

Florida Claims Adjuster Exam | 206 Questions with 100% Correct Answers | 33 Pages

Frank owned a home that was destroyed by a hurricane. Both ABC and XYZ Banks were listed as additional interests on his homeowner policy. The insurance company will make a payment to:

- A. The first mortgagee, ABC
 - B. The Insured
 - C. Jointly to ABC and XYZ
 - D. All listed interests
- Correct Answer: D. All listed interests

Remember that the insurer is not responsible to know the degrees of interest. In the event of a loss, one payment is made by the insurer and it is up to the additional interests on working out their share.

Insurance applies separately to each insured as if other insureds did not exist. This is defined as:

- A. Severability
 - B. Conditional
 - C. Warranty
 - D. None of the above
- Correct Answer: A. Severability

Property insurance policies usually contain a(n) _____ clause, stating the insured cannot dump damaged property on the insurer and demand its full value:

- A. Pro Rata
 - B. Abandonment
 - C. Liberalization
 - D. All of the above
- Correct Answer: B. Abandonment

A(n) _____ is one wherein economic loss would be suffered from an adverse happening to the subject:

- A. Conditional Contract
 - B. Personal Contract
 - C. Economic Contract
 - D. Insurable Interest
- Correct Answer: D. Insurable Interest

States that if the insurer adopts a revision which would broaden coverage without additional premium within some period of time prior to the policy period or during the policy period, the insured receives the benefit of such broadened coverage.

- A. Cancellation Clause
 - B. Policy Period
 - C. Pro Rata
 - D. Liberalization
- Correct Answer: D. Liberalization

The time frame is typically 60 days.

The _____ states that when there is an unbroken connection between an occurrence and damage that grows out of the occurrence, then the resultant damage is all a part of the occurrence.

- A. Doctrine of Proximate Cause
- B. Doctrine of Perils & Hazards
- C. Insurance Policy Handbook
- D. Doctrine of Property Insurance Correct Answer: A. Doctrine of Proximate Cause

For example, if a property insurance policy covers the peril of fire but further damage is caused by smoke, water used to extinguish, and the process of moving property away - fire is considered to be the *proximate cause* of all of the damage.

The Loss Settlement Valuation that subtracts an allowance for depreciation is defined as?

- A. Actual Cash Value
- B. Replacement Cost
- C. "Old for New"
- D. None of the Above Correct Answer: A. Actual Cash Value

A policy condition, either based on information in the insured's application or inserted by the insurer, is defined as:

- A. Warranty
- B. Misrepresentation
- C. Concealment
- D. None of the Above Correct Answer: A. Warranty

The following are basic characteristics of a property or liability insurance contract, except:

- A. Personal Contract
- B. Conditional Contract
- C. Loss of Settlement Contract
- D. Contract of Adhesion Correct Answer: C. Loss of Settlement Contract

The Insurer's responsibility to pay for a property loss may be conditioned on the insured having used reasonable means to avoid the loss, to protect the property against further loss, and to give the insurer proof of the loss is defined as?

- A. Conditional Contract
 - B. Adhesion Contract
 - C. Indemnity Contract
 - D. All of the Above Correct Answer: A. Conditional Contract
- "may be conditioned"

Which of the following is not one of the "Thresholds" in the "No-Fault" law?

- A. Death of the Insured
- B. Temporary Injury of the Insured
- C. A permanent loss of a bodily function
- D. Permanent scarring on the face of the insured Correct Answer: B. Temporary Injury of the Insured

Also included: permanent injury other than scarring and disfigurement

Under Mechanical Breakdown Coverage, new cars are eligible for service up to:

- A. 36 Months/36,000 Miles
 - B. 24 Months/36,000 Miles
 - C. 12,000 Months/12,000 Miles
 - D. 12 Months/36,000 Miles Correct Answer: A. 36 Months/36,000 Miles
- Used vehicles: 12 Months/12,000 Miles

If financial responsibility doesn't exist at the time of an accident, which of the following things must happen to avoid penalties?

- A. The legally valid claims of others must be satisfied (up to 10/20/10)
- B. The owner and operator must provide certification of future responsibility for future accidents
- C. Both A & B
- D. None of the Above Correct Answer: C. Both A & B

As to required proof for future accidents by purchase of auto liability insurance, the insurer must make a filing (Form SR-22) certifying that coverage is in effect, and this certification must remain on file for _____ years:

- A. 1
- B. 3
- C. 4
- D. 2 Correct Answer: B. 3

The Business Automobile Policy includes all of the following coverage forms except:

- A. The Garage Coverage Form
- B. The Trailer Interchange Coverage Form
- C. The Truckers Coverage Form
- D. The Business Auto Coverage Form Correct Answer: B. The Trailer Interchange Coverage Form

Personal Injury Protection, or PIP, has a _____ per person, per accident limit.

- A. 10,000
- B. 20,000
- C. 1,000
- D. Depends on the damaged property Correct Answer: A. 10,000

Used to insure businesses engaged in selling, servicing, repairing, parking or storing automobiles:

- A. Servicing Coverage Form
- B. Garage Coverage Form
- C. Truckers Coverage Form
- D. None of the Above Correct Answer: B. Garage Coverage Form

The following examples are referred to as _____ liability limits: 25/50/25 or 10/20/10.

- A. Split
- B. Single

- C. Straight
 - D. None of the Above Correct Answer: A. Split
- 10/20/10 =
10,000 per person injured
20,000 all injuries combined
10,000 property damage
Example of straight liability limit = \$30,000

Jeremy has a not at fault accident. If he has PIP with a \$1,000 deductible, how much can he expect his PIP coverage to pay toward his medical bills that total \$3,000?

- A. \$1,600
 - B. \$1,000
 - C. \$2,400
 - D. \$3,000 Correct Answer: A. \$1,600
- 3000 (bills) - 1000 (deductible) =
2000 x .80 (eighty percent)

Frank has a not-at-fault accident, he has basic PIP, no deductible and Med pay of \$5,000. How much will his Med Pay contribute to medical bills of \$15,000?

- A. \$15,000
- B. \$5,000
- C. \$3,000
- D. \$0, Frank is not-at-fault Correct Answer: B. \$5,000

Medical Payment limits apply per person; Frank will receive full amount towards medical bills.

Which of the following is not one of the rating factors for a Homeowner's Policy?

- A. Type of Construction
- B. Location of Risk
- C. Age & Gender of Insured
- D. Proximity to Fire Department Correct Answer: C. Age & Gender of Insured

On a Homeowner's Policy, covers items that are not permanently attached to the dwelling. This is defined as:

- A. Other Structures
- B. Excess Structures
- C. Personal Property
- D. Dwelling Correct Answer: A. Other Structures

Examples include sheds, fences, pool houses, detached car ports, etc.

A lender has an insurable interest in a home and finds protection in the:

- A. Loss Payee Clause
- B. Mortgagee Clause
- C. Lender Clause
- D. Additional Insured Clause Correct Answer: B. Mortgagee Clause

Mortgagee - Homeowner's policy

Loss Payee - Automobile policy