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

PRACTICE QUESTIONS

Utah Insurance

1728

Consultants Property Exam

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for Utah Insurance 1728 , 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, 1728
- the question number
- the email address on your order

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

QUESTION 1

SINGLE CHOICE

In property insurance terminology, a condition that increases the probability of a loss occurring, such as storing flammable materials in a garage, is known as a:

- ☐ A Peril
- ☒ B Hazard
- ☐ C Risk
- ☐ D Exposure unit

ANSWER B

WHY A hazard is a condition that increases the likelihood or severity of a loss. A peril is the actual cause of loss (e.g., fire, wind).

QUESTION 2

SINGLE CHOICE

A property policy that covers all direct physical loss unless the cause is specifically excluded is best described as which type of policy?

- ☐ A Named peril
- ☒ B Open peril (all-risk)
- ☐ C Scheduled peril
- ☐ D Blanket peril only

ANSWER B

WHY Open peril (special form) policies cover all causes of loss except those specifically excluded, unlike named peril policies which list covered perils.

QUESTION 3 SINGLE CHOICE

Under a standard Homeowners policy, which coverage section applies to the insured's dwelling and attached structures?

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

ANSWER A

WHY Coverage A insures the dwelling itself, including structures attached to the dwelling. Coverage B covers detached structures.

QUESTION 4 SINGLE CHOICE

An insured's roof, originally costing \$10,000 to install, is destroyed by a covered peril. At the time of loss, it would cost \$12,000 to replace, and depreciation is calculated at \$4,000. Under an Actual Cash Value settlement, how much would the insurer pay (before deductible)?

- ☐ **A** \$10,000
- ☐ **B** \$12,000
- ☒ **C** \$8,000
- ☐ **D** \$4,000

ANSWER C

WHY Actual Cash Value equals replacement cost minus depreciation: $\$12,000 - \$4,000 = \$8,000$.

QUESTION 5

SINGLE CHOICE

A commercial property policy contains an 80% coinsurance clause. The property is valued at \$500,000, but the insured only carries \$300,000 of coverage. A covered loss of \$100,000 occurs. Using the coinsurance formula, approximately how much will the insurer pay (before deductible)?

- ☐ A \$100,000
- ☒ B \$75,000
- ☐ C \$60,000
- ☐ D \$40,000

ANSWER B

WHY Required insurance = $80\% \times \$500,000 = \$400,000$. Payment = $(\$300,000 / \$400,000) \times \$100,000 = \$75,000$.

QUESTION 6

MULTIPLE CHOICE

Under Utah insurance law, which of the following are generally required for an individual to obtain and maintain a resident insurance producer license? (Choose two.)

- ☒ A Completing continuing education requirements as mandated by the Utah Insurance Department
- ☒ B Passing the applicable state licensing examination
- ☐ C Holding a bachelor's degree in business administration
- ☐ D Being employed exclusively by a single insurance company

ANSWER A - B

WHY Utah requires applicants to pass the licensing exam and, once licensed, to complete continuing education to maintain the license. A degree is not required, and producers may represent multiple insurers unless captive.

QUESTION 7

MULTIPLE CHOICE

Following a covered property loss, which of the following are typically duties the insured must perform under the policy conditions? (Choose two.)

- ☒ **A** Give prompt notice of the loss to the insurer
- ☒ **B** Protect the property from further damage
- ☐ **C** Immediately replace all damaged property before adjustment
- ☐ **D** Withhold receipts and records from the adjuster

ANSWER A • B

WHY Standard property policy conditions require the insured to promptly notify the insurer and take reasonable steps to protect property from further damage, and to cooperate by providing records, not withholding them.

QUESTION 8

TRUE FALSE

An insured must have an insurable interest in the property at the time of loss for a claim to be paid.

- ☒ **A** True
- ☐ **B** False

ANSWER A

WHY Insurable interest must exist at the time of loss for property insurance; without it, the insured has no legal right to recover under the policy.

QUESTION 9

SINGLE CHOICE

Which type of commercial property coverage reimburses an insured for lost net income and continuing operating expenses while the business is shut down due to a covered property loss?

- ☒ **A Business Income (Business Interruption) coverage**
- ☐ **B Extra Expense coverage**
- ☐ **C Ordinance or Law coverage**
- ☐ **D Equipment Breakdown coverage**

ANSWER A

WHY Business Income coverage replaces lost net income and continuing normal operating expenses during the period of restoration after a covered loss suspends operations.