Ohio Casualty Final Exam

#1. If a worker is killed as a result of a work-related injury, what portion of the worker's average weekly wage will workers compensation pay?
   a) 75 3/4%
   b) 66 2/3%
   c) 80%
   d) 100%

#2. When will fraud be considered a felony?
   a) Only when the amount of the claim is above $100,000
   b) Never; fraud is always considered a misdemeanor.
   c) Any type of fraud is considered a felony
   d) When the amount of the claim is above $500

#3. An insurer suspects an agent of fraud and cancels his appointment. Which authority, if any, should be notified?
   a) None
   b) Federal Insurance Regulation Board
   c) The Superintendent
   d) NAIC

#4. State law specifically prohibits using illegal inducements in the marketing of insurance. All of the following would be considered illegal inducements EXCEPT
   a) Inviting prospective clients to the grand opening of the company’s new office.
   b) Issuing or delivering insurance company stock in return for purchasing insurance.
   c) Promising returns and profits from the purchase of insurance.
   d) Offering benefit certificates or securities in return for purchasing insurance.
#5. The Superintendent may examine records of domestic insurers in Ohio every 3 years. Who is responsible for paying for the examination?
   a) The Superintendent
   b) **The insurer**
   c) The Department of Insurance
   d) The NAIC

#6. The at-fault driver in an insured's auto crash had the state required minimums for auto liability coverage, but not enough to pay for all the damage done to the insured. This driver is
   a) Not liable for the damages in excess of his limits.
   b) Required to post a bond for the amount of damages above his limits.
   c) Considered uninsured.
   d) **Considered underinsured.**

#7. A passenger in a friend's car is injured while getting into the car. Which of the following statements would apply if both the passenger and the driver had medical payments coverage under a Personal Auto Policy?
   a) Both policies would share equally in the loss.
   b) **The driver's policy will pay.**
   c) The driver's policy will act in excess of the passenger’s policy.
   d) The passenger's policy will pay.

#8. Which of the following would NOT qualify as a hired auto?
   a) An auto leased from a commercial rental company
   b) An auto rented for personal use
   c) **An auto borrowed from an employee**
   d) An auto hired by an employer
#9. Which provision states that if a policy allows for greater compensation than the financial loss incurred, the insured may only receive benefits for the amount lost?
   a) Reasonable Coverage Expectations
   b) **Indemnity**
   c) Loss-at-Cost
   d) Limited Benefits Provision

#10. The hearing for a cease and desist order must occur within how many days of the order date?
   a) 60
   b) **15**
   c) 30
   d) 45

#11. Regarding workers compensation, an employee's benefits may be affected if the worker was intoxicated. An employee is considered to be intoxicated if the blood alcohol level exceeds legal limits according to an alcohol test administered up to
   a) **8 hours after an injury.**
   b) 2 hours after an injury.
   c) 4 hours after an injury.
   d) 6 hours after an injury.

#12. In addition to purchasing an auto liability insurance policy, financial responsibility may be proven by
   a) Obtaining the signatures of at least 3 residents of the State attesting to the character of the driver.
   b) Signing a "hold harmless" agreement.
   c) **Purchasing a liability bond that meets the motor vehicle department requirements.**
   d) Attending a Driver's Training class that is approved by the Director.
#13. Barry, an insurance producer, fails to obtain automobile insurance for Marvin after agreeing to do so. Marvin is involved in an automobile accident after running a red light and is found to be at fault. The damage to the other vehicle totals $5,000. Which statement regarding Barry’s errors and omissions liability policy is true?

a) Will provide coverage because the damage to the client resulted from the producer's negligence
b) Will not provide coverage; such physical damage to property is not covered
c) Will not provide coverage since the property damage resulted from the client’s breaking the law
d) Will provide coverage since punitive damages have been awarded

#14. An insurer publishes intimidating brochures that portray the insurer's competition as financially and professionally unstable. Which of the following best describes this act?

a) Legal, provided that the other insurers are paid royalties for the usage of their names
b) Illegal under any circumstances
c) Legal, provided that the information can be verified
d) Illegal until endorsed by the Guaranty Association

