

181	Calif Claims Adjusting Exam	24 Hours Satisfies Ethics	Instructions
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#181 -- CALIFORNIA CLAIMS ADJUSTING EXAM

1. The claims process is a method of translating the rights provided to a policyholder into a _____.
 - A. Profitable resolution
 - B. Remedy
 - C. Supplemental claim
 - D. Dollar-for-dollar award
2. Personal vehicle liability insurance imposes a duty on the carrier to pay _____ claims against an insured as well as an obligation to provide legal representation.
 - A. Third party claims
 - B. All claims
 - C. The best claims
 - D. Only legal claims
3. In a workers comp policy, "disability" is defined as a condition that adversely impacts the ability of an individual to _____.
 - A. Speak
 - B. See
 - C. Earn his or her livelihood
 - D. Pay bills
4. Having high ethical standards (being honest) can be more important than being right because honesty **reflects character**, while being right reflects _____.
 - A. Moral aptitude
 - B. A level of ability
 - C. Technical skills
 - D. Maternal influences
5. Concerning subrogation, the claims person must be alert to subrogation possibilities _____.
 - A. By the end of the investigation
 - B. Sometime in the middle of an investigation
 - C. From the very inception of the claim
 - D. When advised by management
6. Special item claims (furs, jewelry and antiques, etc) may require the examiner to evaluate inventories and pictures for _____.
 - A. Imperfections
 - B. Color
 - C. Value
 - D. Proof of existence
7. Common law relies strongly on _____.
 - A. Interpretation
 - B. Past court decisions
 - C. Who is the judge
 - D. Jury selection
8. A stakeholder is anybody that can _____.
 - A. Cook a meal
 - B. Be affected by your actions
 - C. Help with a claim
 - D. Be a mentor
9. A stated value policy exists where an insurer agrees that the property in question has _____.
 - A. A specific value
 - B. Value
 - C. Salvage value
 - D. No value
10. Builder's Risk Coverage applies until a building is _____.
 - A. Appraised
 - B. Permitted
 - C. Built
 - D. Completed and occupied
11. "Defining occupation" claims suggest that _____ conflicts may rise.
 - A. Narrow definition
 - B. Doctor
 - C. Personal liability
 - D. Experimental injury
12. Professional ethics are not laws, yet they can be _____.
 - A. A pain to observe
 - B. Legally enforceable
 - C. Guided by laws
 - D. Intimidating
13. A good claims investigator should strive to uncover _____.
 - A. The final settlement
 - B. Evidence and valid facts
 - C. Dirty little secrets
 - D. Only facts that can be used at trial

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14. A "first party claim" is a claim made for indemnification by the policyholder against _____.
- A. His or her own coverage
 - B. Another person's policy
 - C. An insurer
 - D. Early settlement
15. Joint and several liability is the practice of assigning liability damages based on _____.
- A. Fault alone
 - B. An ability to pay
 - C. Strict responsibility
 - D. Undue damages
16. In California, a Surety Bond for public adjusters must be posted in the amount of \$_____.
- A. \$5,000
 - B. \$10,000
 - C. \$20,000
 - D. \$40,000
17. A line supervisor specializes in claims surrounding a specific line of insurance (liability, theft, fire, etc) and typically has _____ on the disposition or settlement of a claim.
- A. Minor authority
 - B. The final word
 - C. No authority
 - D. Cart blanche
18. A loan receipt is obtained to _____.
- A. Permit the insurer to bring action
 - B. Enable the insurer to pay the claim promptly
 - C. Protect the insurer's rights of subrogation
 - D. All of the above
19. Consent of the insured to settle a claim is technically not required under an _____.
- A. Professional liability policy
 - B. Errors & Omissions policy
 - C. Liability only policy
 - D. Negligence claim
20. A typical boiler and machinery policy excludes _____.
- A. Sewer piping
 - B. Underground piping
 - C. Sprinkler piping
 - D. Any or all of the above
21. When a workers' compensation case is settled, there is _____.
- A. No signing of a release
 - B. An immediate release of all parties
 - C. A partial release for current injuries
 - D. A full and unconditional release issued
22. Adjuster contracts in California shall not contain _____.
- A. An authorization to collect of fees not yet paid by an insurer
 - B. A requirement that an insured authorize an insurer to make a payment ONLY in the name of the adjuster licensee
 - C. Late fees or collections costs on the insured
 - D. All of the above are prohibited
23. In the Harbison v. Norcal case, an adjuster was sued for _____.
- A. Defamation
 - B. Low-balling a settlement offer
 - C. Working the wrong claim
 - D. Taking cash from an insured to fluff a claim
24. Property that has been paid for as a result of an insurance policy claim rightfully belongs to the _____.
- A. Insured
 - B. Insurer
 - C. Adjuster
 - D. State
25. A "tear out" provision covers the cost to remove and repair portions of a home to _____.
- A. Make it better
 - B. Restore it to original condition
 - C. Access broken or leaking water pipes
 - D. Meet code

