caused by fire is generally a covered peril unless excluded. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and
- 2. D** — The best answer applies the policy concept to a homeowner's temporary relocation after a covered loss. Additional living expense may pay reasonable increased living costs, subject to the policy. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and
- 3. C** — The best answer applies the policy concept to an HO-3 loss to personal property. Personal property is generally covered for named perils unless broadened by endorsement. The other choices

either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

4. B — The best answer applies the policy concept to a tenant's guest injury. Personal liability coverage may respond if the insured is legally liable. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

5. C — The best answer applies the policy concept to damage to a neighbor's property caused by an insured child. Personal liability coverage may apply for covered legal liability. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

6. A — The best answer applies the policy concept to medical payments to others under homeowners coverage. It may provide limited no-fault medical expense coverage to eligible persons. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

7. D — The best answer applies the policy concept to an insured's own intentional act. Intentional-loss exclusions generally prevent coverage for expected or intended injury or loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

8. B — The best answer applies the policy concept to homeowners coverage for earth movement. Earth movement is commonly excluded unless a policy or endorsement provides coverage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

9. D — The best answer applies the policy concept to a homeowner's water loss from an overflowing appliance. Coverage depends on the source, policy wording, and applicable exclusions. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

10. A — The best answer applies the policy concept to a homeowner's deductible. It is the amount the insured absorbs before covered property payment is calculated. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

11. B — The best answer applies the policy concept to scheduled personal property. Scheduling can provide specific coverage and valuation for listed valuable items. The other choices either substitute

another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

12. C — The best answer applies the policy concept to loss assessment coverage. It may help a unit owner pay certain covered assessments imposed by an association. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

13. D — The best answer applies the policy concept to a condominium unit owner. The unit owner normally insures interior property and personal liability, subject to the form. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

14. A — The best answer applies the policy concept to a landlord's dwelling policy. It is designed primarily for eligible residential dwellings rather than owner-occupied homeowners risks. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

15. B — The best answer applies the policy concept to a vacancy condition in a commercial building. Certain coverage restrictions may apply after the stated vacancy period. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

16. B — The best answer applies the policy concept to ordinance or law exposure. It concerns added cost from enforcement of building codes after a covered loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

17. C — The best answer applies the policy concept to business income waiting period. It is the period that must pass before certain business income coverage begins. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

18. D — The best answer applies the policy concept to civil authority coverage. It may apply when access is prohibited by civil authority due to covered nearby damage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

19. C — The best answer applies the policy concept to protective safeguards condition. It requires maintaining specified protective devices when the policy so provides. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support.

Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

20. A — The best answer applies the policy concept to commercial property building coverage. It may cover the described building and completed additions, subject to policy terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

21. C — The best answer applies the policy concept to business personal property. It generally includes property owned and used in the business at the described premises. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

22. B — The best answer applies the policy concept to property of others coverage. It may cover property in the insured's care, custody, or control when included by the form. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

23. A — The best answer applies the policy concept to valuable papers and records. Coverage commonly addresses cost to research or replace covered records, subject to limits. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

24. D — The best answer applies the policy concept to accounts receivable coverage. It can address loss caused by inability to collect accounts after covered records loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

25. D — The best answer applies the policy concept to commercial property exclusions. They identify losses or causes of loss the policy does not insure. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

26. A — The best answer applies the policy concept to a property policy declaration page. It identifies key facts such as named insured, locations, limits, and premium. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

27. B — The best answer applies the policy concept to a property proof of loss. It is a statement supporting a claim that the insured may be required to provide. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

28. C — The best answer applies the policy concept to a property insurer's right to inspect. The insurer may inspect the property and records as allowed by policy conditions. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

29. A — The best answer applies the policy concept to salvage after a covered property loss. Salvage value may be considered in determining the net amount of loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

30. C — The best answer applies the policy concept to a property policy limit. It is the maximum amount payable for covered loss under the applicable coverage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

31. B — The best answer applies the policy concept to a property endorsement changing coverage. The endorsement modifies the policy and should be read with the base form. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

32. D — The best answer applies the policy concept to a personal umbrella policy. It generally provides excess liability limits above required underlying coverage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

33. C — The best answer applies the policy concept to an excess liability limit. It responds above specified underlying limits when its coverage requirements are met. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

34. A — The best answer applies the policy concept to an insured's duty after a property loss. The insured must take reasonable steps to protect property from further damage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

35. B — The best answer applies the policy concept to a mortgagee after a covered building loss. The mortgagee may have separate protection under the mortgagee clause. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

