Alabama Property and Casualty License Practice Exam

Section: Alabama Real Estate Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. The Equipment Breakdown Protection Coverage Form would cover losses caused by:

(A) malfunction caused by cleaning.
(B) electrical failure.
(C) computer errors.
(D) computer viruses.

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2. A professional liability insurance policy is designed to do which of the following?

(A) Provide indemnification for business interruptions
(B) Provide bodily injury insurance coverage for employees
(C) Cover the costs of a lawsuit against a professional
(D) Cover damage to office equipment

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3. Chris and Matt are playing a friendly game of one-on-one basketball in Matt's driveway. When Chris goes up for a slam dunk, Matt accidentally trips him while attempting to block the shot. Chris lands hard and tears the ACL in his left knee. Matt's homeowners liability insurance will cover Chris' medical bills because:

(A) Matt's actions were intentional, but negligent.
(B) Chris' actions were unintentional, but negligent.
(C) Chris' actions were intentional, but negligent.
(D) Matt's actions were unintentional, but negligent.

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4. A fire damages Bill's house, making it uninhabitable while repairs are made. Due to the damage, Bill incurs costs for repairs to the dwelling and also loses the rental income he receives from his tenant. Which two coverages from a standard Dwelling policy would address these specific losses?

(A) Coverage D (Fair Rental Value) for lost rental income and Coverage E (Additional Living Expenses) for repairs
(B) Coverage A (Dwelling) for repairs and Coverage D (Fair Rental Value) for lost rental income
(C) Coverage A (Dwelling) for repairs and Coverage E (Additional Living Expenses) for lost rental income
(D) Coverage C (Personal Property) for repairs and Coverage D (Fair Rental Value) for lost rental income

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5. Which of the following is NOT one of the requirements for becoming an insurance adjuster in Alabama?

(A) Be at least 18 years of age.
(B) Pass the state licensing exam.
(C) Spend 20 hours in the field working with a licensed insurance adjuster.
(D) Not have committed any act that is grounds for denial, suspension or revocation of a license.

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6. A Flood Insurance Rate Map:

(A) outlines the special hazard areas and flood zones in a community.
(B) details the locations of every WYO (Write Your Own) insurer in the country.
(C) shows which areas of a community currently have NFIP insurance coverage.
(D) rates each building insured by the NFIP on a scale of 1 to 10, based on its durability.

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7. Which of the following is NOT an exclusion commonly found in the Standard Fire Policy?

(A) Earthquake
(B) Lightning
(C) Flood and water damage
(D) Ordinance or law

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8. Stephanie is in the process of adjusting George's auto claim. Currently, she is trying to close the claim, but George is being uncooperative. He disagrees with the settlement amount that Stephanie has offered and is demanding much more. At this point, Stephanie should do all of the following, EXCEPT:

(A) acknowledge and address George's concerns.
(B) explain in clear terms how she arrived at this amount.
(C) give George her supervisor's phone number so he can escalate his complaint.
(D) provide a step-by-step justification for her decision.

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9. In a fidelity bond contract where XYZ Insurance agrees to cover Aces Inc. for financial losses due to employee fraud, Aces Inc. is the party to whom the promise of performance is made. Therefore, Aces Inc. is the:

(A) indemnitor.
(B) principal.
(C) surety.
(D) obligee.

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10. Julie owns the local shopping mall. One day, Julie sees Greg walking through the mall and doesn't like the way he looks, so she forces him to leave the premises. Greg then sues Julie for her actions. This is an example of what type of personal injury covered under Julie's Commercial General Liability policy?

(A) Malicious Prosecution

(B) Libel and Slander

(C) Advertising Injury

(D) Wrongful Eviction