

154 **Property / Casualty Today!** \$49 Web / \$65 Book Discounts Avail- **30 Hours** **Instructions**

Fill-in information below if you plan to fax or mail answers. Or, Submit Answers & get Certificates online at CEclass.com—click My Account

Name _____ E-Mail _____

Address: _____ Phone (_____) _____

City _____ State _____ Zip _____

Calif. License # _____ Type: ___ Life ___ Health ___ P&C Renewal Date _____

I certify I have reviewed the course book and completed this exam on my own. I agree to all [course conditions](#) at [www.CEclass.com](#). If I have not paid yet, I enclose a check or authorize you to charge the credit / debit card below or one you may already have on file.

X _____ Dated _____
Signature (Required)

Visa MC AE Disc Credit Card # Expires \$ _____ Amount

- More Exams & Books at CEclass.com**
1. Review book.
 2. Fill-in answers below.
 3. Choose How To Send below.
 4. Get results in 10 days by mail or quicker via CEclass.com at My Account.
 5. Credits sent to DOI weekly.

How To Send

3 Ways To Send When Finished: 1) ONLINE (quickest): [www.CEclass.com](#) (choose *Submit Answers*) or 2) FAX to (951) 296-3004 or 3) MAIL to Affordable Educators at 41890 Enterprise Circle So #100, Temecula, Ca 92590

Quicker Results

INSTANT GRADING & CERTIFICATE: Grade your test and get an instant Certificate of Completion ONLINE using *Submit Answers* at [www.CEclass.com](#)

DOI CREDIT RUSH: CE hours are posted by DOI in approximately 48 hours (NO holidays & weekends). Check below or choose this service online.
___ YES. Charge \$15 to rush ALL my DOI credits.

Mark Your Answers With a Dark Pencil

If You Mail This Sheet, Make a Copy Before Sending

A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D					
1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	21	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	41	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	61	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	81	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	42	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	62	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	82	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	23	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	43	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	63	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	83	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	24	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	44	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	64	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	84	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	25	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	45	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	65	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	85	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	26	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	46	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	66	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	86	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	27	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	47	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	67	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	87	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	28	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	48	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	68	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	88	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	29	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	49	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	69	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	30	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	50	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	70	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	90	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	31	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	51	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	71	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	91	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	32	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	52	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	72	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	92	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	33	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	53	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	73	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	93	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	34	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	54	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	74	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	94	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	35	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	55	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	75	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	95	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	36	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	56	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	76	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	96	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	37	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	57	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	77	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	97	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	38	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	58	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	78	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	98	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	39	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	59	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	99	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	40	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	60	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	80	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	100	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