#15. Any notice of cancellation of a commercial property or casualty policy must contain the policy number, the date of the notice, the effective date of cancellation, and

a) The state statute giving the insurer the right to cancel the policy.
b) The name and address of the original agent.
c) The reason for the cancellation.
d) The amount of premium to be refunded to the insured.
#16. Under the claims-made CGL the supplemental extended reporting period
a) Automatically extends coverage for losses that occurred during the policy
   period and are claimed within 60 days following policy expiration.

b) Provides an unlimited extension for making claims for losses that occurred
during the policy period, but the insured must pay an additional premium.

c) Automatically extends coverage to include claims made within 5 years of
   policy expiration, provided the losses occurred during the policy period.

d) Automatically provides an unlimited extension for losses that occurred
during the policy period but for which a claim is not made until after policy
   expiration.

#17. Under the limits of insurance provision found in the Physical Damage
   Coverage Form in a Commercial Auto policy, how much will an insurer pay
to repair or replace a covered auto?

a) The greater of the actual cash value or the cost to repair or replace a covered auto

b) The lesser of the replacement cost value or the cost to repair or replace a covered auto

c) The greater of the replacement cost value or the cost to repair or replace a covered auto

d) The lesser of the actual cash value or the cost to repair or replace a covered auto

#18. Liability imposed on one party as a result of the actions of another person
   (i.e. parent/child; employer/employee) is known as
   a) Absolute liability.

b) Vicarious liability.

  c) Comparative negligence.

  d) Strict liability.

#19. Workers compensation consists of how many funds?

  a) 1

  b) 2

  c) 3

  d) 4
#20. Which of the following is a method of claim settlement used when the insured and insurer cannot agree on how to settle a claim?
   a) Arbitration
   b) Proof of Loss
   c) Restoration
   d) Appraisal

#21. The fee for a surplus lines broker's license is
   a) $150.
   b) $50.
   c) $100.
   d) $125.

#22. An agent is suspected of committing an illegal business practice. What can be issued that would legally ban the agent from committing this act again?
   a) Cease and desist order
   b) Writ of noncompliance
   c) Restraint of trade order
   d) Stop-action decree

#23. Losses caused by continuous or repeated exposure to conditions resulting in injury persons or damage to property that is neither intended nor expected is the definition of which of the following terms?
   a) Peril
   b) Hazard
   c) Accident
   d) Occurrence

#24. A group's reported losses are more likely to become equal to the statistical probability of loss,
   a) The older the group.
   b) The more active the group.
   c) The larger the group.
   d) The smaller the group.
#25. If an insured bakery is sued because its marketing states that the products of another bakery may not be safe, which coverage of a CGL (Commercial General Liability) will defend the suit?
   a) Completed Operations
   b) Personal and Advertising Injury Liability
   c) Premises and Operations
   d) Product Liability

#26. What kind of loss-of-income benefits does workers compensation provide?
   a) 100% of the state average weekly wage
   b) 75% of the person's average weekly wage
   c) 66 2/3% of the person's average weekly wage
   d) 80% of the state average weekly wage

#27. Which of the following would be considered an illegal inducement to purchase insurance?
   a) Listing the insurance companies the agency represents in a letter
   b) Inviting prospective clients to the grand opening of the producer's new office
   c) Confirming future dividends in a life insurance proposal
   d) Mailing an agency brochure to a prospective client

#28. In commercial policies, who has control of the policy?
   a) First named insured
   b) Second named insured
   c) Insurer
   d) Beneficiary

#29. Events in which the principal has both the chance of winning or losing are classified as
   a) Retained risk.
   b) Speculative risk.
   c) Dual risk.
   d) Pure risk.
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#30. Why don't Commercial Auto Coverage Forms automatically include medical payment coverage?

a) The business that owns the vehicles must be self-insured for medical payment coverage.

b) Commercial auto coverage is for damage to vehicles, only.

c) Any person occupying a commercial vehicle must have a Personal Auto Policy to cover any medical payments that result out of an accident.

d) Often any person occupying a commercial vehicle would be covered under a workers compensation policy.

#31. A customer was injured in a supermarket parking lot when a grocery cart collided with the customer's leg. Coverage for this claim would be provided under

a) Completed Operations.

b) Contractual Liability.

c) Product Liability.

d) Premises and Operations.

