

# Commonwealth Schools of Insurance

---

P.O. Box 22414, Louisville, KY 40252-0414 • 502.425.5987 • FAX 502.429.0755  
E-mail: [info@commonwealthschools.com](mailto:info@commonwealthschools.com)

## INSTRUCTIONS TO COMPLETE THE CONTINUING EDUCATION COURSE

Thank you for choosing the Commonwealth Schools of Insurance to fulfill your continuing education requirements.

Please follow the instructions below to complete the course:

### STEP 1

Please print out the ANSWER SHEET, CERTIFICATE and QUESTIONS that follow this page. After printing the ANSWER SHEET, please fill out the requested information clearly and completely.

### STEP 2

TEST QUESTIONS must be answered on the page that follows. You must score 70% or better to receive credit for this course.

### STEP 3

After completing the TEST and STUDENT INFORMATION marked with a "X" on the Certificate of Completion, the completed Answer Sheet and Certificate may be emailed, faxed or mailed to:

Emailed to:	<a href="mailto:info@commonwealthschools.com">info@commonwealthschools.com</a>
Faxed to:	502.429.0755
Mailed to:	Commonwealth Schools of Insurance, Inc. P O Box 22414 Louisville, KY 40252-0414

Please note that your ANSWER SHEET and CERTIFICATE will not be processed without payment. Payment arrangements are listed on the ANSWER SHEET.

### **YELLOW CARD SPECIAL**

*Simply complete and return all 24 hours of CE at the same time.  
Regardless of the prices listed, your total charge will be*

***\$110.00***

### NOTICE

*The material contained herein may not be duplicated without the express written permission of Commonwealth Schools of Insurance.*

*The material contained in this course cannot be used as an original source of authority on legal matters. Any references made to laws and regulations in this material have been edited and summarized for clarity; and changes in these laws and regulations may have occurred since this course was published. The reader should always consult legal counsel as appropriate.*

Commonwealth of Kentucky  
Department of Insurance - Agent Licensing Division  
P. O. Box 517 - Frankfort, Ky. 40602  
502-564-6004 <http://insurance.ky.gov>

APPROVED CONTINUING EDUCATION COURSE

CERTIFICATE OF COMPLETION

STUDENT NAME: **X** \_\_\_\_\_

CONTINUING EDUCATION COURSE IDENTIFICATION

Course Title: Homeowner's Insurance

Course Certification Number: C09226

Course Completion Date: \_\_\_\_\_ Number of Hours: 8

Instructor Name: PLEASE LEAVE BLANK  
(Required if certification is for a classroom course)

Provider Name: Commonwealth Schools of Insurance, Inc.

Provider Certification Number: S12128/PROV0085

PROVIDER CERTIFICATION:

*I hereby certify that this course was conducted as approved by the Commonwealth of Kentucky Department of Insurance. I further certify that the person whose name appears above did personally complete this course on the date indicated. Also, I acknowledge that fraudulent certification of this document will result in immediate withdrawal of approval of the provider, plus penalties, and simultaneous withdrawal of approval of all of the provider's courses (KRS 304.9-295 and 806 KAR 9:220).*

Name: James F Davis  
Authorized Provider Representative

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

STUDENT CERTIFICATION:

*I hereby certify that I personally completed the course listed above in the manner required to satisfy Kentucky's continuing education laws and regulations. Also, I acknowledge that fraudulent certification of completion of this course will result in cancellation of my agent, adjuster, and/or life settlement broker licenses (KRS 304.9-295 and 806 KAR 9:220).*

Name: **X** \_\_\_\_\_ DOI# or NPN: **X** \_\_\_\_\_

Signature: **X** \_\_\_\_\_ Date: **X** \_\_\_\_\_

*The provider is required by law to give the student who successfully completes any continuing education course the original of this form upon completion of the course and to retain a copy in the provider's records for at least five years.  
For a classroom course, the provider is required by law to submit the Continuing Education Course Attendance Roster (Form CE-300) to the Department of Insurance within thirty days through eServices electronic submission. Students must verify that credit has been recorded for this class by visiting our website at: <http://insurance.ky.gov>. If credit does not appear, please verify with the provider that the Roster has been submitted. If the Roster has been submitted and you do not receive credit, please forward this original document to the Department directly, and keep a copy for your file.  
For all correspondence credits, the provider must submit the Course Completion to the Department through eServices, or the student must mail this original form to DOI and verify credit on our website, as required by KRS 304.9-295(10)(11).*

# Homeowner's Insurance

(8 credit hours – LOA is Property & Casualty)

