California Department of Insurance Personal Lines Broker Agent Exam

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

1. If an insured with a Personal Automobile policy has an accident in a state with mandatory Personal Injury Protection (PIP), how does the policy respond?

(A) The insured may apply for the additional PIP coverage within 10 days of the accident.
(B) PIP coverage is provided only for medical providers in that state.
(C) Coverage automatically is broadened to provide PIP.
(D) Coverage remains as written.

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2. Installing an alarm system to a home is an example of

(A) avoidance.
(B) retention.
(C) loss control.
(D) loss transfer.

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3. Damage to property that results in an immediate reduction in its value is known as

(A) direct loss.
(B) extra expense.
(C) consequential loss.
(D) additional living expense.

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4. Which of the following is CORRECT regarding eligibility for the California Auto Assigned Risk Program?

(A) Non-residents are never eligible.
(B) Only California residents are eligible.
(C) Applicants who do not have a driver's license are eligible.
(D) Applicants who have attempted to secure insurance through the voluntary market and were denied coverage.

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5. Perils excluded in the standard Homeowners - Broad Form perils coverage are

(A) water damage occurring because a storm broke a window and then rain damaged the interior.
(B) aircraft including self-propelled missiles.
(C) riot attending a strike.
(D) earthquake.

6. All of the following are purposes of the California FAIR plan EXCEPT to

(A) ensure stability in the California property insurance market.
(B) ensure the availability of basic property insurance in California.
(C) encourage competition among insurers who write business in California.
(D) encourage maximum use of the normal insurance market provided by admitted insurers.

7. An insurer transacting pet insurance in California shall disclose all of the following EXCEPT

(A) a policy provision that limits coverage through an annual or lifetime limit
(B) whether the insurer increases coverage or reduces premiums based on the insured's claim history
(C) a summary description of the basis or formula on which the insurer determines claim payments
(D) policy exclusions (Cal. Ins. Code sections 12880.2 (1) (A) through (D))

8. An insured has a Personal Automobile Policy with $250 deductible Collision coverage and $100 deductible Other Than Collision coverage. The insured runs a stop sign and hits another car. There is $1,300 worth of damage to the insured's car. How much would the insurer pay for the damage to the insured's car?

(A) $0
(B) $1,050
(C) $1,200
(D) $1,300

9. According to the California Code of Regulations governing claims practices, it is unlawful for an insurer handling an automobile loss to do any of the following EXCEPT:

(A) require that the automobile be repaired at a specific shop.
(B) provide a list of repair shops to the claimant upon request by the claimant.
(C) direct the claimant to travel a long distance to a specific repair shop to obtain an inspection.
(D) direct a claimant to travel a long distance to a specific repair shop to obtain a repair estimate.

10. Which of the following events within the past 3 years would disqualify an individual from receiving a Good Driver Discount?

(A) A moving violation while driving a company car during business hours.

(B) A not-at-fault accident resulting in the death of a passenger.

(C) An at-fault accident involving only property damage.

(D) An at-fault accident involving minor bodily injury.