

PRACTICE EXAM 19: TENNESSEE PROPERTY AND CASUALTY INSURANCE (100 QUESTIONS)

This standalone 100-question practice exam provides a new sequence of Tennessee Property and Casualty coverage scenarios. Select the single best answer. It is a study aid, not an official examination; confirm current Tennessee law and testing guidance.

1. A policyholder reports a loss involving homeowners coverage for earth movement. Which statement is most accurate?

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

2. An insurance exam scenario presents uninsured motorists bodily injury coverage. Which statement is most accurate?

- A. it pays the uninsured motorist's repairs under applicable policy terms as described by the contract
- B. it replaces collision coverage under applicable policy terms as described by the contract subject to stated conditions and limits
- C. it pays the insured's business income under applicable policy terms as described by the contract
- D. it is intended to protect insured persons legally entitled to recover damages from an uninsured motorist

3. A producer considers coverage for a property policy limit. Which statement is most accurate?

- A. it is the maximum amount payable for covered loss under the applicable coverage

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

4. When reviewing the policy treatment of an occurrence policy period. Which statement is most accurate?

- A. only the claim reporting date matters under applicable policy terms as described by the contract
- B. the timing of injury or damage during the policy period is central to coverage analysis
- 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

5. A policyholder reports a loss involving personal and advertising injury. Which statement is most accurate?

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

6. An insurance exam scenario presents a condominium unit owner. Which statement is most accurate?

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

7. A producer considers coverage for an employee's own auto used for business. Which statement is most accurate?

- 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. a business may face nonowned-auto exposure when employees use personal autos for business
- D. it is a flood exposure under applicable policy terms as described by the contract

8. When reviewing the policy treatment of a mortgagee after a covered building loss. Which statement is most accurate?

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

9. A policyholder reports a loss involving Tennessee rideshare insurance. Which statement is most accurate?

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

10. An insurance exam scenario presents a contractual liability exposure. Which statement is most accurate?

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

11. A producer considers coverage for civil authority coverage. Which statement is most accurate?

- 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

12. When reviewing the policy treatment of employers liability. Which statement is most accurate?

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

13. A policyholder reports a loss involving a property condition requiring timely notice. Which statement is most accurate?

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

14. An insurance exam scenario presents a homeowners loss from a sudden kitchen fire. Which statement is most accurate?

- A. fire is always excluded because it is accidental under applicable policy terms
- B. only liability coverage can respond to fire damage under applicable policy terms
- C. a flood policy must pay every fire loss under applicable policy terms
- D. direct physical loss caused by fire is generally a covered peril unless excluded

15. A producer considers coverage for personal auto property damage liability. Which statement is most accurate?

- A. it pays the insured's collision deductible under applicable policy terms as described by the contract
- B. it pays covered damages for which an insured is legally liable because of property damage
- 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

16. When reviewing the policy treatment of valuable papers and records. Which statement is most accurate?

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

17. A policyholder reports a loss involving a fidelity loss. Which statement is most accurate?

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

18. An insurance exam scenario presents Tennessee producer appointment. Which statement is most accurate?

- 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

19. A producer considers coverage for medical payments to others under homeowners coverage. Which statement is most accurate?

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

20. When reviewing the policy treatment of an auto glass loss. Which statement is most accurate?

- 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

21. A policyholder reports a loss involving a property insurer's right to inspect. Which statement is most accurate?

- 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. inspection guarantees renewal under applicable policy terms as described by the contract
- D. the insurer may inspect the property and records as allowed by policy conditions

22. An insurance exam scenario presents cyber liability. Which statement is most accurate?

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

23. A producer considers coverage for a CGL bodily injury claim. Which statement is most accurate?

- A. Coverage C always pays any liability judgment under applicable policy terms as described by the contract
- B. Coverage A may respond when the insured is legally liable for covered bodily injury
- 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

24. When reviewing the policy treatment of scheduled personal property. Which statement is most accurate?

- A. scheduling can provide specific coverage and valuation for listed valuable items
- B. it eliminates the need to describe the item under applicable policy terms
- 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