**PLEASE PRINT CLEARLY**

First Name	M.I.	Last Name	DOI# and NPN#
Home Mailing Address	City	State	Zip Code
Business Address	City	State	Zip Code
Home Telephone	Business Telephone	Email Address	
Date of Birth	Month _____ Year _____	FAX No. _____	

Please send **COMPLETED ANSWER SHEET, CERTIFICATE and PAYMENT VIA:**

Emailed to: [info@commonwealthschools.com](mailto:info@commonwealthschools.com)  
 Faxed to: 502.429.0755  
 Mailed to: Commonwealth Schools of Insurance, Inc.  
 P O Box 22414  
 Louisville, KY 40252-0414

1 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	21 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	41 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	61 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	22 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	42 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	62 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	23 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	43 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	63 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	24 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	44 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	64 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	25 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	45 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	65 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	26 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	46 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	66 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	27 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	47 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	67 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	28 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	48 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	68 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	29 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	49 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	69 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	30 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	50 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	70 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
11 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	31 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	51 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	71 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
12 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	32 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	52 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	72 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
13 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	33 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	53 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	73 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
14 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	34 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	54 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	74 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
15 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	35 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	55 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	75 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
16 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	56 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
17 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	37 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	57 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
18 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	38 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	58 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
19 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	39 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	59 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
20 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	60 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

**YELLOW CARD SPECIAL**

*Simply complete and return all 24 hours of CE at the same time. Regardless of the prices listed, your total charge will be \$110.00*

**CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:**

**COURSE FEE \$44.00** or  
 **Check Here for Yellow Card Special**

**CARD NO.** \_\_\_\_\_ **EXP DATE** \_\_\_\_\_ **CV2 NO.** \_\_\_\_\_

**CREDIT CARD BILLING ADDRESS** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

# Homeowner's Insurance Exam

1. Early methods of transferring or distributing risk were practiced by \_\_\_\_\_  
\_\_\_\_\_ traders as long ago as the 3rd and 2nd millennia BC, respectively.  
A. Asians and Africans  
B. Africans and Babylonians  
C. European and Chinese  
D. Chinese and Babylonian
2. Profoundly shaken by the Great Fire, Barbon promptly opened an office "to insure buildings." This venture was apparently successful, because in \_\_\_\_\_ he founded a partnership and established England's first fire insurance company, The Fire Office, to insure brick and frame houses.  
A. 1580  
B. 1780  
C. 1680  
D. 1880
3. If the homeowner lives in an area that is likely to flood, the mortgage lender will also require the homeowner to purchase \_\_\_\_\_  
A. property insurance.  
B. flood insurance.  
C. fire insurance.  
D. catastrophic insurance.
4. Flood insurance available for rents also has a \_\_\_\_\_ waiting period before coverage takes effect.  
A. 30-day  
B. 45-day  
C. 60-day  
D. 90-day
5. Generally, if one purchases coverage on a replacement cost basis and insures a home for at least \_\_\_\_\_ of its replacement cost, the insurance will automatically be issued on a replacement cost basis  
A. 90%  
B. 80%  
C. 60%  
D. 50%
6. Most homeowner's insurance policies provide coverage for one's personal possessions for approximately \_\_\_\_\_ of the amount of insurance he or she has on the structure or "dwelling" of a home.  
A. 10% to 30%  
B. 30% to 50%  
C. 50% to 70%  
D. 60% to 80%
7. \_\_\_\_\_ is considered as one of the most critical areas in finance; it plays a key role in many areas of finance such as buy/sell, solvency, merger and acquisition.  
A. Calculation  
B. Review  
C. Accounting  
D. Valuation

8. \_\_\_\_\_ is the increase in value of a property over time due to inflation, supply and demand, capital improvements and other factors.
- A. Fair Value  
B. Market Value  
C. Appreciation value  
D. Liquidation value
9. \_\_\_\_\_ is the value of a company based on a projection of future cash flows that its owners will receive from the company's assets as well as from its current and future operations.
- A. The liquidation value  
B. The appraisal value  
C. The appreciation value  
D. The market value
10. \_\_\_\_\_ is the price that property would sell for on the open market.
- A. Fair market value  
B. Appraisal value  
C. Liquidation value  
D. Commercial value
11. Property assessments are typically conducted from \_\_\_\_\_ years, regardless of whether values have gone up or down
- A. 2 to 4  
B. 1 to 3  
C. 3 to 5  
D. 1 to 2
12. A \_\_\_\_\_ helps to establish a property's market value—the likely sales price it would bring if offered in an open and competitive real estate market.
- A. value appraisal  
B. market appraisal  
C. real estate appraisal  
D. financing appraisal
13. To protect the interest of their investors, the mortgage lender's broker hires \_\_\_\_\_ to give an independent and objective evaluation of what the property or home is worth.
- A. a mechanic  
B. a builder  
C. an inspector  
D. an appraiser
14. The appraisal takes place \_\_\_\_\_ the lender grants final approval of the buyer's loan.
- A. 3 weeks after the purchase  
B. 2 week before purchase  
C. before  
D. after
15. The property being appraised is called the \_\_\_\_\_.
- A. object property  
B. subject property  
C. retroactive property  
D. active property

