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PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

FMB968CG

CA PSI Site - Commercial Insurance Examination - Tagalog

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

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Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE `FMB968CG`, 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, `FMB968CG`
- the question number
- the email address on your order

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

QUESTION 1 SINGLE CHOICE

Under the California Insurance Code, which license type authorizes an individual to transact commercial insurance on behalf of a licensed insurer?

A Personal lines agent license

B Property and casualty broker-agent (fire and casualty) license

C Life-only agent license

D Limited lines automobile license

ANSWER B

WHY In California, commercial (commercial property and casualty) insurance is transacted under a property and casualty broker-agent license, commonly called the fire and casualty license. Personal lines, life-only, and limited lines automobile licenses do not authorize commercial lines business.

QUESTION 2 SINGLE CHOICE

Before sitting for the California Department of Insurance Site – Commercial Insurance (Tagalog) examination, an applicant must complete which prerequisite?

A A college-level course in risk management

B An approved prelicensing course of education covering commercial insurance

C Two years of work experience at a brokerage

D No prerequisite is required

ANSWER B

WHY California requires applicants to complete an approved prelicensing education course covering the lines they intend to be licensed in before being eligible to take the Department of Insurance licensing examination. There is no work-experience or college-course prerequisite, and a prerequisite is required.

QUESTION 3 SINGLE CHOICE

Which commercial property coverage form provides the broadest protection, covering all perils unless specifically excluded?

A Basic form (CP 10 00)

B Broad form (CP 10 20)

C **Special form (CP 10 30)**

D Standard form (CP 10 40)

ANSWER **C**

WHY The Commercial Property Special form (CP 10 30) covers risks of direct physical loss to covered property unless the cause of loss is specifically excluded. The Basic form covers only named perils, and the Broad form covers named perils plus a small set of additional ones. There is no 'Standard form' ISO commercial property form.

QUESTION 4 SINGLE CHOICE

Under the Commercial General Liability (CGL) Coverage Form (CG 00 01), Coverage B (Personal and Advertising Injury) does NOT cover which of the following?

A Libel or slander

B False arrest or detention

C **Bodily injury arising from publishing false statements**

D Infringement of another's copyright in the insured's advertisement

ANSWER **C**

WHY Coverage B applies to personal and advertising injury offenses such as libel, slander, false arrest, and certain infringements. Bodily injury is excluded from Coverage B and is addressed under Coverage A. Also, copyright infringement is generally excluded from Coverage B; the listed distractors illustrate that the question expects recognition that bodily injury is not covered under Coverage B.

QUESTION 5 SINGLE CHOICE

In the Business Auto Coverage Form (CA 00 01), Covered Autos Symbol 7 specifically covers which autos?

A Any auto

B Owned autos only

C Specifically described autos listed by VIN

D Hired autos only

ANSWER **C**

WHY Under the Business Auto Coverage Form, the Covered Autos symbols designate which autos are covered. Symbol 7 applies to autos specifically described in the declarations (listed by VIN/description). Symbol 1 is 'any auto,' Symbol 2 is 'owned autos only,' and hired/fallback autos use different symbols.

QUESTION 6 SINGLE CHOICE

The Commercial Crime Coverage Form (CR 00 02) covers loss resulting from which of the following employee acts?

A Accidental damage to property caused by the employee

B Theft, forgery, or embezzlement by the employee

C Bodily injury caused by the employee to a coworker

D Discrimination claims by the employee against the employer

ANSWER **B**

WHY The Commercial Crime Coverage Form (CR 00 02) provides coverage for loss of money, securities, and other property resulting from specified perils such as employee theft, forgery, and embezzlement. It does not cover property damage, bodily injury, or employment-related claims.

QUESTION 7 SINGLE CHOICE

Under California's workers' compensation law, what is the general obligation of an employer regarding workers' compensation coverage?

A Coverage is optional for all employers

B **Most employers are required to provide workers' compensation insurance for their employees**

C Only employers in construction must carry coverage

D Coverage is required only if the employer has more than 100 employees

ANSWER **B**

WHY Under the California Labor Code and Workers' Compensation Act, most employers operating in California are required to carry workers' compensation insurance for their employees, whether through an insurance carrier, a self-insured plan, or the State Compensation Insurance Fund. Coverage is not optional for most employers, is not limited to construction, and there is no 100-employee threshold.

QUESTION 8 SINGLE CHOICE

Which coverage is designed to insure property in transit or property whose location is changing, such as contractor's equipment and goods shipped by a business?

A **Commercial inland marine coverage**

B Boiler and machinery coverage

C Commercial general liability

D Businessowners policy (BOP)

ANSWER **A**

WHY Commercial inland marine insurance is designed to cover property that is mobile or in transit, such as goods being shipped, contractor's equipment, and other 'floater' type exposures. Boiler and machinery (equipment breakdown) covers sudden mechanical/electrical breakdown; the BOP is a package policy for small businesses; and the CGL covers liability rather than property in transit.

QUESTION 9 MULTIPLE CHOICE

Which of the following are commonly included as coverage parts in a Commercial Package Policy (CPP)? (Choose two.)

- A **Commercial Property Coverage Part**
- B **Commercial General Liability Coverage Part**
- C Personal Auto Coverage Part
- D Commercial Crime Coverage Part

ANSWER **A · B**

WHY A Commercial Package Policy typically combines two or more coverage parts, commonly the Commercial Property and Commercial General Liability coverage parts, along with optional parts such as Commercial Crime, Inland Marine, Auto, and Boiler & Machinery. The Personal Auto Coverage Part is not part of a CPP, and Commercial Crime, while available as a CPP coverage part, is not one of the two most commonly included baseline parts.