1. An insurance company's loss ratio is the ratios of actual losses and loss adjustments compared to _____.
 - A. Assets
 - B. Earned premiums
 - C. Written contracts
 - D. Industry profits
2. In most states, an insurance policy is either "open" or "valued". An open policy is one in which the value of the subject matter is _____.
 - A. Fixed
 - B. Estimated
 - C. Not agreed upon
 - D. Appraised by an independent party
3. Inland marine insurance applies to the insuring of property _____.
 - A. That is movable
 - B. Found underwater
 - C. That floats
 - D. Is attached to boats
4. Completed operations insurance is for liability arising out of _____.
 - A. Tort violations
 - B. Code violations
 - C. Defects in work completed
 - D. Price gouging
5. The four sections of boiler & machinery insurance covers
 - A. Boilers / unfired vessels / piping / auxiliary piping
 - B. Pipes / electrical / steam / machinery
 - C. Machinery / pumps / steam / water damage
 - D. Workmanship / accidental / defects / hazards
6. Which of the following are exclusions, not covered by burglary insurance
 - A. Loss due to fraud or dishonesty
 - B. Loss of books or records
 - C. Loss of furs or articles containing fur
 - D. All of the above are not covered
7. Hedging is a _____ technique that is accomplished by making commitments on BOTH sides to offset risks.
 - A. Less than legal
 - B. Risk shifting
 - C. Non-effective
 - D. Permanent
8. The statute of limitations for breach of an oral contract is _____ from the date broken.
 - A. One year
 - B. Two years
 - C. Three years
 - D. Four years
9. A corporation is a legal entity that is _____ from its members or shareholders.
 - A. Separate and apart
 - B. Connected
 - C. Legally bound
 - D. Financially responsible
10. Parents are liable for negligent or clumsy acts of their children up to a limit of \$ _____.
 - A. \$1,000
 - B. \$5,000
 - C. \$10,000
 - D. \$50,000
11. An insurance company's expense ratio is the ratio of expenses to _____.
 - A. Gross profits
 - B. Assets
 - C. Written premium
 - D. Par value
12. A foreign insurer is an insurer organized under the laws of _____.
 - A. France
 - B. A specific state, but in one of the other states within the United States
 - C. Delaware
 - D. Nevada
13. Risk-based capital defines acceptable levels of risk that insurance companies may incur with regards to their
 - A. Assets
 - B. Insurance products
 - C. Investments and business operations
 - D. All of the above
14. In insurance, every insured must have an insurable interest. This is defined as an interest or liability in a property of such a nature that a contemplated peril might directly indemnify the _____.
 - A. Beneficiary
 - B. Insured
 - C. Insurer
 - D. Insurance company
15. Where an endorsement and a policy have conflicting provisions, the courts will interpret the intent of the parties involved. If this does not resolve the conflict, then the _____ usually prevails.
 - A. Written endorsement
 - B. Policy
 - C. Longest provision
 - D. Oldest provision

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

16. A fire policy insures the interest of the insured in the property but does not require that such interest be that of _____.
- Partial ownership
 - Sole and unconditional ownership
 - A legal age individual
 - A citizen
17. A short rate cancellation is one which the earned premium is calculated according to a _____ which excludes an extra charge to the insured over the pro rata premium.
- An established short rate table
 - Department of insurance standards
 - Federal law
 - The short rate society
18. Fire rates are based on a method of rating using which four elements?
- Cost, appraisal, time, location
 - Location, cost, construction, hazards
 - Construction, occupancy, protection (water, etc), exposure (nearby hazards)
 - Codes, location, construction, hazards
19. Unscheduled farm personal property coverage involves
- Livestock
 - Machinery, vehicles & equipment
 - Grain & hay
 - All of the above
20. Which of the following factors make a mobilehome eligible for coverage?
- It must be at least 10 feet wide, 40 feet long
 - It must cost more than \$4,000
 - It must be capable of being towed and designed for year round living
 - All of the above
21. A fiduciary bond guarantees that the principal will _____ in accordance with terms of the trust and law.
- Pay back the bond
 - Faithfully perform duties and account for property
 - Pay all taxes
 - Not reveal trust secrets
22. Which of the following are examples of vicarious liability?
- A parent's responsibility for a child
 - An employer's responsibility for employee's act
 - A vehicle owner's responsibility for a permissive user of the vehicle
 - All of the above
23. Liability gap coverage policies provide much needed protection from the many exclusions in CGL policies. One problem with the new gap policies, however, is that they are written by excess and surplus line companies which means that coverage is provided
- Illegally
 - Without legal recourse
 - By non-admitted insurers with no state guaranty protection
 - By small, financially poor companies
24. Insurance codes in many states do not require a standard form for writing automobile insurance. However, most require that every such policy contain specific conditions for
- Bankruptcy or insolvency of the insured does not relieve the insurer of its obligation
 - A judgement against the insured based on bodily harm death or property damage is recoverable from the insurer subject to policy terms and limits.
 - Uninsured motorist coverage is mandatory
 - A & B only
25. In order for a tort to result in civil action, the wrongful act must cause _____.
- Bodily injury
 - Property damage
 - Personal injury
 - Any one of the above
26. A written lease must be _____ to be legally executed.
- Typed
 - Signed by the leasing agent
 - Delivered
 - In English
27. The location of a tree's _____ determine who owns it.
- Trunk
 - Watering source
 - East / West exposure
 - Shade cast
28. The meaning of an insurance contract is interpreted NOT by what the insurance company intended the words to mean, but what a _____ would understand them to mean.
- Court
 - Judge
 - Reasonable person
 - Arbitrator