#32. Which of the following is a statement that is guaranteed to be true, and if untrue may breach an insurance contract?

a) Indemnity

b) Representation

c) Warranty

d) Concealment

#33. Which of the following IS considered a work-related injury/occupational disease under Workers Compensation law?

a) Mike works for Ace Construction Company. He is walking through the job site without a hard hat and is struck on the head by a falling brick.

b) Tom works as a painter in an auto body shop. The chemicals from the paint aggravate Tom's asthma to the point that he must be hospitalized for several days.

c) Greg is injured in a car accident while driving to work at 7:45 one morning.

d) Mary falls down a flight of stairs at her office building; at the hospital, it is discovered that she is intoxicated.
#34. Every Surplus Lines Broker must post a bond in what amount with the State guaranteeing that the licensee will comply with Surplus Lines laws as stated in the Insurance Code?

a) $50,000  
b) $5,000  
c) $17,500  
d) $25,000

#35. In property insurance, actual cash value is defined as which of the following?

a) Stated value of the property as shown on the declaration  
b) The actual amount of a loss payable, less the policy deductible  
c) **Replacement cost at the time of the loss, less depreciation**  
d) Market value of the property at the time of the loss

#36. Which of the following statements concerning a Personal Auto Policy is true?

a) Coverage applies while the insured is on a vacation to Mexico.  
b) Coverage for temporary substitute vehicles will not be handled as excess.  
c) Uninsured motorist's coverage applies only to the named insured and family members.  
d) **Medical payments coverage applies per person, per accident.**

#37. An insured owns and operates a ranch. The insured has several vehicles that are used in the ranching operation and for personal use. From the list, which of the following could NOT be insured under a Personal Auto Policy?

a) **A two-ton grain truck with a 6,500 pound capacity**  
b) A two-wheeled trailer designed to be towed by the station wagon  
c) A farm pickup with 1,000 pound capacity  
d) A station wagon that is used personally
#38. Workers compensation benefits are provided for an employee injury or death that arises out of the course of normal employment in all of the following EXCEPT
a) An employee who delivers overnight packages is injured while voluntarily running the “package race” at the mandatory company picnic.
b) An employee suffers an injury while working at a jobsite.
c) An employee working as an over-the-road truck driver suffers injury while loading freight at a vendors dock.
d) An employee working for an advertising company is injured while observing a competitor’s billboard sign being removed from a potential advertising site.

#39. Which one of the following statements is true regarding the premium computation for workers compensation insurance?

a) The premium is set at the beginning of the policy period and will not change.
b) A “premium” auditor has the right to examine the insured’s compensation records at the end of the policy period to determine the actual premium basis.
c) The premium base for workers compensation insurance varies by the type of industry in which the insured is involved.
d) The insured pays a guaranteed premium based on an estimated value of the annual income received.

#40. Which of the following terms describes making false statements about the financial condition of any insurer that are intended to injure any person engaged in the business of insurance?

a) Undercutting  
b) Twisting  
c) Slandering  
d) Defamation
#41. All of the following are true regarding deposit premium EXCEPT
   a) **It is 50% of the actual premium.**
   b) It could be adjusted by the audit.
   c) It must be paid in advance.
   d) It is an estimated premium paid at the policy issue.

#42. The medical payments coverage in a Personal Auto Policy will pay reasonable medical expenses for all of the following EXCEPT
   a) A friend is injured while driving the insured's vehicle with permission.
   b) **A pedestrian is struck by the insured while crossing in front of the vehicle.**
   c) The insured is injured by a motor vehicle while crossing the street.
   d) The insured's infant daughter sustains injuries when the car she is occupying accidentally rolls down a hill.

#43. Since Bob works in more than one state, he signs a workers compensation law agreement with his employer. The agreement states that Ohio law will apply to workers compensation claims, even if the work-related injuries/illnesses are caused by work that Bob performs in Indiana. This agreement must be filed with the Bureau of Workers Compensation within
   a) 15 days.
   b) **10 days.**
   c) 30 days.
   d) 20 days.

