Property and Casualty Producer Arizona Exam

Section: Arizona Insurance Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. The MAXIMUM amount a homeowners policy will pay in the event of a covered loss under Section II - Personal Liability is the

(A) deductible
(B) coinsurance
(C) limits of liability
(D) medical payments

2. An effect of a deductible is the:

(A) increase in the amount of small claims
(B) reduction in the cost of insurance
(C) avoidance of an uncovered loss
(D) increase of moral hazards

3. When increased liability limits are purchased on a personal auto policy, what amount of coverage is available for claims by an injured family member?

(A) Double the amount provided for nonfamily members
(B) Half the amount provided for nonfamily members
(C) None other than the State minimum limits
(D) Same as the amount provided for nonfamily members

4. In a personal automobile policy, the coverage territory includes all of the following EXCEPT

(A) Puerto Rico
(B) the United States
(C) Canada
(D) Mexico

5. An Insured's home is built on a flood plain, therefore the home is susceptible to flood damage. This is an example of

(A) exposure
(B) damage
(C) risk sharing
(D) strict liability

6. An employee injured on the job will not be able to earn as much as he did before the injury because employees are compensated based on the amount of work product they produce. Which level of disability is described in this scenario?

(A) temporary partial
(B) permanent partial
(C) temporary total
(D) permanent total

7. What is a promise that requires an act or another promise in exchange?

(A) a consideration
(B) a legal purpose
(C) a insurable interest
(D) an offer

8. Which of the following relationships would MOST likely create vicarious liability?

(A) A coach and a player
(B) An employer and an employee
(C) A driver and a passenger
(D) A teacher and a student

9. Which type of coverage limits apply to an insured's property at any location?

(A) Blanket
(B) Additional
(C) Specific
(D) Localized

10. Which is an accurate statement regarding commercial general liability conditions?

(A) The earned premium will be determined by audit at the end of the policy period
(B) The insured has no right to sue the insurer during the policy term
(C) Coverage may be written only on a primary basis
(D) Bankruptcy of the insured relieves the insurer from its obligations