

YOU SHOULD HAVE INSURANCE

FINAL EXAM

1. The HO-6 policy is a _____ policy.
 - a. renter's
 - b. condominium owner's
 - c. all-risk
 - d. premium free

2. The dwelling consists of the home itself and includes _____.
 - a. attached structures
 - b. personal property
 - c. automobiles
 - d. animals

3. _____ policies generally cover property that is transported from one place to another.
 - a. Homeowners
 - b. Inland marine
 - c. Crime insurance
 - d. Personal auto

4. Property described in floaters will be covered anywhere in the world, EXCEPT for _____.
 - a. jewelry
 - b. furs
 - c. cameras
 - d. fine arts

5. Stamps and coins may be insured in one of two ways: scheduled bases or _____.
 - a. blanket basis
 - b. article basis
 - c. premium basis
 - d. homeowner basis

6. The umbrella policy pays only after the limits of the underlying policy are _____.
 - a. established
 - b. broken
 - c. modified
 - d. exhausted

7. One important aim of underwritten is to support activities which will benefit _____.
 - a. premium reduction
 - b. bankruptcy attorneys
 - c. society
 - d. courts

YOU SHOULD HAVE INSURANCE

8. _____ cannot be used as a reason for underwriting action.
- Accident fault
 - Occupation
 - Property condition
 - Number of accidents
9. _____ can restrict the information available to the underwriter.
- Right to privacy laws
 - Insurance policies
 - Standard practice
 - Objective sources
10. The most significant factor which can be used in underwriting and rating of motor vehicle insurance is _____.
- driver occupation
 - family size
 - automobile size
 - driving record
11. Securing the proper _____ is the key to profitable writing of property insurance.
- office
 - stockholders
 - insurance-to-value ratio
 - premium reduction
12. Underwriters are _____ rejecting applications for insurance where extended vacancy exists at a property.
- justified in
 - prohibited from
 - to be fined for
 - to be imprisoned for
13. The only line of property/liability insurance in which the physical condition of the applicant has been used by underwriters is _____.
- crime insurance
 - homeowners insurance
 - inland marine insurance
 - automobile insurance
14. No action should be taken solely because of a _____.
- misrepresentation
 - fraudulent act
 - history of drug abuse
 - precious rejection or cancellation

YOU SHOULD HAVE INSURANCE

15. For a life insurance policy to be issued, _____ between the insured and the policy owner must be present.
- an insurable interest
 - an application
 - an adult guardian
 - a contract
16. In most states, a person is not considered an adult until the person is _____ years of age.
- 13
 - 18
 - 21
 - 25
17. _____ insurance contains the basic elements of term insurance, with an investment element added.
- Whole life
 - Traditional
 - Premium
 - Batch
18. _____ offers tax advantages to the insured because the investment value grows without current taxation.
- Health insurance
 - Key man coverage
 - Term life
 - Universal life
19. A stock life insurance company is in business to make a profit for the _____.
- insureds
 - stockholders
 - policyowners
 - government
20. Control in a mutual insurance company rests with the _____.
- insureds
 - stockholders
 - policyowners
 - government
21. A _____ is a legal wrong.
- contract
 - tort
 - liability
 - standard of care

YOU SHOULD HAVE INSURANCE

22. Part A of the Personal Auto Policy provides liability coverage for _____ different categories of parties.
- two
 - three
 - four
 - five
23. There is NO liability coverage on a vehicle while it is being used _____.
- in traffic
 - for personal use
 - by a family member
 - to carry persons or property for a fee
24. The company's maximum limit of liability from any single automobile accident is the amount stated in the _____.
- Declarations
 - Synopsis
 - Predictions
 - Provisions
25. Under a Personal Auto Policy, the company will pay all reasonable medical and funeral expenses incurred within _____ years from the date of the accident.
- two
 - three
 - four
 - five
26. The amount paid under uninsured motorists coverage may be reduced by any benefits payable under _____.
- workers compensation law
 - policy limits
 - premiums
 - gasoline expenses
27. If the vehicle is declared a total loss, the amount paid is the _____.
- initial purchase price
 - actual cash value
 - amount requested by the insured
 - amount of premiums paid
28. Part _____ of the Personal Auto Policy describes the duties and obligations of the insured in the event of an accident or loss.
- B
 - C
 - D
 - E

YOU SHOULD HAVE INSURANCE

29. A clean driving record covering the previous _____ years can substantially reduce the premiums of a high-risk driver.
- two
 - three
 - four
 - five
30. _____ is a key factor in determining liability.
- Premium amount
 - Age
 - Income
 - Negligence