

CALIFORNIA ADJUSTER PSI EXAM QUESTIONS AND ANSWERS

Which of the following is not a duty of an insurer in case of a loss?

Conduct a thorough investigation

Establish claim procedures and methods of documentation

Acknowledge receipt of a claim in a timely fashion

Separate the damaged property from the undamaged property and protect the property from further loss

The correct answer is: Separate the damaged property from the undamaged property and protect the property from further loss.

EXPLANATION:

The insurance company is not required to separate the damaged property from the undamaged property nor to protect the property from further loss. This is the responsibility of the insured.

Which of the following statements is true about "additional coverages" in most insurance policies?

They are included at no extra cost.

They are automatically included only when the loss is less than a deductible.

They are included for a minimum premium.

They are optional on the part of the insured.

The correct answer is: They are included at no extra cost.

EXPLANATION:

Examples of "additional coverages" would be debris removal and reasonable repairs which are automatically included in most property forms.

Which of the following are essential if a salvage award is to be made?

- I. The property involved must be in peril from some hazard.
- II. The salvage service must be voluntary.
- III. The effort must be successful.

I and III only

I and II only

I, II and III

II and III only

The correct answer is: I, II and III

EXPLANATION:

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All of these are essential if a salvage award is to be made.

The endorsement for water that backs up through a sewer or drain including mechanical breakdown of a sump pump contains which of the following?

- A separate stated limit of coverage
- A separate stated deductible for covered losses
- Both answers are correct
- Neither answer is correct

The correct answer is: Both answers are correct.

EXPLANATION:

The endorsement will set a limit of coverage per occurrence for these losses and also impose a stated deductible, which could be less than or greater than the standard deductible for property losses stated on the declarations page. Both the coverage limit and the deductible vary based on each insurer's underwriting guidelines.

All of the following are duties of an insured when filing a claim, EXCEPT:

Providing an adjuster to investigate the claim.

Providing a proof of loss statement.

Preserving the undamaged property to the best of his/her ability to avoid additional loss.

Full cooperation in providing the insurance company with all relevant books and records.

The correct answer is: Providing an adjuster to investigate the claim.

EXPLANATION:

It is the duty of the insurer to investigate the claim. The insured is not obligated to obtain an adjuster. If there is a dispute, the insured has the option of retaining an attorney or hiring a public adjuster.

If a contractor does not properly protect a job site, another person could be injured. This is an example of:

Negligence

A tort

A civil wrong

All of the responses are correct

The correct answer is: All of the responses are correct

EXPLANATION:

All of the responses are correct and is the purpose of the coverage provided by the CGL policy.

Under the "regular program" a flood insurance policy will insure a single family residence for up to:

\$250,000.

\$35,000.

\$100,000.

\$185,000.

The correct answer is: \$250,000.

EXPLANATION:

The limit under the regular flood program is \$250,000. Under the emergency flood program the dwelling is covered for only \$35,000.

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The BOP is designed to cover all of the following, EXCEPT:

An office complex with 7,500 square feet in total floor area.

Small apartment houses.

Medium size clothing stores.

Gas stations.

The correct answer is: Gas stations.

EXPLANATION:

The list of eligible risks for the BOP is rather narrow. Gas stations, garages and repair shops would not qualify.