University of Alabama Insurance Exam

Section: Institutition-based Insurace Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. To file a claim for coverage under Part B (Med Pay) of the Personal Auto policy, the claimant

(A) must prove that the driver was negligent
(B) suffer extreme bodily injury to recover for pain and suffering
(C) must incur expenses within three years of the accident
(D) suffer an injury while covered by Workers Comp

2. An intentional misrepresentation on an application for insurance can invalidate an insurance policy if it is

(A) subjective misrepresentation
(B) objective misrepresentation
(C) material misrepresentation
(D) absolute misrepresentation

3. When must the insurable interest exist for life insurance?

(A) At the time of death
(B) At policy maturity
(C) At the policy date
(D) At the time of application

4. Which of the following is correct regarding watercraft eligible for a Boatowner's policy?

(A) Most Insurers limit eligibility for the Boatowner's policy to open-cockpit vessels which are 26 feet in length or less
(B) Most Insurers limit eligibility for the Boatowner's policy to open-cockpit vessels which are 52 feet in length or less
(C) Most Insurers design the Boatowner's policy to cover enclosed-cockpit vessels which are less than 26 feet in length, and open-cockpit vessels of any length
(D) Most Insurers design the Boatowner's policy to cover enclosed-cockpit vessels which are less than 52 feet in length, and open-cockpit vessels of any length

5. One defense to a negligence claim is that a claimant who understood the dangers inherent in the activity cannot recover in the event of injury from the activity. This defense is known as

(A) assumption of the risk
(B) comparative negligence
(C) fellow servant doctrine
(D) intervening cause doctrine

6. Which of the following property is covered under a Homeowner's policy?

(A) Business data stored on paper or electronically
(B) Firearms
(C) CB radios and CD players while in a motor vehicle
(D) Animals, birds and fish

7. In Crime insurance, any act of stealing is considered

(A) burglary
(B) forgery
(C) robbery
(D) theft

8. What is arbitration?

(A) A means of convincing a client to cancel already existing insurance and buy another policy to the detriment of the policyholder
(B) A means of settling disputes between the insured and the insurer
(C) Transferring to the insurance company the insured's right to collect from a negligent third party
(D) A means of paying a claim by deducting depreciation from replacement cost

9. In Alabama, the Commissioner of Insurance is

(A) voted into office by general election.
(B) appointed by the Governor.
(C) selected by the state Senate.
(D) appointed for a two-year term by the Secretary of State.

10. According to the 'Other Insurance' condition form in a Commercial Inland Marine policy, how is a loss shared when it is covered by another policy written on the SAME basis as the marine policy?

(A) The loss will be shared equally by the two contracts
(B) The loss will be shared proportionately by the two contracts
(C) The marine policy will be primary and the other policy will be excess
(D) The other policy will be primary and the marine policy will be excess