16. A homeowner can purchase an independent appraisal in which an appraiser and/or the realtor gives a value of the home today according to what has sold in the same area in the past \_\_\_\_\_ months.
- A. 6  
B. 7  
C. 9  
D. 12
17. \_\_\_\_\_ inspection requires that the data is pulled for the subject and the comparable sales in the same manner as for a full appraisal.
- A. An "interior only"  
B. An "exterior only"  
C. A combination  
D. An incomplete
18. The \_\_\_\_\_ is when the appraiser estimates a subject property's market value by comparing it to similar properties that have sold in the area.
- A. cost approach  
B. income approach  
C. sales comparison approach  
D. refinance approach
19. Appraisals for government-insured loans, such as a FHA (Federal Housing Administration) loan or a VA (Department of Veterans Affairs) loan, must be done by
- A. business certified appraisers.  
B. government certified appraisers.  
C. loan certified appraisers.  
D. FHA- or VA-certified appraisers.
20. \_\_\_\_\_ determines the legal framework under which the features of an insurance policy are enforced.
- A. An insurance buyer  
B. An insurance binder  
C. An insurance contract  
D. An insurance loan officer
21. Insurance contracts are \_\_\_\_\_ in that the amounts exchanged by the insured and insurer are unequal and depend upon uncertain future events.
- A. unilateral  
B. aleatory  
C. bilateral  
D. exchanged
22. Insurance contracts are \_\_\_\_\_, meaning that only the insurer makes legally enforceable promises in the contract.
- A. unequal  
B. aleatory  
C. bilateral  
D. unilateral
23. An individual needs to be \_\_\_\_\_ to enter into an agreement with the insurer.
- A. older than 30 years or age  
B. gainfully employed  
C. legally competent  
D. not disabled

24. \_\_\_\_\_ allows an insurer to sue a third party that has caused a loss to the insured and pursue all methods of getting back some of the money that it has paid to the insured as a result of the loss.
- A. Insurability  
B. Subrogation  
C. Manifestation  
D. Allowability
25. The \_\_\_\_\_ theory states that the time that a loss is discovered determines the effective policy on the risk.
- A. injury-in-fact  
B. continuous  
C. exposure  
D. manifestation
26. The \_\_\_\_\_ theory provides that all policies on a risk, from the time of initial exposure through the manifestation of the injury or damage are applicable thereby triggering the greatest number of policies and providing maximum coverage.
- A. exposure trigger  
B. manifestation trigger  
C. continuous trigger  
D. injury-in-fact trigger
27. The \_\_\_\_\_ is the amount of risk one agrees to accept before the insurance company starts paying on a claim.
- A. premium  
B. deductible  
C. policy  
D. exposure
28. Some companies are offering deductibles equal to \_\_\_\_\_ of the insured value of your home.
- A. 5%  
B. 9%  
C. 3%  
D. 1%
29. \_\_\_\_\_ insurance is insurance one buys if he or she is renting a property from someone else.
- A. Dwelling  
B. Personal  
C. Renter's  
D. Rider
30. An estimated \_\_\_\_\_ of Renters do not have renter's insurance coverage.
- A. 10%  
B. 75%  
C. 50%  
D. 80%
31. \_\_\_\_\_ covers a dwelling and personal property against losses from 11 types of perils.
- A. HO-4  
B. HO-5  
C. HO-2  
D. HO-1