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

29. Mergers and acquisitions continue to sweep the P&C industry because carriers
- Find safety in numbers
 - Are looking for ways to consolidate overhead and remain competitive
 - Are advised to partner with other companies by the insurance commissioner
 - Are ignorant about their choices
30. An insurer's quick liquidity ratio is comprised of its quick assets divided by net liabilities PLUS _____.
- Outstanding liabilities
 - Shareholder equity
 - Ceded reinsurance balances owed
 - Net worth
31. An alien insurer is an insurer organized under the laws of _____.
- The United Nations
 - Any jurisdiction other than a State of the U.S.
 - Corpus menu
 - Roswell, New Mexico
32. A "valued policy" is one which expresses on its face that the thing insured shall be valued at
- A specified sum
 - 2 times its appraised value
 - At the highest of three bids
 - An amount agreed by the parties at time of claim
33. There are two types of exclusion in a standard fire policy. They are:
- Eliminating coverage of uninsurable and excepted property
 - Eliminating coverage for loss caused by certain perils
 - Eliminating premium waivers
 - A & B only
34. In a surety insurance contract the surety is the one who _____.
- Guarantees that the obligation will be performed
 - Who needs surety protection
 - Offers to stand behind the pledge
 - Asks the judge to release the principal
35. Strict liability may involve activities that present the likelihood of extreme harm if a mishap occurs, but have substantial benefits to society. Which of the following are examples of strict liability?
- Keeping wild animals
 - Dams
 - Blasting operations
 - All of the above
36. Contractual liability assumes liability under a written contract or agreement, but it does not include _____.
- Warranties for fitness
 - Warranty of product quality
 - Warranty that work performed shall be done in a workman-like manner
 - All of the above
37. Defamation is an action that injures another's reputation. Statements must be _____ to be actionable
- Written
 - Oral
 - Intentional or negligently communicated to someone other than the defamed party
 - Hostile and open
38. The typical statute of limitation for a judgement is _____ years.
- Two
 - Five
 - Ten
 - Fifteen
39. An ostensible agent is one whom the principal has given no authority but by conduct has _____ others to reasonable believe that he has the authority to act.
- Convinced
 - Fooled
 - Induced
 - Tricked
40. Deceptive advertising in most states carries a fine of up to \$_____ or six months in jail.
- \$500
 - \$1,000
 - \$2,500
 - \$5,000
41. An example of an insurance company's nonadmitted assets include
- Unsecured loans
 - Prepaid expenses / agent advances
 - Furniture, supplies, office equipment, etc
 - All of the above
42. A mutual insurer is a corporation owned by
- Its policyholders
 - Its stockholders
 - Other insurers
 - More than five wealthy individuals
43. A flat cancellation is a cancellation of a policy without _____.
- Written notification
 - Any premium charge
 - Justification
 - Mutual consent

