

FREE PROPERTY & CASUALTY KEY FACTS

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- The presence of a physical hazard increases the chance of a loss occurring.
- Exclusions exist in an insurance policy to clarify coverage, not to prevent fraud.
- Surplus Lines Insurers write difficult-to-place business risks.
- An insurer-group formed to insure liability risks is known as a Risk Retention Group.
- A Mortgagee does not have to accept a binder for insurance upon renewal.
- An Agent's authority written in a contract is known as the express authority.
- The authority not expressly (written) granted, but is actual authority the agent has to transact normal business activities, is known as implied authority.
- Agents represent the insurance company, not the insured.
- The Doctrine of Reasonable Expectations is founded on the possible existence of an ambiguity in the wording contained in an insurance contract.
- Pure Risk only involves the possibility of Loss, not gain.
- The Limits of Liability are found on the Declaration page of the policy.
- Blanket Property limits apply to two or more classes of property at one location or to property at two or more locations.
- An agreement between the insured and insurer to determine the value of the property in advance is known as Agreed Amount Insurance and is often referred to as a Valued Policy.
- Supplementary Payments found in the liability section of a policy are paid in addition to the liability limits (bail bonds, appeal bond and expenses for the insured to assist in the trial).
- The purpose of the Conditions Section of the policy is to state the rules, which stipulate the conditions under which the coverages are provided.
- The Cancellation Provisions are found in the conditions section of the policy.
- If the insured dies, their policy rights are transferred to their authorized representative.
- The policy territory does not include Mexico or Europe.
- The minimum deductible found in an earthquake policy is \$250.

- Misrepresenting facts or policy provisions **is** an example of an Unfair Claim Practice.
- An agent showing competitor information to a client is **not** a violation of the Unfair Trade Practices regulation.
- Refusing to pay claims without conducting a reasonable investigation is an example of an Unfair Claim Practice.
- The insurance company attempting to use arbitration to settle the claim is not an example of an Unfair Claim Practice.
- The Basic Dwelling form DP-1 is a named or specified peril policy.
- On the Dwelling Broad Forms DP-2 building structures (Coverages A & B) are written with an 80% coinsurance requirement.
- On a Homeowners policy, freezing of plumbing is covered as long as the insured maintains the heat.
- There is an additional 5% for debris removal provided on a Homeowners Policy if the insured exhausts the Coverage A policy limit on the dwelling.
- Coverage B - Other Structures in the Homeowners and Dwelling policies does not include attached garages.
- “Other Structures” coverage covering a detached garage excludes commercial business risks.
- On a Dwelling Policy, “Other Structures” coverage will apply to a structure rented out as a private garage.
- An example of an “Other Structure” would be a detached tool shed.
- A rain or dust loss would only be covered if an opening in the Dwelling roof or walls was first created by wind or another covered cause of loss.
- The Personal Liability Supplement is added to a dwelling policy to provide bodily injury and property damage liability coverage to others as a result of negligence of the insured.
- In the HO-3 Special form policy, theft of personal property of a resident employee is covered.
- The homeowner’s policy does not cover theft of animals, birds or fish.
- The Scheduled Personal Property Endorsement is used to insure personal property with high values such as furs, antiques and jewelry.
- The DP-1 Basic form does not provide ‘additional living expenses’ under coverage D. Only Fair Rental Value is provided.