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37	A	B	C	D	E
38	A	B	C	D	E
39	A	B	C	D	E

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

JGLW6WYW

CA PSI Site - Property Examination - Vietnamese

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE JGLW6WYW, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, JGLW6WYW
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1

MULTIPLE CHOICE

Which of the following are considered perils that may be covered under a standard homeowners property insurance policy? (Choose two.)

- ☒ **A** Fire
- ☐ **B** Wear and tear
- ☒ **C** Theft
- ☐ **D** Gradual deterioration

ANSWER A • C

WHY Fire and theft are named perils commonly covered under a standard homeowners policy. Wear and tear and gradual deterioration are exclusions because they result from lack of maintenance or natural aging rather than sudden, accidental loss.

QUESTION 2

MULTIPLE CHOICE

Under a typical homeowners policy (HO-3), which coverages apply to the dwelling itself and to other structures on the premises? (Choose two.)

- ☒ **A** Coverage A – Dwelling
- ☒ **B** Coverage B – Other Structures
- ☐ **C** Coverage C – Personal Property
- ☐ **D** Coverage D – Loss of Use

ANSWER A • B

WHY Coverage A covers the dwelling and Coverage B covers other structures on the premises (such as a detached garage or fence). Coverage C covers personal property and Coverage D covers loss of use (additional living expenses).

QUESTION 3

MULTIPLE CHOICE

Which of the following perils are typically covered under the dwelling and other structures portion of a standard HO-3 homeowners policy? (Choose two.)

- ☒ **A Fire or lightning**
- ☐ **B Flood**
- ☐ **C Earthquake**
- ☒ **D Windstorm or hail**

ANSWER A - D

WHY Standard HO-3 policies cover open-peril damage to the dwelling and other structures, and fire/lightning and windstorm/hail are classic covered perils listed in the policy. Flood and earthquake are commonly excluded perils requiring separate coverage through a distinct policy or endorsement.

QUESTION 4

MULTIPLE CHOICE

Which of the following statements about Coverage F (Personal Property) and Coverage E (Personal Liability) in a homeowners policy are correct? (Choose two.)

- ☒ **A Coverage E provides liability coverage for non-business activities on and off the insured premises.**
- ☐ **B Coverage F automatically insures personal property at replacement cost with no deductible.**
- ☒ **C Coverage E typically includes no-fault medical payments to others for minor injuries occurring on the insured location.**
- ☐ **D Coverage F excludes all jewelry, furs, and fine arts regardless of policy limits.**

ANSWER A - C

WHY Coverage E (Personal Liability) applies to bodily injury or property damage arising from non-business personal activities anywhere in the world, and it includes Med Pay (Coverage M) for small medical claims. Coverage F generally does not automatically provide full replacement cost on every policy form, and high-value items such as jewelry are subject to sublimits unless specifically scheduled.

QUESTION 5

SINGLE CHOICE

Under the typical HO-3 homeowners policy, Coverage A (Dwelling) is written on what basis of coverage?

- ☐ A Named perils only
- ☒ B Open perils (all-risk)
- ☐ C Specified causes of loss
- ☐ D Actual cash value only

ANSWER B

WHY The HO-3 is the most common homeowners form and provides 'open peril' (all-risk) coverage on the dwelling itself, meaning any cause of loss is covered unless specifically excluded. Named-peril and specified-causes-of-loss coverage applies to the older HO-1 and HO-2 forms. Actual cash value vs. replacement cost is a valuation question separate from the perils basis.

QUESTION 6

SINGLE CHOICE

Coverage B in a standard homeowners policy provides insurance for other structures on the insured premises. What is the typical default limit for Coverage B?

- ☐ A 5% of the Coverage A (Dwelling) limit
- ☒ B 10% of the Coverage A (Dwelling) limit
- ☐ C 25% of the Coverage A (Dwelling) limit
- ☐ D Equal to the Coverage A (Dwelling) limit

ANSWER B

WHY Coverage B (Other Structures) is most commonly issued at 10% of the Coverage A dwelling limit. Coverage applies to detached structures such as fences, sheds, and garages. The insured can request a higher limit by endorsement if additional coverage is needed.

QUESTION 7

SINGLE CHOICE

Coverage D (Loss of Use) in a homeowners policy is intended to pay for which of the following?

- ☐ A Repair or replacement of the dwelling after a covered loss
- ☒ B Additional living expenses and fair rental value when the home is uninhabitable due to a covered loss
- ☐ C Liability claims arising from the insured's personal activities
- ☐ D Medical expenses of guests injured on the insured location

ANSWER B

WHY Coverage D reimburses the insured for additional living expenses (e.g., hotel, food) and/or the loss of fair rental value when a covered loss makes the residence unfit to live in. Coverage A pays for rebuilding the home; Coverage E handles liability; Coverage M (Medical Payments to Others) handles guest medical bills.

QUESTION 8

SINGLE CHOICE

Under a standard homeowners policy, which of the following perils is generally excluded and must be insured separately?

- ☐ A Fire and lightning
- ☐ B Theft
- ☒ C Flood
- ☐ D Vandalism

ANSWER C

WHY Flood is excluded under the standard homeowners policy and is typically insured through the National Flood Insurance Program (NFIP) or a private flood carrier. Fire, theft, and vandalism are covered perils under most standard homeowners forms. Earthquake is also commonly excluded and would similarly require a separate endorsement or policy.

QUESTION 9

SINGLE CHOICE

When personal property is insured at 'actual cash value' under a homeowners policy, what does that mean?

- ☐ A The cost to replace the item new with no deduction
- ☒ B Replacement cost minus depreciation
- ☐ C The original purchase price paid by the insured
- ☐ D The amount the insurer would pay regardless of the item's age or condition

ANSWER B

WHY Actual cash value (ACV) is generally defined as replacement cost minus depreciation for age, wear, and tear. The alternative is replacement cost coverage, which pays the cost to replace the damaged item with a new one of like kind and quality without a deduction for depreciation, when that valuation option is selected and applicable.