25. A policyholder reports a loss involving a business auto symbol. Which statement is most accurate?

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

26. An insurance exam scenario presents an excess liability limit. Which statement is most accurate?

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

27. A producer considers coverage for Tennessee uninsured motorists provisions. Which statement is most accurate?

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

28. When reviewing the policy treatment of a CGL per-occurrence limit. Which statement is most accurate?

- 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

29. A policyholder reports a loss involving ordinance or law exposure. Which statement is most accurate?

- 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

30. An insurance exam scenario presents workers compensation wage benefits. Which statement is most accurate?

- 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

31. A producer considers coverage for a flood loss to a home. Which statement is most accurate?

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

32. When reviewing the policy treatment of Tennessee commissioner authority. Which statement is most accurate?

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

33. A policyholder reports a loss involving a completed-operations claim. Which statement is most accurate?

- 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

34. An insurance exam scenario presents business personal property. Which statement is most accurate?

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

35. A producer considers coverage for robbery under a crime policy. Which statement is most accurate?

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

36. When reviewing the policy treatment of a homeowner's theft loss. Which statement is most accurate?

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

37. A policyholder reports a loss involving a tenant's guest injury. Which statement is most accurate?

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

38. An insurance exam scenario presents an auto collision with an animal. Which statement is most accurate?

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

39. A producer considers coverage for a property policy declaration page. Which statement is most accurate?

- 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

40. When reviewing the policy treatment of a surety's right of reimbursement. Which statement is most accurate?

- 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

41. A policyholder reports a loss involving Tennessee insurer insolvency protection. Which statement is most accurate?

- 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

42. An insurance exam scenario presents a homeowner's water loss from an overflowing appliance. Which statement is most accurate?

- 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

43. A producer considers coverage for a permissive auto user. Which statement is most accurate?

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

44. When reviewing the policy treatment of a property endorsement changing coverage. Which statement is most accurate?

- A. the endorsement modifies the policy and should be read with the base form
- B. the base form is automatically void under applicable policy terms as described by the contract
- 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

45. A policyholder reports a loss involving a claims-made extended reporting period. Which statement is most accurate?

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

46. An insurance exam scenario presents CGL medical payments. Which statement is most accurate?

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

D. it pays property repair costs under applicable policy terms as described by the contract

47. A producer considers coverage for a landlord's dwelling policy. Which statement is most accurate?

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

48. When reviewing the policy treatment of a workers compensation injury. Which statement is most accurate?

A. any illness is automatically work related under applicable policy terms as described by the contract

B. liability coverage always replaces workers compensation under applicable policy terms as described by the contract

C. employment status is irrelevant under applicable policy terms as described by the contract

D. the injury must generally arise out of and in the course of employment

49. A policyholder reports a loss involving a fair rental value loss. Which statement is most accurate?

A. it may cover lost rental value following covered property damage, subject to form terms

B. it pays a tenant's liability judgment under applicable policy terms as described by the contract

C. it pays property tax increases under applicable policy terms as described by the contract

D. it is auto transportation expense under applicable policy terms as described by the contract

50. An insurance exam scenario presents Tennessee producer compensation. Which statement is most accurate?

A. producers may offer any rebate under applicable policy terms

B. state law limits compensation practices and prohibits certain improper inducements

- C. compensation rules apply only after a loss under applicable policy terms
- D. compensation is a property limit under applicable policy terms

51. A producer considers coverage for a CGL damage-to-rented-premises exposure. Which statement is most accurate?

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

52. When reviewing the policy treatment of protective safeguards condition. Which statement is most accurate?

- 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 makes flood damage covered under applicable policy terms as described by the contract
- D. it requires maintaining specified protective devices when the policy so provides

53. A policyholder reports a loss involving a workers compensation premium audit. Which statement is most accurate?

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

54. An insurance exam scenario presents a personal property replacement-cost endorsement. Which statement is most accurate?

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

55. A producer considers coverage for a homeowner's temporary relocation after a covered loss. Which statement is most accurate?

- A. additional living expense may pay reasonable increased living costs, subject to the policy
- B. Coverage A automatically pays unlimited hotel costs under applicable policy terms as described by the contract
- C. liability coverage pays all relocation expenses under applicable policy terms as described by the contract
- D. the deductible is reimbursed as living expense under applicable policy terms as described by the contract

56. When reviewing the policy treatment of a personal auto split limit. Which statement is most accurate?

- 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 states separate limits for bodily injury per person, bodily injury per accident, and property damage
- D. it is an auto deductible under applicable policy terms as described by the contract subject to stated conditions and limits

57. A policyholder reports a loss involving accounts receivable coverage. Which statement is most accurate?

- 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 can address loss caused by inability to collect accounts after covered records loss
- D. it covers employee medical bills under applicable policy terms as described by the contract