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

44. The purpose of "fair plans" is to provide basic property insurance to those who are entitled but who cannot obtain it _____.
- Through ordinary channels
 - At the right price
 - For love or money
 - With proper limits
45. An administrator's bond is given by a person appointed by the court to
- Satisfy a judgement
 - Pay probate fees
 - Settle the estate of a deceased person
 - Get out of jail
46. In addition to covering worker injuries, workers' compensation policies provide liability insurance for claims brought by employees against their employer. Such coverage rarely applies, however, since most employees are covered by workers' comp benefits which are _____.
- Unlimited
 - The exclusive remedy for such employees
 - More than adequate
 - Usually more
47. Sprinkler leakage insurance covers contents in a building but usually exclude _____.
- Accounts
 - Money
 - Notes or securities
 - All of the above
48. Liability without fault occurs when a person is held liable for injury to others even though the injury may not be intentional or negligent. Which of the following are examples of this exposure?
- Dangerous instruments (explosives, wild animals, etc)
 - Hazardous operations (blasting, mining, etc)
 - Defective or unsafe products
 - All of the above
49. Officers and directors of a corporation are not individually liable for acts or losses of the corporation unless they _____.
- Do business in a suspicious manner
 - Act in utter disregard of corporate charter limitations
 - Are caught
 - Get arrested
50. What does an insurance company's operating cash flow ratio measure?
- The amount of money available for investment
 - Liabilities covered by cash and investment
 - The ability to meet its obligations internally
 - Capital resources available for claims
51. All insurance policies contain areas of ambiguity. The rule of policy ambiguity states that policy holders should
- Ignore any ambiguous statements
 - Cancel policies that have ambiguous sections
 - Expect policies to be fair and "say what they mean"
 - Not be concerned with conflicts in policy statements
52. An insurance company's risk based capital ratio defines
- Acceptable levels of risk
 - Reasonable levels of liquidity
 - Dangerous capital stock situations
 - Bad performance
53. In addition to fiduciary duties to his insurer, an agent has statutory duties. Examples include _____.
- Standard skill and care
 - Good conduct
 - Acting as authorized
 - All of the above are examples
54. What is the most important exclusion in an agent's errors and omissions policy?
- Indemnification
 - Cost of defense
 - Trial preparation
 - Pre-trial costs
55. In a lawsuit against and insurer / agent, the plaintiff's attorney may demand a drafting history. This history contains details on
- Past agent wrongdoings
 - Industry deliberations regarding policy meaning and terms
 - Who made the mistake
 - All papers involved in approving the coverage in question
56. In the Fitzpatrick vs Hayes case an agent's brochure used the term "family insurance checkup". The courts ruled these words did not obligate the agent to secure special coverage unless
- The agent misrepresented the scope of coverage
 - The insured requested specific coverage
 - The agent held himself out to be an expert
 - All of the above

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

57. Concerning the Internet, a single source sale site is _____.
- A. A single insurance company marketing its product through a home page
 - B. One site where all insurers join forces
 - C. A site where insurer's use the internet to contact their sales force
 - D. An insurer's internet site where information on insurance information sources is discussed
58. Our country's expanding legal liability policy makes it difficult to fully insure your clients. In a nutshell, this concept is based on _____ where a new case "borrows" from another creating an entirely new spin.
- A. Bad counseling from agents
 - B. Legal precedence
 - C. Attorney malpractice
 - D. Legal expansion theory
59. Your agency agreement is an important document that details duties. Agents who continually refer to their agency agreement have a better chance of remaining within the _____, thereby limiting liability.
- A. Agency zone
 - B. Influence of agency
 - C. Scope of agency
 - D. Agency doctrine
60. Agent negligence, bad faith and misrepresentation are proved in court using _____.
- A. Expert witnesses
 - B. Professional jurors
 - C. Insurance company representatives
 - D. Department of Insurance records
61. Agents use *risk management* to help clients select the most suitable policy. The rules of risk management advise clients to _____.
- A. Not risk more than they can afford to lose
 - B. Consider the odds
 - C. Not risk a lot for a little
 - D. All of the above
62. Twisting and churning is defined as _____ for the purpose of inducing a client to change, surrender or lapse an existing policy.
- A. Saying one thing, but doing another
 - B. Misrepresentation or comparison of insurers or policies
 - C. Selling too often to the same client
 - D. Intentionally leaving out an important detail
63. Defamation violations occur when _____.
- A. An agent makes derogatory remarks about the financial condition of an insurer
 - B. An agent makes derogatory statements designed to injure any person engaged in the business of insurance
 - C. An agent calls his client a name
 - D. A & B
64. A policy's *trigger of coverage* refers to an event that determines _____.
- A. Whether a policy must respond to a claim
 - B. How much a policy must pay
 - C. If a lawsuit can be started
 - D. If an insurer can issue coverage
65. The importance of the Goebel vs Suburban case lies in determining if your agency agreement can be overruled by _____.
- A. A council of your peers
 - B. Common law
 - C. A jury
 - D. Your insurer
66. Insurance malls are sales sites that offer products of more than one seller. A vertical insurance mall offers _____.
- A. Products of multiple sellers from multiple industries
 - B. Products of multiple sellers from the same industry
 - C. Products that cost about the same
 - D. Products that restrict policy limits and premiums
67. In asset protection law, a fraudulent conveyance is defined as _____ so as to defraud creditors.
- A. Title manipulation
 - B. Converting legal assets into personal property
 - C. A transfer of property without adequate consideration
 - D. Cash only transfers of property
68. The purpose of determining if you are acting as an *agent vs broker* in a transaction helps to establish _____.
- A. The theories of liability a client may plead
 - B. Defenses an agent or his insurer may raise
 - C. Who is guilty
 - D. A & B
69. Redlining is an illegal activity that occurs when an agent / insurer refuses to accept an application for insurance, or cancels a policy based on _____.
- A. Local crime statistics
 - B. Race, marital status, sex or religion
 - C. How much a client earns
 - D. The type of automobile driven

