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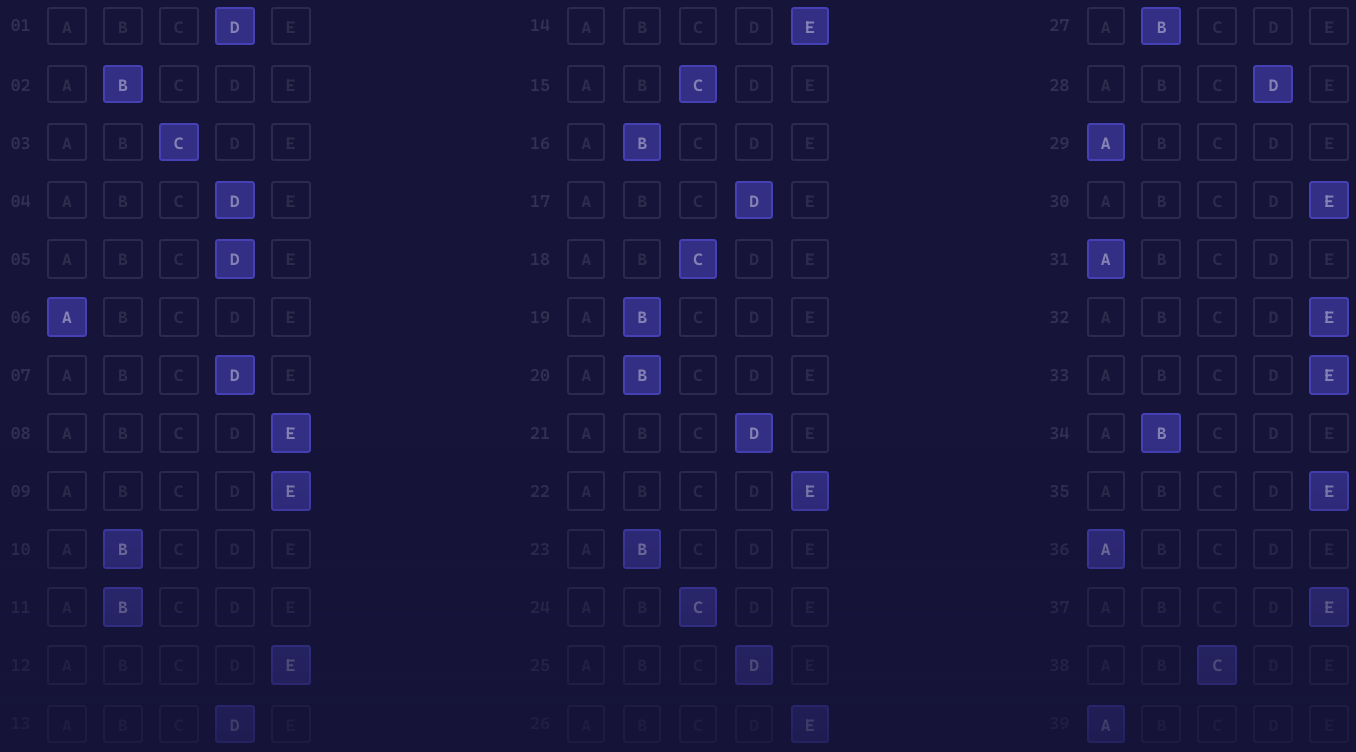

PRACTICE QUESTIONS

Utah Insurance

1726

Adjusters Crop Exam

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

WEB www.mometrix.net

SUPPORT support@mometrix.net

Before you begin

What this is

9 practice questions for Utah Insurance `1726`, 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, `1726`
- the question number
- the email address on your order

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

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QUESTION 1 SINGLE CHOICE

Which federal entity is responsible for administering and regulating the Federal Crop Insurance Program (FCIP) in the United States?

A **Federal Crop Insurance Corporation (FCIC) / Risk Management Agency (RMA)**

B Federal Emergency Management Agency (FEMA)

C Commodity Futures Trading Commission (CFTC)

D National Association of Insurance Commissioners (NAIC)

ANSWER **A**

WHY The Risk Management Agency (RMA), operating through the Federal Crop Insurance Corporation (FCIC), administers the Federal Crop Insurance Program under the USDA.