58. An insurance exam scenario presents a surety principal. Which statement is most accurate?

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

59. A producer considers coverage for Tennessee license renewal. Which statement is most accurate?

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

60. When reviewing the policy treatment of an insured's own intentional act. Which statement is most accurate?

- 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

61. A policyholder reports a loss involving transportation expense coverage. Which statement is most accurate?

- A. it pays liability judgments under applicable policy terms as described by the contract
- B. it may reimburse covered transportation expenses after a covered physical-damage loss

- C. it replaces collision coverage under applicable policy terms as described by the contract
- D. it applies to property tax bills under applicable policy terms

62. An insurance exam scenario presents salvage after a covered property loss. Which statement is most accurate?

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

63. A producer considers coverage for employment practices claim. Which statement is most accurate?

- 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

64. When reviewing the policy treatment of a CGL property damage claim. Which statement is most accurate?

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

65. A policyholder reports a loss involving loss assessment coverage. Which statement is most accurate?

- 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

66. An insurance exam scenario presents a business auto hired-auto exposure. Which statement is most accurate?

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

67. A producer considers coverage for an insured's duty after a property loss. Which statement is most accurate?

- A. the insured must discard damaged property immediately under applicable policy terms
- B. the insured must take reasonable steps to protect property from further damage
- 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

68. When reviewing the policy treatment of Tennessee auto policy cancellation notice. Which statement is most accurate?

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

69. A policyholder reports a loss involving a CGL additional insured. Which statement is most accurate?

- A. it is every person injured by the insured under applicable policy terms as described by the contract

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

70. An insurance exam scenario presents business income waiting period. Which statement is most accurate?

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

71. A producer considers coverage for an independent contractor. Which statement is most accurate?

- A. classification depends on facts and law; it is not determined by a label alone
- B. every contractor is automatically an employee under applicable policy terms as described by the contract
- 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

72. When reviewing the policy treatment of a personal articles loss away from home. Which statement is most accurate?

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

73. A policyholder reports a loss involving Tennessee producer license suspension. Which statement is most accurate?

- 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. suspension increases liability limits under applicable policy terms as described by the contract subject to stated conditions and limits
- D. a producer's license may be suspended or revoked for statutory grounds and due process procedures

74. An insurance exam scenario presents personal auto bodily injury liability. Which statement is most accurate?

- A. it pays covered damages for which an insured is legally liable because of bodily injury
- B. it pays repair of the insured vehicle under applicable policy terms as described by the contract
- 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

75. A producer considers coverage for property of others coverage. Which statement is most accurate?

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

76. When reviewing the policy treatment of mysterious disappearance. Which statement is most accurate?

- 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

77. A policyholder reports a loss involving a loss payable clause. Which statement is most accurate?

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

78. An insurance exam scenario presents damage to a neighbor's property caused by an insured child. Which statement is most accurate?

- 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

79. A producer considers coverage for an auto theft loss. Which statement is most accurate?

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

80. When reviewing the policy treatment of a property proof of loss. Which statement is most accurate?

- 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

81. A policyholder reports a loss involving professional liability. Which statement is most accurate?

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

82. An insurance exam scenario presents Tennessee commercial risk loss runs. Which statement is most accurate?

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

83. A producer considers coverage for a homeowner's deductible. Which statement is most accurate?

- A. it is added to every claim payment under applicable policy terms as described by the contract
- B. it is the amount the insured absorbs before covered property payment is calculated
- 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

84. When reviewing the policy treatment of an auto exclusion for racing. Which statement is most accurate?

- A. policies commonly limit coverage for certain organized racing or speed contests
- B. racing always increases liability coverage under applicable policy terms as described by the contract
- 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

85. A policyholder reports a loss involving a personal umbrella policy. Which statement is most accurate?

- A. it generally provides excess liability limits above required underlying coverage
- B. it is a replacement-cost property policy under applicable policy terms
- C. it covers employee dishonesty under applicable policy terms as described by the contract
- D. it is a flood insurance form under applicable policy terms

86. An insurance exam scenario presents Tennessee financial responsibility proof. Which statement is most accurate?

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

87. A producer considers coverage for a CGL aggregate limit. Which statement is most accurate?

- 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 the maximum payable for certain covered losses during the policy period
- D. it is an auto liability split limit under applicable policy terms as described by the contract

88. When reviewing the policy treatment of a vacancy condition in a commercial building. Which statement is most accurate?