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

70. In a dispute between you and a client / insurer, you may use agent records (file, note, fax, e-mail, etc) as long as the record is something generated in _____.
- Writing
 - English
 - The ordinary course of business
 - A reasonable manner
71. An insurer's duty to defend can be triggered by your client receiving a PRP letter (potentially responsible party), but not in the case of a _____ which only threatens future litigation.
- Phone call from an attorney
 - Demand letter
 - Threat from a victim
 - Police investigation
72. The Mate Vs Wolverine case is proof that _____ can result in added liability.
- Negligence
 - Fraud
 - A special relationship with a client
 - Lack of agent knowledge
73. A very important distinction between EIL vs CGL policies is that EIL policies are _____, while CGL are _____.
- Claims made / Occurrence-based
 - Occurrence-based / Claims made
 - Premium-taxed / Non-taxable
 - Court sanctioned / Attorney generated
74. Encryption is an efficient method of Internet security. Its purpose is to _____.
- Collect secure credit card payments
 - Ensure privacy by keeping data from being read by a third party
 - Determine who is the legal owner of a policy
 - Translate English text to Egyptian text
75. A marketing organization or cluster is a simple banding of individual agents to achieve better contracts, perks, etc. The danger in this arrangement is that _____.
- The acts of one agent can hold all others responsible
 - No one is in charge
 - There is usually disagreement among various members
 - Clients don't know who to contact when there is a problem
76. An asset-default test measures various classes of an insurer's investments based on their _____.
- Cost
 - Marketability
 - Liquidity
 - Default risk
77. The legal purpose of documenting a client transaction is to establish evidence. Evidence can be parol evidence which is _____, or it can be hearsay evidence which is _____.
- Acceptable / Not acceptable
 - Oral / Written
 - Written / Verbal
 - Recorded at the County / Hand delivered
78. The venue or state where an insurance lawsuit takes place is usually based which of the following issues?
- The place where policies were contracted
 - The location of damage
 - The principal place of business / residence of the policy holder
 - All of the above
79. The Goebel vs Suburban case illustrates that even though a client files a frivolous lawsuit against you, you may not _____.
- Collect attorney fees
 - Seek reimbursement from your carrier
 - Defend yourself
 - File a counter claim
80. The Southwest vs Binsfield case is a significant case because it raises an agent's standard of duty to advise clients about _____.
- Short rate cancellations
 - The rating services
 - Relevant options to coverage that are widely available
 - Who their beneficiary can be
81. Which of the following are consumer disadvantages to the use of the Internet is selling insurance?
- Lack of personal intervention with an agent
 - Consumers are not acquainted with insurance laws and regulations
 - Consumers may not have the financial ability to have access to the Internet
 - All of the above are disadvantages
82. In asset protection the legal assumption of "whole vs sum of the parts" means the breaking up of large blocks of ownership into smaller parts. The effect of this creates _____ for a plaintiff or creditor to pursue.
- More obstacles
 - Bigger attorney bills
 - A smaller target
 - Legal roadblocks