#44. To whom does the insurer certify that an appointee is competent, financially responsible, and suitable to represent them?
   a) The Commissioner
   b) The Governor
   c) **The Superintendent**
   d) The Comptroller
#45. Crunchy Flakes Cereal Company shipped some of their product in faulty containers that caused spoilage which resulted in some consumers becoming ill. If they are sued for this event, it would be an example of a
 a) Contractual Liability claim.
 b) **Product Liability claim.**
 c) Premises and Operations claim.
 d) Personal Injury claim.

#46. Which of the following would be an example of an insurer participating in an unfair competition practice of discrimination?
 a) Making malicious statements about the insured based on their race
 b) Charging different premium rates to the insured in different insuring classes
 c) Charging the insured higher premiums based on their life expectancy
 d) **Charging the insured higher premiums based on their race**

#47. What is a binder?
 a) A condition that allows the insurer to audit the insured's books or records at the end of the policy term to make sure adequate premium has been collected for the exposure
 b) Written evidence showing the amounts and types of insurance provided by an insurance policy or policies that have been issued
 c) **A temporary contract of insurance issued by the insurer that places insurance in effect prior to the policy being issued**
 d) A contract for lease of premises

#48. What is a Certificate of Insurance?
 a) A written document naming the insured's beneficiary
 b) A written document allowing the insurer to inspect the insured's books
 c) **A written document showing the types and amounts of insurance that have been issued to the insured**
 d) A written document obligating the insurer to the person to which the insurance was issued
#49. When applying for an individual life insurance policy, an applicant states that he went to the doctor for nausea, but fails to mention that he was also having severe chest pains. What is this act called?
   a) Concealment
   b) Misrepresentation
   c) Fraud
   d) Warranty

#50. The insurer may cancel a commercial property or casualty policy for any reason until it has been in effect for
   a) 1 month.
   b) **90 days.**
   c) 80 days.
   d) 30 days.

#51. How many hours of continuing education must be completed in ethics?
   a) 12
   b) 2
   c) **3**
   d) 5

#52. The transfer of an insured's right to seek damages from a negligent party to the insurer is found in which of the following clauses?
   a) Appraisal
   b) **Subrogation**
   c) Arbitration
   d) Salvage
#53. Claim related expenses, reasonable expenses incurred by an insured to protect damaged property from further loss, or defense expenses are covered by which part of a policy?
   a) Additional Coverage
   b) Exclusions
   c) Declarations
   d) Insuring Agreement

#54. What method of premium computation relates an employer’s losses, payroll, and premiums to the rating bureau’s classifications of operations?
   a) Workers Classification Factor
   b) Merit Rating Plan
   c) Arbitration Plan
   d) Experience Modification Factor

#55. An agent offers his client free tickets to the Super Bowl game in exchange for the purchase of an insurance policy. The agent is guilty of
   a) Twisting.
   b) Inducement.
   c) Rebating.
   d) Coercion.

#56. An insured's nine-year-old son threw a ball, accidentally breaking a neighbor's plate glass window. The insured was found legally liable for the cost of replacing the window. This is an example of
   a) Absolute liability.
   b) Vicarious liability.
   c) Intervening cause.
   d) Juvenile delinquency.
#57. When an Umbrella Policy is broader than underlying insurance and it pays a loss that is not covered by the underlying policy, it usually only pays
   a) The amount specified in the policy under the additional coverage provisions.
   b) The amount in excess of the underlying policy deductible.
   c) A percentage of the loss as described on the declarations.
   d) **The excess over the self-insured retention**.

#58. If an insured desires protection on property other than money and securities inside the premises from losses caused by breaking and entering after business hours, which of the following Crime Coverage forms should be purchased?
   a) Robbery and Safe Burglary
   b) Extortion
   c) Theft, Disappearance and Destruction
   d) **Inside Premises - Robbery or Burglary of Other Property**

#59. A worker sustains a permanent, total disability from a work injury. His loss-of-income benefits will be based on
   a) The state average weekly wage for the previous year.
   b) The state average weekly wage for this year.
   c) His average weekly wage at the time of the disability.
   d) **His average weekly wage for the previous year**.