36. D — The best answer applies the policy concept to a fair rental value loss. It may cover lost rental value following covered property damage, subject to form terms. The other choices either substitute

another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

37. B — The best answer applies the policy concept to a DP policy personal liability endorsement. It can add personal liability coverage when the endorsement is included. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

38. C — The best answer applies the policy concept to a flood loss to a home. Standard homeowners insurance generally excludes flood, requiring separate coverage for flood risk. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

39. A — The best answer applies the policy concept to a personal articles loss away from home. A floater may provide broader coverage for scheduled items away from the residence. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

40. D — The best answer applies the policy concept to a property condition requiring timely notice. Prompt notice allows the insurer to investigate and adjust a reported loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

41. C — The best answer applies the policy concept to a personal property replacement-cost endorsement. It may change loss settlement so eligible property is valued without depreciation, subject to terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

42. D — The best answer applies the policy concept to a homeowners policy exclusion for business pursuits. It generally limits coverage for certain business-related activities unless an exception applies. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

43. B — The best answer applies the policy concept to a homeowner's theft loss. Coverage depends on the form, location, limits, and policy exclusions. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

44. A — The best answer applies the policy concept to a loss payable clause. It identifies how payment may be made to a named loss payee with an insured interest. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

45. C — The best answer applies the policy concept to Tennessee producer appointment. An insurer's appointment process authorizes a producer to act for that insurer as required by state law. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

46. D — The best answer applies the policy concept to Tennessee license renewal. Resident producers must meet applicable renewal and continuing-education requirements. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct coverage analysis

47. B — The best answer applies the policy concept to Tennessee unfair claim settlement conduct. State law and rules prohibit specified unfair practices in handling claims. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

48. C — The best answer applies the policy concept to Tennessee insurer insolvency protection. The guaranty association may provide limited statutory protection for covered claims when a member insurer fails. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

49. A — The best answer applies the policy concept to Tennessee commercial risk loss runs. State law addresses access to loss-run information in applicable commercial insurance situations. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

50. A — The best answer applies the policy concept to a CGL bodily injury claim. Coverage a may respond when the insured is legally liable for covered bodily injury. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

51. D — The best answer applies the policy concept to a CGL property damage claim. Coverage a may respond to covered third-party property damage liability. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

52. B — The best answer applies the policy concept to personal and advertising injury. It can include specified offenses such as certain libel, slander, or wrongful eviction claims. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

53. A — The best answer applies the policy concept to CGL medical payments. It may pay eligible medical expenses without establishing legal liability, subject to exclusions. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

54. D — The best answer applies the policy concept to a CGL aggregate limit. It is the maximum payable for certain covered losses during the policy period. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

55. C — The best answer applies the policy concept to a CGL per-occurrence limit. It is the maximum payable for covered damages arising from one occurrence, subject to terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

56. B — The best answer applies the policy concept to a CGL additional insured. It is a person or organization given insured status by policy wording or endorsement. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

57. B — The best answer applies the policy concept to a contractual liability exposure. Coverage may apply for certain insured contracts as defined by the liability policy. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

58. A — The best answer applies the policy concept to a CGL damage-to-rented-premises exposure. The policy may provide limited coverage for certain damage to premises rented to the insured. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

59. D — The best answer applies the policy concept to a products liability claim. It may arise from injury or damage caused by a product after it leaves the insured's control. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and

60. C — The best answer applies the policy concept to a completed-operations claim. It may arise from injury or damage after the insured's work has been completed. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

61. B — The best answer applies the policy concept to personal auto bodily injury liability. It pays covered damages for which an insured is legally liable because of bodily injury. The other choices either

substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

62. A — The best answer applies the policy concept to personal auto property damage liability. It pays covered damages for which an insured is legally liable because of property damage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

63. D — The best answer applies the policy concept to a personal auto split limit. It states separate limits for bodily injury per person, bodily injury per accident, and property damage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and

64. A — The best answer applies the policy concept to a combined single limit. It provides one stated liability limit for covered bodily injury and property damage combined. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

65. C — The best answer applies the policy concept to an auto collision with an animal. It is generally treated as other-than-collision rather than collision coverage. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

66. B — The best answer applies the policy concept to an auto theft loss. Other-than-collision coverage may apply if that coverage is carried. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct coverage

67. D — The best answer applies the policy concept to an auto glass loss. Coverage and deductible treatment depend on the physical-damage coverage and policy terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

68. C — The best answer applies the policy concept to transportation expense coverage. It may reimburse covered transportation expenses after a covered physical-damage loss. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