32. \_\_\_\_\_ covers a home (not a condo or apartment), the homeowner and its possessions as well as any liability that might arise from visitors or passers-by.
- A. HO-1  
B. HO-3  
C. HO-5  
D. HO-7
33. \_\_\_\_\_ covers personal property from 17 listed perils along with certain building items in which the unit owner might have an insurance interest.
- A. HO-1  
B. HO-6  
C. HO-3  
D. HO-8
34. \_\_\_\_\_ covers dwelling and personal property from 11 perils for homes where some historic or architectural aspects make the home's replacement cost significantly higher than its market value.
- A. HO-5  
B. HO-1  
C. HO-8  
D. HO-2
35. \_\_\_\_\_ covers 17 stated perils stated in HO-2 plus any other peril not specified in the policy, except for flood, earthquake, war, and nuclear accident most commonly written policy for a homeowner and is designed to cover all aspects of the home.
- A. HO-4  
B. HO-7  
C. HO-1  
D. HO-3
36. \_\_\_\_\_ protects personal possessions from the same perils as the coverage for the home's structure.
- A. Coverage A  
B. Coverage C  
C. Coverage D  
D. Coverage F
37. Coverage D pays up to \_\_\_\_\_ of the sum for which your home's structure is insured.
- A. 40%  
B. 10%  
C. 20%  
D. 30%
38. If the homeowner expects coverage, there are certain duties that one must perform after a loss and one of the duties is to file a proof of loss within \_\_\_\_ days of the insurer's request for it.
- A. 60  
B. 40  
C. 20  
D. 30
39. An extended replacement cost endorsement can be purchased that will pay \_\_\_\_\_ or more above the policy limits.
- A. 50%  
B. 10%  
C. 40%  
D. 20%



40. The minimum amount of liability coverage is \_\_\_\_\_ per occurrence, which is defined as a single accident or damage resulting from a prolonged exposure to the same set of conditions.
- A. \$150,000  
B. \$200,000  
C. \$100,000  
D. \$250,000
41. \_\_\_\_\_ covers people other than the insured, and regardless of whether the insured is legally liable for the injury. The insurer will pay reasonable medical expenses for other people who are on the insured's location.
- A. Coverage G  
B. Coverage F  
C. Coverage A  
D. Coverage C
42. "Special" covered causes of loss encompass a broad category of all causes of \_\_\_\_\_ physical loss subject to certain exclusions and limitations.
- A. unlikely  
B. possible  
C. indirect  
D. direct
43. The first thing to know about exclusions is that they vary by
- A. premium of policy.  
B. age of policyholder.  
C. policy type.  
D. location of homeowner.
44. \_\_\_\_\_ endorsement automatically adjusts the dwelling limit when one renews a policy to reflect current construction costs in the local area.
- A. A Special Loss Settlement  
B. An Inflation Guard  
C. Home Office Coverage  
D. Additional Living Expenses
45. The limits for personal property are \_\_\_\_\_ of the main coverage.
- A. 40%  
B. 30%  
C. 50%  
D. 60%
46. \_\_\_\_\_ Floater supplements coverage for possessions of higher monetary value, such as a diamond engagement ring, a grandfather's pocket watch, artwork, or a valuable collection.
- A. Jewelry Articles  
B. Personal Articles  
C. Supplement  
D. Possession

47. \_\_\_\_\_ exposure can be defined as “potential loss that is unpredictable and capable of producing an extraordinarily large amount of damage relative to the assets held in the insurance pool.”
- A. A major loss  
B. An unexpected loss  
C. A catastrophic loss  
D. A predictable loss
48. \_\_\_\_\_ policy covers a business from damages caused by any type of disaster with the exception of those specifically excluded in the policy.
- A. A catastrophic risk  
B. A standard risk  
C. A perils  
D. An all-risk
49. Mitigation defines “repetitive loss structure” as any insured structure incurring flood damage on at least two occasions in a \_\_\_\_\_ period for which the cost of repair, on average, equals or exceeds 25 % of the value of structure.
- A. 15-year  
B. 5-year  
C. 10-year  
D. 6-year
50. \_\_\_\_\_ waves involve a “push-pull” vibration of earth material in the same direction as the P waves are moving.
- A. Compressional  
B. Secondary  
C. Pressurized  
D. Shear
51. \_\_\_\_\_ is a transaction whereby one insurance company - the reinsurer - agrees to indemnify another insurance company - the ceding or primary - against all or part of the loss that the latter sustains under a policy or policies that it has issued.
- A. Insurance  
B. Reinsurance  
C. Post-insurance  
D. Pre-insurance
52. If an insurer desires to retire its insurance business and to cease underwriting, it may do so through
- A. other investments.  
B. bank loans.  
C. reinsurance.  
D. transferring assets.
53. \_\_\_\_\_ contract written on a proportional basis simply prorates all premium, losses, and expenses between the insurer and the reinsurer on a pre-arranged basis.
- A. A reinsurance  
B. An insurance  
C. A coverage  
D. A perils