- 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

89. A policyholder reports a loss involving workers compensation medical benefits. Which statement is most accurate?

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

90. An insurance exam scenario presents a DP policy personal liability endorsement. Which statement is most accurate?

- A. it can add personal liability coverage when the endorsement is included
- B. liability is always built into every DP policy under applicable policy terms
- 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

91. A producer considers coverage for Tennessee producer fiduciary handling of premiums. Which statement is most accurate?

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

92. When reviewing the policy treatment of a products liability claim. Which statement is most accurate?

- 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

93. A policyholder reports a loss involving commercial property building coverage. Which statement is most accurate?

- 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

94. An insurance exam scenario presents crime coverage for burglary. Which statement is most accurate?

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

95. A producer considers coverage for a homeowners policy exclusion for business pursuits. Which statement is most accurate?

- 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

96. When reviewing the policy treatment of an HO-3 loss to personal property. Which statement is most accurate?

- A. all personal property is always open-peril covered under applicable policy terms
- B. personal property is generally covered for named perils unless broadened by endorsement
- C. liability coverage replaces personal property under applicable policy terms as described by the contract
- D. the mortgagee clause determines personal-property perils under applicable policy terms as described by the contract

97. A policyholder reports a loss involving a combined single limit. Which statement is most accurate?

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

98. An insurance exam scenario presents commercial property exclusions. Which statement is most accurate?

- 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 identify losses or causes of loss the policy does not insure
- D. they define the deductible only under applicable policy terms as described by the contract

99. A producer considers coverage for a surety obligee. Which statement is most accurate?

- 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

100. When reviewing the policy treatment of Tennessee unfair claim settlement conduct. Which statement is most accurate?

- A. state law and rules prohibit specified unfair practices in handling claims
- B. it is a policy endorsement that increases limits under applicable policy terms
- 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

Practice Exam 19: Answer Key and Explanations

1. **C** — The decisive issue is the policy treatment of homeowners coverage for earth movement. The correct answer is that earth movement is commonly excluded unless a policy or endorsement provides coverage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the
2. **D** — The decisive issue is the policy treatment of uninsured motorists bodily injury coverage. The correct answer is that it is intended to protect insured persons legally entitled to recover damages from an uninsured motorist. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify
3. **A** — The decisive issue is the policy treatment of a property policy limit. The correct answer is that it is the maximum amount payable for covered loss under the applicable coverage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the
4. **B** — The decisive issue is the policy treatment of an occurrence policy period. The correct answer is that the timing of injury or damage during the policy period is central to coverage analysis. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss
5. **A** — The decisive issue is the policy treatment of personal and advertising injury. The correct answer is that it can include specified offenses such as certain libel, slander, or wrongful eviction claims. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,
6. **B** — The decisive issue is the policy treatment of a condominium unit owner. The correct answer is that the unit owner normally insures interior property and personal liability, subject to the form. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,
7. **C** — The decisive issue is the policy treatment of an employee's own auto used for business. The correct answer is that a business may face nonowned-auto exposure when employees use personal autos

for business. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

8. D — The decisive issue is the policy treatment of a mortgagee after a covered building loss. The correct answer is that the mortgagee may have separate protection under the mortgagee clause. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

9. A — The decisive issue is the policy treatment of Tennessee rideshare insurance. The correct answer is that state law addresses financial responsibility and insurance for transportation network company activity. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

10. C — The decisive issue is the policy treatment of a contractual liability exposure. The correct answer is that coverage may apply for certain insured contracts as defined by the liability policy. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

11. D — The decisive issue is the policy treatment of civil authority coverage. The correct answer is that it may apply when access is prohibited by civil authority due to covered nearby damage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

12. B — The decisive issue is the policy treatment of employers liability. The correct answer is that it addresses certain liability exposures not covered by the workers compensation law benefits. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

13. A — The decisive issue is the policy treatment of a property condition requiring timely notice. The correct answer is that prompt notice allows the insurer to investigate and adjust a reported loss. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

14. D — The decisive issue is the policy treatment of a homeowners loss from a sudden kitchen fire. The correct answer is that direct physical loss caused by fire is generally a covered peril unless excluded. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify

15. B — The decisive issue is the policy treatment of personal auto property damage liability. The correct answer is that it pays covered damages for which an insured is legally liable because of property damage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

16. C — The decisive issue is the policy treatment of valuable papers and records. The correct answer is that coverage commonly addresses cost to research or replace covered records, subject to limits. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