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

83. A "speculative risk" is a risk that offers an opportunity for both gain and loss. An example of speculative risk would be _____.
- A. The loss of a business automobile
 - B. A workers' compensation claim
 - C. A dilapidated apartment burns and is replaced with new housing
 - D. A tree falls onto a neighbors car
84. Loss control involves the steps necessary to _____.
- A. Keep premiums their absolute lowest
 - B. Eliminating exposure to risk and reducing risk frequency and severity
 - C. Collect a claim
 - D. Win a lawsuit
85. Grace vs Interstate Life is a classic case centered on agent ethics. An agent failed to notify his client that _____.
- A. Her premiums were due
 - B. The coverage she was paying for was already provided by Medicare
 - C. Her insurance was worthless
 - D. She was too old to receive insurance benefits
86. Errors and omissions insurance for agent may have "specific limitations" that may not cover _____.
- A. Punitive damages
 - B. Business outside the state
 - C. Negligence
 - D. All of the above may not be covered
87. Insurance policies have triggers of coverage that determine whether a policy must respond to a claim. Attorneys for claimants often use a "continuous trigger theory" saying that the policy is continuously triggered from the _____ to the _____.
- A. Initial exposure / Manifestation of any injury
 - B. Premium / Claim
 - C. Beginning / End
 - D. Point of payment / Settlement check
88. Because an insurance company failure can be extremely involved and lengthy, state guaranty funds allow for _____ to pay off individuals who would be devastated by the process.
- A. A discounted payment system
 - B. An advanced payment system
 - C. Vouchers and drafts
 - D. I.O.U's
89. In Brill vs Guardian Life, an agent learned the hard way that he had an obligation to disclose information about _____. With it, the client would have immediate, although temporary insurance coverage.
- A. A conditional receipt
 - B. A Binder
 - C. A waiver of premium
 - D. A payment plan
90. Free vs Republic centers around an agent who assured a client that his coverage was adequate. Even though the courts said the agent did not have a duty to advise about the sufficiency of coverage, the agent assumed liability by responding to client inquiries. By doing so, the agent assumed _____.
- A. The role of mentor
 - B. The role of an expert
 - C. A special duty to use reasonable care
 - D. Contractual liability
91. In State Farm vs Gros, lack of _____ in the agent's file was enough to convince the court that the agent misrepresented the policy.
- A. A policy application
 - B. Payment evidence
 - C. Notes to support a conversation
 - D. Underwriting approval
92. Electronic payments for insurance sold over the Internet could include which of the following?
- A. Premium payments
 - B. Claim payments
 - C. Settlement refunds
 - D. All of the above
93. Under our country's *free alienability of property* system, a person is free to dispose or transfer title of his property as long as he _____.
- A. Registers it with U.S. Property Transfers
 - B. Is free from creditor concerns
 - C. Does not make a profit
 - D. Keeps it insured
94. From an asset protection standpoint, the limited liability company (LLC) is a recommended way to operate a business because the owner _____.
- A. Will not be personally liable for any debts or obligations of the business
 - B. Earns tax free income
 - C. Is exempt from property taxes
 - D. Can bypass any estate taxes
95. The Bell vs O'Leary case should be understood by agents because it underscores the importance of _____.
- A. Knowing how much coverage a client needs
 - B. Failing to notify clients they are uninsured
 - C. Finding specific coverage options
 - D. Forwarding applications on time
96. Agent promises can result in liability when the promise made _____.
- A. Exceeds what the actual policy promises
 - B. Is not in writing
 - C. Is heard by witnesses
 - D. Is communicated to the insurer