QUESTION 2 SINGLE CHOICE

Multi-Peril Crop Insurance (MPCI) is designed primarily to protect a farmer against which type of loss?

A Loss of market price due to oversupply

B **Loss of yield caused by unavoidable natural perils such as drought, flood, and disease**

C Loss of equipment used in farming operations

D Loss of income due to breach of contract by a grain buyer

ANSWER **B**

WHY MPCI provides broad protection against yield losses caused by unavoidable natural causes, including drought, excessive moisture, insects, disease, and other named perils.

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QUESTION 3 SINGLE CHOICE

An insured's Actual Production History (APH) is primarily used to establish which of the following?

A **The insured's approved yield used to calculate the guarantee**

B The market price of the commodity at harvest

C The insured's premium payment due date

D The county's average rainfall

ANSWER **A**

WHY APH records the insured's historical yields, which are used to calculate the approved yield and the production guarantee under an MPCI policy.

QUESTION 4 SINGLE CHOICE

When an adjuster discovers a potential conflict of interest while handling a crop insurance claim, what is the adjuster's most appropriate first action?

A Proceed with the adjustment but reduce the settlement amount

B **Disclose the conflict to the insurer/company and withdraw from handling the claim if necessary**

C Complete the claim quickly before the conflict becomes an issue

D Ask the insured to sign a waiver releasing the adjuster from liability

E Ignore the conflict since crop claims are handled objectively

ANSWER **B**

WHY Adjusters must disclose conflicts of interest to the insurer and, when appropriate, withdraw from the claim to maintain objectivity and comply with ethical standards.

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QUESTION 5 TRUE FALSE

Under a typical MPCI policy, the insured is generally required to give timely notice of loss to the insurance company or agent before harvesting a damaged crop.

A **True**

B False

ANSWER **A**

WHY MPCI policies require the insured to notify their agent or company within a specified time frame of discovering damage, and generally before destroying or harvesting the damaged crop, so an accurate loss determination can be made.

QUESTION 6 SINGLE CHOICE

In crop insurance, a 'basic unit' most commonly refers to which of the following?

A **All insurable acreage of the insured crop in the county owned or cash-rented by one person**

B A single field regardless of ownership

C The smallest parcel that can be separately insured under any circumstance

D A unit combining multiple insureds' acreage under one policy

ANSWER **A**

WHY A basic unit typically includes all insurable acreage of the insured crop in the county on the date coverage begins, owned or cash-rented by one person, or share-rented from one owner.

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QUESTION 7 MULTIPLE CHOICE

Which of the following are typical duties of a crop insurance adjuster when investigating and settling a claim? (Choose two.)

A **Verify the insured's planted acreage and production records**

B **Determine the appropriate cause of loss and document field conditions**

C Set the commodity's futures market price for the crop year

D Approve the insured's premium financing terms with a bank

ANSWER **A** · **B**

WHY Adjusters verify planted acreage and production records and determine cause of loss with proper documentation; setting futures prices and approving premium financing are not adjuster duties.

QUESTION 8 MULTIPLE CHOICE

Which of the following are typically covered causes of loss under a standard MPCI policy? (Choose two.)

A **Drought**

B Failure of the insured to follow good farming practices

C **Excessive moisture or flood**

D Neglect or malfeasance of the insured

ANSWER **A** · **C**

WHY Drought and excessive moisture/flood are covered natural perils under MPCI, while losses due to failure to follow good farming practices or neglect are excluded.

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QUESTION 9 SINGLE CHOICE

Under an MPCI policy, 'good farming practices' generally refers to which of the following?

A Practices used by the highest-yielding farm in the state

B **The methods and practices generally recognized as necessary to produce the insured crop, consistent with the area**

C Any farming method chosen by the insured regardless of local conditions

D Organic-only farming methods approved by the USDA

ANSWER **B**

WHY Good farming practices are those generally recognized by agricultural experts as necessary to produce and sustain the insured crop in the area, and following them is a condition of coverage.

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