17. A — The decisive issue is the policy treatment of a fidelity loss. The correct answer is that it concerns dishonest acts by employees causing loss to the employer. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

18. C — The decisive issue is the policy treatment of Tennessee producer appointment. The correct answer is that an insurer's appointment process authorizes a producer to act for that insurer as required by state law. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

19. B — The decisive issue is the policy treatment of medical payments to others under homeowners coverage. The correct answer is that it may provide limited no-fault medical expense coverage to eligible persons. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

20. D — The decisive issue is the policy treatment of an auto glass loss. The correct answer is that coverage and deductible treatment depend on the physical-damage coverage and policy terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

21. D — The decisive issue is the policy treatment of a property insurer's right to inspect. The correct answer is that the insurer may inspect the property and records as allowed by policy conditions. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

22. C — The decisive issue is the policy treatment of cyber liability. The correct answer is that it can address liability and expenses arising from covered data or network incidents. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

23. B — The decisive issue is the policy treatment of a CGL bodily injury claim. The correct answer is that Coverage A may respond when the insured is legally liable for covered bodily injury. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

24. A — The decisive issue is the policy treatment of scheduled personal property. The correct answer is that scheduling can provide specific coverage and valuation for listed valuable items. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

25. A — The decisive issue is the policy treatment of a business auto symbol. The correct answer is that it identifies the category of autos to which a coverage applies. The distractors either select the wrong

coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

26. B — The decisive issue is the policy treatment of an excess liability limit. The correct answer is that it responds above specified underlying limits when its coverage requirements are met. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

27. D — The decisive issue is the policy treatment of Tennessee uninsured motorists provisions. The correct answer is that state law addresses uninsured motorists coverage and related policy requirements. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

28. C — The decisive issue is the policy treatment of a CGL per-occurrence limit. The correct answer is that it is the maximum payable for covered damages arising from one occurrence, subject to terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

29. B — The decisive issue is the policy treatment of ordinance or law exposure. The correct answer is that it concerns added cost from enforcement of building codes after a covered loss. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

30. C — The decisive issue is the policy treatment of workers compensation wage benefits. The correct answer is that they may replace a portion of wages when a covered injury causes disability. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

31. A — The decisive issue is the policy treatment of a flood loss to a home. The correct answer is that standard homeowners insurance generally excludes flood, requiring separate coverage for flood risk. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

32. D — The decisive issue is the policy treatment of Tennessee commissioner authority. The correct answer is that the commissioner has regulatory and enforcement powers provided by insurance law. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

33. C — The decisive issue is the policy treatment of a completed-operations claim. The correct answer is that it may arise from injury or damage after the insured's work has been completed. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

34. A — The decisive issue is the policy treatment of business personal property. The correct answer is that it generally includes property owned and used in the business at the described premises. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

35. B — The decisive issue is the policy treatment of robbery under a crime policy. The correct answer is that it involves taking property by force or threat under the policy definition. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

36. D — The decisive issue is the policy treatment of a homeowner's theft loss. The correct answer is that coverage depends on the form, location, limits, and policy exclusions. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

37. D — The decisive issue is the policy treatment of a tenant's guest injury. The correct answer is that personal liability coverage may respond if the insured is legally liable. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

38. B — The decisive issue is the policy treatment of an auto collision with an animal. The correct answer is that it is generally treated as other-than-collision rather than collision coverage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

39. A — The decisive issue is the policy treatment of a property policy declaration page. The correct answer is that it identifies key facts such as named insured, locations, limits, and premium. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

40. C — The decisive issue is the policy treatment of a surety's right of reimbursement. The correct answer is that the principal generally remains responsible to reimburse the surety for amounts paid. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

41. C — The decisive issue is the policy treatment of Tennessee insurer insolvency protection. The correct answer is that the guaranty association may provide limited statutory protection for covered claims when a member insurer fails. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

42. D — The decisive issue is the policy treatment of a homeowner's water loss from an overflowing appliance. The correct answer is that coverage depends on the source, policy wording, and applicable exclusions. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

43. B — The decisive issue is the policy treatment of a permissive auto user. The correct answer is that coverage may extend to a person using a covered auto with permission, subject to policy terms. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

44. A — The decisive issue is the policy treatment of a property endorsement changing coverage. The correct answer is that the endorsement modifies the policy and should be read with the base form. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