69. A — The best answer applies the policy concept to uninsured motorists bodily injury coverage. It is intended to protect insured persons legally entitled to recover damages from an uninsured motorist. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and

70. D — The best answer applies the policy concept to a permissive auto user. Coverage may extend to a person using a covered auto with permission, subject to policy terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

71. B — The best answer applies the policy concept to an auto exclusion for racing. Policies commonly limit coverage for certain organized racing or speed contests. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

72. C — The best answer applies the policy concept to a business auto symbol. It identifies the category of autos to which a coverage applies. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

73. C — The best answer applies the policy concept to a business auto hired-auto exposure. A business may need coverage for autos it leases, hires, rents, or borrows. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

74. D — The best answer applies the policy concept to an employee's own auto used for business. A business may face nonowned-auto exposure when employees use personal autos for business. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

75. A — The best answer applies the policy concept to a workers compensation injury. The injury must generally arise out of and in the course of employment. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

76. B — The best answer applies the policy concept to workers compensation medical benefits. They provide benefits for covered work-related medical care under applicable law. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

77. C — The best answer applies the policy concept to workers compensation wage benefits. They may replace a portion of wages when a covered injury causes disability. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

78. B — The best answer applies the policy concept to an independent contractor. Classification depends on facts and law; it is not determined by a label alone. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

79. D — The best answer applies the policy concept to employers liability. It addresses certain liability exposures not covered by the workers compensation law benefits. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

80. A — The best answer applies the policy concept to a workers compensation premium audit. It adjusts premium based on actual exposure information after the policy period. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

81. A — The best answer applies the policy concept to crime coverage for burglary. Coverage depends on the policy's definition of burglary and applicable insuring agreement. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

82. C — The best answer applies the policy concept to robbery under a crime policy. It involves taking property by force or threat under the policy definition. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

83. B — The best answer applies the policy concept to mysterious disappearance. It may be excluded or limited because the cause of loss cannot be established. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies

84. D — The best answer applies the policy concept to a fidelity loss. It concerns dishonest acts by employees causing loss to the employer. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

85. D — The best answer applies the policy concept to a surety principal. The principal is the party whose performance or obligation is guaranteed. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

86. B — The best answer applies the policy concept to a surety obligee. The obligee is the party protected by the principal's promised performance. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

87. C — The best answer applies the policy concept to a surety's right of reimbursement. The principal generally remains responsible to reimburse the surety for amounts paid. The other choices either

substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process

88. A — The best answer applies the policy concept to professional liability. It addresses alleged negligence in rendering professional services. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct coverage analysis and prevents

89. B — The best answer applies the policy concept to cyber liability. It can address liability and expenses arising from covered data or network incidents. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

90. C — The best answer applies the policy concept to employment practices claim. It may allege wrongful employment conduct such as discrimination or wrongful termination. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

91. A — The best answer applies the policy concept to an occurrence policy period. The timing of injury or damage during the policy period is central to coverage analysis. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

92. D — The best answer applies the policy concept to a claims-made extended reporting period. It may allow reporting of certain claims after the policy expires, subject to its terms. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits

93. A — The best answer applies the policy concept to Tennessee financial responsibility proof. State law may require evidence of ability to respond for specified motor vehicle liabilities. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That

94. B — The best answer applies the policy concept to Tennessee uninsured motorists provisions. State law addresses uninsured motorists coverage and related policy requirements. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

95. C — The best answer applies the policy concept to Tennessee auto policy cancellation notice. State requirements address cancellation and notice procedures for automobile insurance. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does

not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

96. D — The best answer applies the policy concept to Tennessee rideshare insurance. State law addresses financial responsibility and insurance for transportation network company activity. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the

97. D — The best answer applies the policy concept to Tennessee producer compensation. State law limits compensation practices and prohibits certain improper inducements. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct coverage

98. A — The best answer applies the policy concept to Tennessee producer fiduciary handling of premiums. Premiums received for an insurer must be handled in accordance with fiduciary duties. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.

99. B — The best answer applies the policy concept to Tennessee commissioner authority. The commissioner has regulatory and enforcement powers provided by insurance law. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together. That process identifies the correct

100. C — The best answer applies the policy concept to Tennessee producer license suspension. A producer's license may be suspended or revoked for statutory grounds and due process procedures. The other choices either substitute another coverage, ignore a condition, or state an absolute rule that policy language does not support. Read the insuring agreement, applicable exclusions, conditions, and limits together.