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PRACTICE QUESTIONS

Utah Insurance

1710

Consultants Combined 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 `1710`, 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, `1710`
- 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 typical property perils covered under the Consultants Combined Property and Casualty policy? (Choose two.)

- A **Fire**
- B Bodily injury
- C **Theft**
- D Professional liability
- E Workers' compensation

ANSWER A · C

WHY Fire and theft are standard property perils covered under a combined property and casualty policy. Bodily injury is a liability coverage, not a property peril. Professional liability and workers' compensation are separate lines of coverage, not property perils.

QUESTION 2 MULTIPLE CHOICE

Which of the following are components typically included in the casualty section of a combined policy? (Choose two.)

- A Dwelling coverage
- B **Personal liability coverage**
- C **Medical payments to others**
- D Other structures coverage
- E Loss of use coverage

ANSWER B · C

WHY Personal liability and medical payments to others are casualty coverages that protect the insured against third-party bodily injury or property damage claims. Dwelling, other structures, and loss of use are property coverages, not casualty.

QUESTION 3 SINGLE CHOICE

Under the standard homeowners policy forms (HO-2, HO-3, HO-5, HO-8), which form provides broad (all-risk) coverage on the dwelling and personal property, subject to stated exclusions?

A HO-2 (Broad Form)

B **HO-3 (Special Form)**

C HO-5 (Comprehensive Form)

D HO-8 (Modified Coverage Form)

ANSWER **B**

WHY HO-3 (Special Form) provides open-peril (all-risk) coverage on the dwelling and other structures, while personal property is covered on a named-perils basis. HO-2 is named-perils, HO-5 extends all-risk coverage to personal property as well, and HO-8 is for older homes with replacement-cost limitations. For the standard 'all-risk on dwelling' answer, HO-3 is correct.

QUESTION 4 SINGLE CHOICE

An insurance consultant in Utah is best described as a licensee who, for compensation, does which of the following?

A Solicits and negotiates insurance contracts on behalf of an insurer

B **Advises clients on insurance matters and may assist in placing coverage without being an agent of any insurer**

C Only sells insurance products issued by a single admitted carrier

D Acts exclusively as a public adjuster negotiating claims settlements

ANSWER **B**

WHY A Utah insurance consultant advises clients regarding their insurance needs and may assist in procuring coverage without acting as a soliciting agent for any insurer. Soliciting on behalf of an insurer describes an agent, selling for a single carrier is a captive/exclusive agent, and negotiating claims is the role of a public adjuster.

QUESTION 5 SINGLE CHOICE

Under Utah consultant regulations, a licensed insurance consultant must disclose to the client, in writing, which of the following?

- A The consultant's personal investment portfolio
- B **Any commissions or fees the consultant will receive in connection with the recommended coverage**
- C The consultant's home address and marital status
- D The consultant's grade point average from insurance training courses

ANSWER **B**

WHY A consultant must disclose in writing any compensation, fees, or commissions received in connection with the placement or recommendation of insurance so the client can evaluate potential conflicts of interest. Personal information such as a home address, marital status, or academic records is not a required disclosure.

QUESTION 6 SINGLE CHOICE

Which personal auto coverage pays for damage to the insured's own vehicle resulting from a collision, regardless of fault?

- A Liability coverage
- B Medical payments coverage
- C **Collision coverage**
- D Uninsured motorists coverage

ANSWER **C**

WHY Collision coverage pays for damage to the insured's auto resulting from a collision with another vehicle or object, regardless of fault (subject to the deductible). Liability covers damages the insured causes to others, medical payments covers injuries to the insured and passengers, and uninsured motorists covers losses caused by drivers without adequate coverage.

QUESTION 7 SINGLE CHOICE

The Commercial Property Coverage Part uses which valuation basis when the policy is written on a 'replacement cost' basis?

A Actual cash value at the time of loss

B **The cost to repair or replace damaged property with materials of like kind and quality, without deduction for depreciation**

C The fair market value of the property the day before the loss

D The original purchase price plus appreciation to the date of loss

ANSWER **B**

WHY Replacement cost valuation pays to repair or replace the damaged property with materials of like kind and quality, without deduction for depreciation. Actual cash value deducts depreciation, fair market value reflects selling price, and original cost plus appreciation is not a standard ISO valuation basis.

QUESTION 8 SINGLE CHOICE

Under the Commercial General Liability (CGL) Coverage Form, Coverage A (Bodily Injury and Property Damage Liability) is written on what basis?

A Claims-made basis

B **Occurrence basis**

C Discovery basis

D Prior-and-pending litigation basis

ANSWER **B**

WHY Coverage A of the standard ISO CGL is written on an occurrence basis, meaning coverage is triggered by bodily injury or property damage that occurs during the policy period, regardless of when the claim is made. Claims-made, discovery, and prior-and-pending bases apply to other liability forms such as claims-made E&O or directors and officers policies.

QUESTION 9 SINGLE CHOICE

Which of the following best describes 'risk transfer' as a risk management technique?

A Reducing the frequency or severity of a loss through loss control

B Avoiding the exposure entirely by ceasing the activity

C Shifting the financial consequences of a loss to another party, typically through insurance

D Assuming the loss and budgeting for it internally

ANSWER **C**

WHY Risk transfer shifts the financial consequences of a loss to another party, most commonly through the purchase of insurance. Loss control reduces frequency or severity (avoidance eliminates the exposure), and risk retention assumes the loss internally.