45. B — The decisive issue is the policy treatment of a claims-made extended reporting period. The correct answer is that it may allow reporting of certain claims after the policy expires, subject to its terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

46. C — The decisive issue is the policy treatment of CGL medical payments. The correct answer is that it may pay eligible medical expenses without establishing legal liability, subject to exclusions. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

47. A — The decisive issue is the policy treatment of a landlord's dwelling policy. The correct answer is that it is designed primarily for eligible residential dwellings rather than owner-occupied homeowners risks. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

48. D — The decisive issue is the policy treatment of a workers compensation injury. The correct answer is that the injury must generally arise out of and in the course of employment. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

49. A — The decisive issue is the policy treatment of a fair rental value loss. The correct answer is that it may cover lost rental value following covered property damage, subject to form terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

50. B — The decisive issue is the policy treatment of Tennessee producer compensation. The correct answer is that state law limits compensation practices and prohibits certain improper inducements. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the relevant

51. C — The decisive issue is the policy treatment of a CGL damage-to-rented-premises exposure. The correct answer is that the policy may provide limited coverage for certain damage to premises rented to the insured. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

52. D — The decisive issue is the policy treatment of protective safeguards condition. The correct answer is that it requires maintaining specified protective devices when the policy so provides. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

53. D — The decisive issue is the policy treatment of a workers compensation premium audit. The correct answer is that it adjusts premium based on actual exposure information after the policy period. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

54. B — The decisive issue is the policy treatment of a personal property replacement-cost endorsement. The correct answer is that it may change loss settlement so eligible property is valued without depreciation, subject to terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

55. A — The decisive issue is the policy treatment of a homeowner's temporary relocation after a covered loss. The correct answer is that additional living expense may pay reasonable increased living costs, subject to the policy. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify

56. C — The decisive issue is the policy treatment of a personal auto split limit. The correct answer is that it states separate limits for bodily injury per person, bodily injury per accident, and property damage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify

57. C — The decisive issue is the policy treatment of accounts receivable coverage. The correct answer is that it can address loss caused by inability to collect accounts after covered records loss. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

58. B — The decisive issue is the policy treatment of a surety principal. The correct answer is that the principal is the party whose performance or obligation is guaranteed. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

59. A — The decisive issue is the policy treatment of Tennessee license renewal. The correct answer is that resident producers must meet applicable renewal and continuing-education requirements. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the relevant insuring

60. D — The decisive issue is the policy treatment of an insured's own intentional act. The correct answer is that intentional-loss exclusions generally prevent coverage for expected or intended injury or loss. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

61. B — The decisive issue is the policy treatment of transportation expense coverage. The correct answer is that it may reimburse covered transportation expenses after a covered physical-damage loss.

The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

62. D — The decisive issue is the policy treatment of salvage after a covered property loss. The correct answer is that salvage value may be considered in determining the net amount of loss. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

63. C — The decisive issue is the policy treatment of employment practices claim. The correct answer is that it may allege wrongful employment conduct such as discrimination or wrongful termination. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

64. A — The decisive issue is the policy treatment of a CGL property damage claim. The correct answer is that Coverage A may respond to covered third-party property damage liability. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

65. C — The decisive issue is the policy treatment of loss assessment coverage. The correct answer is that it may help a unit owner pay certain covered assessments imposed by an association. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

66. D — The decisive issue is the policy treatment of a business auto hired-auto exposure. The correct answer is that a business may need coverage for autos it leases, hires, rents, or borrows. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

67. B — The decisive issue is the policy treatment of an insured's duty after a property loss. The correct answer is that the insured must take reasonable steps to protect property from further damage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

68. A — The decisive issue is the policy treatment of Tennessee auto policy cancellation notice. The correct answer is that state requirements address cancellation and notice procedures for automobile insurance. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

69. D — The decisive issue is the policy treatment of a CGL additional insured. The correct answer is that it is a person or organization given insured status by policy wording or endorsement. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

70. B — The decisive issue is the policy treatment of business income waiting period. The correct answer is that it is the period that must pass before certain business income coverage begins. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

71. A — The decisive issue is the policy treatment of an independent contractor. The correct answer is that classification depends on facts and law; it is not determined by a label alone. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

72. C — The decisive issue is the policy treatment of a personal articles loss away from home. The correct answer is that a floater may provide broader coverage for scheduled items away from the residence. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

73. D — The decisive issue is the policy treatment of Tennessee producer license suspension. The correct answer is that a producer's license may be suspended or revoked for statutory grounds and due process procedures. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