PROPERTY CASUALTY TODAY! -- 30 CE HOURS -- 78863

97. The difference between sales conduct and legal conduct for agents is that sales conduct is
- A. Supervised by a broker or insurer
 - B. A specific list of written rules to follow
 - C. A responsibility you choose to uphold in order to do a better job for your clients
 - D. Not commissionable
98. The process of risk management requires setting and achieving goals in which of the following areas?
- A. Pure risk discovery
 - B. Options to deal with risk
 - C. Implementation and on-going risk monitoring
 - D. All of the above
99. Insurance companies can be found liable for the ratification if it can be shown that the company made a practice of
- A. Agreeing with everything the agent says
 - B. Issuing policies even though the broker has supplied incomplete information
 - C. Misrepresenting policy terms to clients
 - D. Stealing premium monies
100. A client who submits a claim but has a lost policy must do which of the following to avoid a potential dispute with an insurer?
- A. Make a diligent search for the policy
 - B. Prove the existence of the policy by identifying the parties to the contract
 - C. Produce at least two witnesses
 - D. A & B

---END EXAM---



[Back To Front Page](#)

WHY PRINT THE EXAM & DOWNLOAD BOOKS?

Short Answer: Compared to other web systems, with our method you finish the course quicker, spend less time online, get a copy of the book for reference and have a paper back-up of your answers . . . just in case!

Long Answer: Printing out the exam and saving the book to your computer means you can relax and finish the course offline at your own pace, without spending hours and hours on the internet; you'll have a readily available copy of the book for your library in case you need to refer to it; and, you eliminate the constant switching between an exam screen and a book screen . . . a big hassle that can add hours to completing an online course. We know, we've timed it! Some internet courses suggest using an online split screen to view the exam and book at the same time. Well, it sounds complicated, and unless you have a super, giant screen, the print is going to be tiny and unreadable for most people. Finally, a good reason for printing the exam and marking your answers is you have a paper back-up if your computer or the internet freezes . . . and, we've all been there!

HELP – HOW DOES IT WORK?



Print an exam and download (save) a textbook from our website. When done, shut off your internet connection and finish your course offline at your own pace. See instructions on the first page of your book. Complete your answer sheet by marking answers on the front page with a pen or pencil. Then, come back to www.CEclass.com . . . choose **Submit Answers** . . . quickly click in your answers, pay and get an instant Certificate of Completion on your own printer. Or, you can choose to fax or mail your answer sheet by following the "Choose How To Send" instructions on the front page.

If you need further information, click the green help button to see detailed audio-visual instructions or go to www.CEclass.com and press help or call **Customer Service (800) 498-5100 MF (9AM – 5PM)**

DISCOUNTS — \$5 and \$10 Courses!

THAT'S RIGHT! You can buy online courses as low as \$5 and \$10. It's our multiple course discount program. Your first course is priced at our regular low price . . . Additional courses cost you only \$1.25 per credit hour! That means you can meet your Ethics, Annuity or Anti-Money Laundering required hours for only \$5 each online. Or, take Long Term Care or Annuity Training for only \$10 each.

How do you get the discount? Download as many courses as you like from our website and take as long as you want to finish them. To get the discount, however, you must submit your answers to us all at the same time. When you pay online, our system automatically issues these discounts. If you fax or mail your answer sheets, we will calculate the discount for you every time.

COURSE CONDITIONS

THIS COURSE PROVIDES GENERAL INSURANCE EDUCATION. CONSULT A COMPETENT PROFESSIONAL REGARDING SPECIFIC MATTERS BEFORE ADVISING CLIENTS. We hope you are pleased with the quality and value our CE courses offer. If for any reason you are unsatisfied, return unused books and exams it to us within 30 days for a full refund (less postage). A passing score is 70%. We can only tell you if you passed. If you fail, you will have another chance to pass at no charge. Further re-testing will cost you \$15 per exam. You have one year to complete this course. However, you should finish as soon as possible since courses like these are subject to constant re-evaluation and change by the Department of Insurance. If this course fails to meet the standards and credit hours advertised, whether by state / agency changes or our mistake, we will refund your entire course fees. It is agreed that this amount is liquidated damages. It is agreed that any differences between you and us will be settled through binding arbitration in Riverside County, California. The State has approved credit hours for our courses, however, they ask us to mention that they do not endorse content or the author's opinions.