54. \_\_\_\_\_ include such events as fire, wind, hail, and collision with another car.
- A. Risks
  - B. Catastrophic
  - C. Events
  - D. Perils
55. \_\_\_\_\_ is the flood insurance rate zone that corresponds to the areas of 1% annual chance shallow flooding with a constant water-surface elevation (usually areas of ponding) where average depths are between 1 and 3 feet.
- A. Zone AG
  - B. Zone AE
  - C. Zone AH
  - D. Zone B
56. \_\_\_\_\_ designation is used for areas where there are possible but undetermined flood hazards.
- A. The Zone V
  - B. The Zone D
  - C. The Zone VE
  - D. The Zone A99
57. The term \_\_\_\_\_ is really a statistical designation, and there is a 1-in-100 chance that a flood this size will happen during any year.
- A. "100-year flood"
  - B. "10-year flood"
  - C. "1000-year flood"
  - D. "1-year flood"
58. The State of Florida has over 17 million residents and \_\_\_\_\_ of them live or conduct business along or near its coastline.
- A. 30%
  - B. 60%
  - C. 80%
  - D. 75%
59. The National Flood Insurance Program (NFIP) defines \_\_\_\_\_ as "a general and temporary condition during which the surface of normally dry land is partially or completely inundated.
- A. thunder storms
  - B. flooding
  - C. spring overflow
  - D. swollen waterways
60. Flood insurance is a special policy backed by the federal government, with cooperation from local communities and private insurance companies. More than \_\_\_\_\_ communities have agreed to stricter zoning and building measures to control floods.
- A. 18,000
  - B. 9,000
  - C. 2,500
  - D. 24,000

61. The “Dwelling” (home) and “General Property” (commercial) insurance are both written on
- A. perils-cost basis
  - B. replacement cost basis
  - C. an actual cash-value basis
  - D. events basis
62. \_\_\_\_\_ allows individuals to minimize post-flood disaster disruptions and recover more rapidly.
- A. Reinsurance
  - B. Mitigation
  - C. Insurance
  - D. FEMA
63. Over \_\_\_\_\_ species of mold have been identified as living in some homes.
- A. 270
  - B. 170
  - C. 370
  - D. 470
64. \_\_\_\_\_ mold problems are most likely to occur when there has been an on-going water leak, a flood, or very high levels of humidity in the home.
- A. Medium-scale
  - B. Large-scale
  - C. Small-scale
  - D. Insignificant-scale
65. Like other organisms, mold requires \_\_\_\_\_ to grow.
- A. food and dirt
  - B. air and water
  - C. food and water
  - D. dirt and air
66. \_\_\_\_\_ remediation would include large isolated areas (30 - 100 square feet) which would refer to several wallboard panels.
- A. Level III
  - B. Level VI
  - C. Level I
  - D. Level VII
67. \_\_\_\_\_ remediation would include extensive contamination in an area greater than 100 contiguous square feet in an area.
- A. Level II
  - B. Level V
  - C. Level IV
  - D. Level III
68. Exposure to \_\_\_\_\_ in residential, public, and commercial buildings is believed to have caused serious medical conditions which include bleeding lungs, digestive problems, hair loss, nausea, loss of memory, reduced cognitive skills, and death.
- A. dryness
  - B. bug population
  - C. moisture
  - D. mold growth

69. With an umbrella policy, depending on the insurance company, one can add an additional \_\_\_\_\_ million in liability protection.
- A. 1-2  
B. 2-6  
C. 1-5  
D. 3-8
70. A good range of cost for umbrella insurance is between \_\_\_\_\_ per year.
- A. \$100 - \$200  
B. \$200 - \$300  
C. \$300 - \$500  
D. \$50 - \$150
71. \_\_\_\_\_ Liability covers the cost of damage or loss to another person's tangible property.
- A. Property Damage  
B. Structure Damage  
C. Personal Damage  
D. Professional Damage
72. \_\_\_\_\_ protects an individual and a family along with assets in the event that this individual is held personally liable for a claim.
- A. Liability insurance  
B. Endorsement insurance  
C. Umbrella insurance  
D. Excess insurance
73. National Flood Insurance Reform Act of \_\_\_\_\_ resulted in major changes to the National Flood Insurance Program (NFIP). The law amended the Flood Disaster Protection Act of 1973.
- A. 1984  
B. 1994  
C. 1998  
D. 2000
74. The Flood Disaster Protection Act of \_\_\_\_\_ mandated flood insurance coverage for many properties.
- A. 1953  
B. 1963  
C. 1983  
D. 1973
75. Although nearly all the eligible communities are now in the Program, fewer than of the eligible buildings are actually covered by flood insurance policies.
- A. 15%  
B. 45%  
C. 25%  
D. 35%