74. A — The decisive issue is the policy treatment of personal auto bodily injury liability. The correct answer is that it pays covered damages for which an insured is legally liable because of bodily injury. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

75. C — The decisive issue is the policy treatment of property of others coverage. The correct answer is that it may cover property in the insured's care, custody, or control when included by the form. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

76. B — The decisive issue is the policy treatment of mysterious disappearance. The correct answer is that it may be excluded or limited because the cause of loss cannot be established. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

77. D — The decisive issue is the policy treatment of a loss payable clause. The correct answer is that it identifies how payment may be made to a named loss payee with an insured interest. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

78. C — The decisive issue is the policy treatment of damage to a neighbor's property caused by an insured child. The correct answer is that personal liability coverage may apply for covered legal liability. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

79. A — The decisive issue is the policy treatment of an auto theft loss. The correct answer is that other-than-collision coverage may apply if that coverage is carried. The distractors either select the wrong

coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the relevant

80. B — The decisive issue is the policy treatment of a property proof of loss. The correct answer is that it is a statement supporting a claim that the insured may be required to provide. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the

81. D — The decisive issue is the policy treatment of professional liability. The correct answer is that it addresses alleged negligence in rendering professional services. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the relevant insuring agreement, and

82. C — The decisive issue is the policy treatment of Tennessee commercial risk loss runs. The correct answer is that state law addresses access to loss-run information in applicable commercial insurance situations. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

83. B — The decisive issue is the policy treatment of a homeowner's deductible. The correct answer is that it is the amount the insured absorbs before covered property payment is calculated. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

84. A — The decisive issue is the policy treatment of an auto exclusion for racing. The correct answer is that policies commonly limit coverage for certain organized racing or speed contests. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

85. A — The decisive issue is the policy treatment of a personal umbrella policy. The correct answer is that it generally provides excess liability limits above required underlying coverage. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

86. D — The decisive issue is the policy treatment of Tennessee financial responsibility proof. The correct answer is that state law may require evidence of ability to respond for specified motor vehicle liabilities. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

87. C — The decisive issue is the policy treatment of a CGL aggregate limit. The correct answer is that it is the maximum payable for certain covered losses during the policy period. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

88. B — The decisive issue is the policy treatment of a vacancy condition in a commercial building. The correct answer is that certain coverage restrictions may apply after the stated vacancy period. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

89. C — The decisive issue is the policy treatment of workers compensation medical benefits. The correct answer is that they provide benefits for covered work-related medical care under applicable law. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

90. A — The decisive issue is the policy treatment of a DP policy personal liability endorsement. The correct answer is that it can add personal liability coverage when the endorsement is included. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

91. B — The decisive issue is the policy treatment of Tennessee producer fiduciary handling of premiums. The correct answer is that premiums received for an insurer must be handled in accordance with fiduciary duties. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

92. D — The decisive issue is the policy treatment of a products liability claim. The correct answer is that it may arise from injury or damage caused by a product after it leaves the insured's control. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify

93. A — The decisive issue is the policy treatment of commercial property building coverage. The correct answer is that it may cover the described building and completed additions, subject to policy terms. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the

94. C — The decisive issue is the policy treatment of crime coverage for burglary. The correct answer is that coverage depends on the policy's definition of burglary and applicable insuring agreement. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured

95. D — The decisive issue is the policy treatment of a homeowners policy exclusion for business pursuits. The correct answer is that it generally limits coverage for certain business-related activities unless an exception applies. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss

96. B — The decisive issue is the policy treatment of an HO-3 loss to personal property. The correct answer is that personal property is generally covered for named perils unless broadened by endorsement. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

97. D — The decisive issue is the policy treatment of a combined single limit. The correct answer is that it provides one stated liability limit for covered bodily injury and property damage combined. The

distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type,

98. C — The decisive issue is the policy treatment of commercial property exclusions. The correct answer is that they identify losses or causes of loss the policy does not insure. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest,

99. B — The decisive issue is the policy treatment of a surety obligee. The correct answer is that the obligee is the party protected by the principal's promised performance. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured interest, the

100. A — The decisive issue is the policy treatment of Tennessee unfair claim settlement conduct. The correct answer is that state law and rules prohibit specified unfair practices in handling claims. The distractors either select the wrong coverage part, omit a required condition, or make an unsupported promise of payment. In answering insurance questions, identify the loss type, the insured