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26. Lost income from damaged business autos is generally _____ under commercial property forms.
- A. Excluded
 - B. Included
 - C. Waived
 - D. Doubled
27. The first step in an investigation of a claim is ascertain if _____.
- A. The insured was at fault
 - B. The insurer is able to pay
 - C. The insurance carrier is responsible
 - D. Witnesses can verify the claim
28. A claims adjuster taking a statement from a witness who does not have sufficient understanding of English to read his statement should _____.
- A. Get his statement in whatever language he speaks
 - B. Obtain a translator's affidavit
 - C. Walk away
 - D. Look for another witness
29. A condition precedent in an insurance contract means a condition must be performed _____ the contract becomes effective.
- A. Before
 - B. After
 - C. Three days before
 - D. Three days after
30. A replacement cost provision in a homeowners policy requires an insured to purchase coverage amounting to _____ of the replacement cost of the property.
- A. Exactly 80%
 - B. At least 80%
 - C. 60%
 - D. 75%
31. An activity check investigation monitors the _____.
- A. Number of claims made in a given month
 - B. Activities of a claimant in line with injuries or disabilities reported
 - C. Workload of an adjuster
 - D. Claims made by a specific insured
32. California adjuster contracts must allow a client to rescind the contract by midnight of the _____.
- A. 3rd business day
 - B. Same day
 - C. Same week
 - D. 5th business day
33. The divisions of most insurance companies include claims and _____.
- A. Underwriting
 - B. Marketing
 - C. Finance
 - D. All of the above
34. Wrongful death statutes allow a surviving spouse, parents or children of the deceased to _____.
- A. Serve as witnesses
 - B. View all claim records
 - C. Recover damages from the responsible party
 - D. Visit the accident scene
35. A misrepresentation in a policy by an insured is a statement the insured _____.
- A. Made by mistake
 - B. Blurted out
 - C. Knows is untrue
 - D. Is allowed to retract
36. A homeowners floater policy is a separate policy or endorsement designed to cover _____.
- A. Boats
 - B. All property
 - C. Specific items of property
 - D. Autos
37. An independent medical examination may be required to confirm a claimant's injury, extent of treatment and establish a time that a claimant _____.
- A. Has to file his final claim
 - B. Will receive a settlement
 - C. Can return to work
 - D. Will go to court

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38. After a disaster, California adjusters must refrain from soliciting residential customers until _____ have elapsed.
- A. 12 Hours
 - B. 3 Days
 - C. 5 Days
 - D. 7 calendar days
39. Concealment or fraud can void a policy where an insured has _____.
- A. Intentionally concealed a material fact
 - B. Engaged in fraudulent conduct
 - C. Made false statements relating to this insurance
 - D. All of the above
40. What is the purpose of a casualty claim investigation _____.
- A. Determine the facts
 - B. Establish liability
 - C. Preserve the evidence
 - D. All of the above
41. An ordinance and law endorsement allows repairs and replacement to bring a damaged home _____.
- A. Back to original condition
 - B. Back to its pre-claim condition
 - C. Up to code
 - D. Up to a marketable value
42. Insurable interest must be present in order to have a valid claim. This means a policyholder must have _____.
- A. Receipts
 - B. Some legal or equitable interest in the property
 - C. Witnesses who saw him buy it
 - D. Paid taxes on the property
43. Damage to an auto windshield in the driver's line of vision _____.
- A. Must be replaced
 - B. Can be repaired
 - C. Does not need attention
 - D. Is always covered
44. "Last clear chance" is an evaluation made by an claims adjuster to determine whether the claimant _____.
- A. Was capable of causing an accident
 - B. Took proper precautions to minimize or eliminate an accident
 - C. Was under the influence
 - D. Had prior accidents
45. Intentional wrongs are not covered by an insurance policy because insurance is supposed to pay for a loss that is fortuitous or _____.
- A. Beyond the control of the insured
 - B. Worth high dollar amounts
 - C. One that favors the insurer
 - D. One that can be defended
46. A "pay on behalf" clause in an umbrella policy states that an insurer will make _____ on behalf of the insured for amounts the insured is legally liable to pay.
- A. Partial payments
 - B. Direct payments
 - C. Third party payments
 - D. Monthly payments
47. Extraordinary items (rare art, vintage quilt, etc) are usually valued by an appraiser before the item is insured. If not, an adjuster should _____ to establish value.
- A. Make an educated estimate
 - B. Guess and multiply by two
 - C. Hire a reputable certified appraiser
 - D. Consult a rate book
48. In an emergency catastrophe situation, declared by the commissioner, non-licensed adjusters can _____.
- A. Handle claims upon registration with the commissioner
 - B. Work under the active direction of a licensed adjuster
 - C. Register with commissioner within 15 days of commencing claims adjusting
 - D. All of the above

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49. Permission to use one's vehicle may have been authorized when _____.
- A. One also has the authority to refuse permission
 - B. The vehicle is being used for a legal purpose
 - C. One has legal control (ownership) over the vehicle
 - D. Any or all of the above
50. Settlement checks from an insurer can be made payable to _____.
- A. The claimant
 - B. The contractor
 - C. The lender that holds a mortgage
 - D. Any or all of the above

--END EXAM--