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PRACTICE QUESTIONS

Utah Insurance

1711

Adjuster's Property and Casualty Exam

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

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Before you begin

What this is

9 practice questions for Utah Insurance `1711`, 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, `1711`
- the question number
- the email address on your order

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

QUESTION 1 SINGLE CHOICE

An insured has a covered loss under a homeowners policy. Which principle requires the insured to take reasonable steps to protect the property from further damage after a loss occurs?

- A Subrogation
- B Duty of care
- C **Duty to mitigate**
- D Indemnification

ANSWER **C**

WHY The duty to mitigate (also called the duty to minimize loss) requires the insured to take reasonable steps to prevent further damage after a covered loss. The insured must typically notify the carrier promptly, protect remaining property from further loss, and keep records of mitigation expenses, which are generally covered as part of the loss settlement. Subrogation is the insurer's right to pursue recovery from a third party; duty of care is a negligence concept; and indemnification is the principle of restoring the insured to the pre-loss position.

QUESTION 2 SINGLE CHOICE

Under the standard HO-3 homeowners policy, which perils are covered for the dwelling structure?

- A Only perils specifically listed in the policy (named perils)
- B **All risks of direct physical loss or damage except those specifically excluded (open perils)**
- C Only fire, lightning, and internal explosion
- D Only perils that occur on premises owned by the insured

ANSWER **B**

WHY The HO-3 homeowners policy provides open-peril (all-risk) coverage for the dwelling structure, meaning coverage applies to all risks of direct physical loss or damage except those perils specifically excluded. Personal property under the HO-3 is typically covered on a named-perils basis. This distinction between structure (open perils) and contents (named perils) is a core concept in property insurance.

QUESTION 3 SINGLE CHOICE

Which of the following perils is excluded under the standard HO-3 homeowners policy?

A Fire

B Theft

C Flood

D Windstorm

ANSWER **C**

WHY Flood is excluded under the standard HO-3 policy and must be covered separately through the National Flood Insurance Program (NFIP) or a private flood policy. Fire, theft, and windstorm are all covered perils under the HO-3 for the dwelling (open perils) and for personal property (named perils).

QUESTION 4 SINGLE CHOICE

Under a standard homeowners policy, personal liability coverage typically applies to bodily injury or property damage for which the insured is legally liable arising from:

A The insured's business activities conducted on premises

B Non-business activities and the insured's premises as a residence

C Only automobile-related incidents

D Only activities performed by the insured's domestic employees while on the job

ANSWER **B**

WHY Coverage E (Personal Liability) in the homeowners policy applies to bodily injury or property damage arising from non-business activities of the insured, including the insured's premises when used as a residence. Business pursuits, auto liability, and workers' compensation for domestic employees are generally excluded from the homeowners policy and must be covered by separate policies.

QUESTION 5 MULTIPLE CHOICE

An adjuster handling a property claim must perform several duties. Which of the following are core responsibilities of the property claims adjuster during claim handling? (Choose two.)

- **A** **Investigating the circumstances of the loss and verifying coverage**
- B Selling additional insurance policies to the insured
- **C** **Evaluating the amount of loss and negotiating a fair claim settlement**
- D Underwriting new policies for applicants

ANSWER **A · C**

WHY Core responsibilities of a property claims adjuster include investigating the circumstances of the loss, verifying that the loss is covered under the policy, evaluating the amount of the loss, and negotiating a fair settlement with the insured. Selling insurance and underwriting are functions of producers/underwriters, not adjusters, and are outside the adjuster's role in claim handling.

QUESTION 6 SINGLE CHOICE

A dwelling fire policy is written with a $1,000 deductible. If the loss is $5,000 and the policy limit is $100,000, how much will the insurer pay?

- A $100,000
- **B** **$4,000**
- C $5,000
- D $1,000

ANSWER **B**

WHY A deductible is the amount the insured must pay out of pocket before the insurer's coverage applies. The insurer's payment is calculated by subtracting the deductible from the covered loss: $5,000 - $1,000 = $4,000. The policy limit of $100,000 is not relevant here because the loss amount is well below the limit.

QUESTION 7 SINGLE CHOICE

Under a standard personal automobile policy (PAP), which coverage pays for damage to the insured's own vehicle caused by a collision with another object?

A Liability coverage

B Medical payments coverage

C Collision coverage

D Uninsured motorist coverage

ANSWER C

WHY Collision coverage under the personal automobile policy pays for damage to the insured's vehicle resulting from a collision with another object or vehicle. Liability coverage pays for damage the insured causes to others. Medical payments coverage pays for medical expenses of the insured and passengers. Uninsured motorist coverage pays the insured for losses caused by an at-fault driver who has no insurance or is a hit-and-run.

QUESTION 8 SINGLE CHOICE

Under a Commercial General Liability (CGL) policy, which coverage part pays for damages because of bodily injury or property damage arising from an occurrence during the policy period?

A Coverage A — Bodily Injury and Property Damage Liability

B Coverage B — Personal and Advertising Injury Liability

C Coverage C — Medical Payments

D Coverage D — Damage to Premises Rented to You

ANSWER A

WHY Coverage A — Bodily Injury and Property Damage Liability is the primary liability coverage of the CGL and pays for damages arising from bodily injury or property damage caused by an occurrence during the policy period. Coverage B covers personal and advertising injury (offenses such as libel, slander, false advertising). Coverage C covers limited medical expenses of injured persons. Coverage D provides a small amount of coverage for fire damage to premises rented or temporarily occupied by the insured.

QUESTION 9 MULTIPLE CHOICE

Which of the following are common duties imposed on the insured by a property insurance policy after a loss occurs? (Choose two.)

- A **Give prompt notice of the loss to the insurer**
- B **Submit a written proof of loss within the time required by the policy**
- C Pay the insurer's claim-handling expenses in advance
- D File suit against the insurer before submitting a proof of loss

ANSWER **A · B**

WHY Standard property policy conditions require the insured to give prompt notice of the loss and to submit a written proof of loss within the time specified by the policy (often 60 days, but varies). The insured is not required to pay the insurer's claim-handling expenses, and a suit against the insurer generally cannot be filed until after the proof of loss has been submitted and the insurer has had time to investigate.