#60. How is the Insurance Guaranty Association funded?
   a) By NAIC
   b) By the government
   c) **By its members – authorized insurers**
   d) By the Department of Insurance
#61. A specialized form of liability insurance covering legal expenses and damages to shareholders, members, or others, for the personal legal liability of directors and officers of a corporation or nonprofit organization because of wrongful acts in the course of performing their official duties, is called

a) Comprehensive directors and officers fiduciary liability insurance.

b) Errors and omissions insurance.

c) Malpractice insurance.

d) **Directors and officers liability.**

#62. Duties of the insurer found in property policy conditions include all of the following, EXCEPT

a) Return any premiums to the insured.

b) **Notify the insured in the event of financial difficulty.**

c) Pay covered losses.

d) Provide advance notice of cancellation.

#63. Termination of an in-force insurance policy prior to the expiration date shown in the policy is known as

a) **Cancellation.**

b) Guarantee of Insurability.

c) Nonrenewal.

d) Renewal.

#64. Each person licensed as an agent or solicitor is required to complete how many hours of approved continuing education instruction every 2 years?

a) 26

b) 18

c) **24**

d) 22
#65. With respect to the business of insurance, a hazard is
   a) The basic reason for an insured to purchase insurance.
   b) **Any condition or exposure that increases the possibility of loss.**
   c) The risk taken when performing something dangerous.
   d) The tendency of poorer risks to seek insurance more often than better risks.

#66. Which of the following would be considered an unfair claims settlement practice?
   a) Requesting the insured swear under oath concerning the facts of the claim
   b) The settlement of the claim is delayed for 30 days in order for the insured to conduct an investigation
   c) A claims adjuster advises the insured that if the claim goes to arbitration, the insured would probably receive less than what is currently being offered
   d) Requesting the insured to submit a signed proof of loss statement after the insured has already verbally advised the insurer of the claim

#67. A person who is not named as an insured on the declaration page of a policy but are protected by the policy, usually in regard to a specific interest is known as
   a) **Additional Insured.**
   b) The Policyowner.
   c) Named Insured.
   d) First Named Insured.

#68. The Employee Theft crime policy includes a coverage extension that applies to employees temporarily outside the coverage territory for up to
   a) 120 days.
   b) 30 days.
   c) 60 days.
   d) **90 days.**
#69. Who protects the insureds from delayed and unpaid claims on their property and casualty policies because of insurer insolvency?
   a) The Superintendent
   b) The Ohio Automobile Insurance Plan
   c) The Ohio Joint Underwriters Association
   d) **The Ohio Property and Casualty Insurance Guaranty Association**

#70. Workers compensation statutes provide coverage for diseases that occur as a result of working in the employer’s “working environment”. One example of a disease that would not be covered by such provisions would be
   a) An employee of municipal fire department that suffers from smoke inhalation.
   b) An employee of a data-processing company that suffers from carpel tunnel syndrome.
   c) **An employee of a medical facility that suffers from a common cold.**
   d) An employee of a chemical plant that suffers from cancerous tumors.

#71. Workers compensation law defines a "dependent" as someone who is primarily reliant on the worker for support. This includes children under the age of
   a) 19.
   b) 21.
   c) 16.
   d) **18.**

#72. By how many agents may a solicitor be appointed at one time?
   a) 1
   b) 2
   c) 3
   d) Unlimited number
#73. One advantage of claims-made liability forms from the insurer's point of view is that
   a) The insurer does not pay claims years after the occurrence causing the damage.
   b) The insurer will always know when to expect the claim to be filed.
   c) It allows stacking of limits.
   d) **It prevents stacking of limits.**

#74. Which of the following is a mandatory part of an insurance policy that varies with each individual policy?
   a) Insuring Agreement
   b) **Declarations**
   c) Conditions
   d) Exclusions

#75. When a parent is required to pay for damages caused by his/her children, this is an example of
   a) **Vicarious liability.**
   b) Strict liability.
   c) Intervening cause.
   d) Assumption of risk.

#76. The Declarations of the Homeowners policy provides all of the following information EXCEPT
   a) What deductible amount applies to each loss covered by the policy.
   b) **A statement that earthquake damage is not covered.**
   c) The amount of premium charged for each coverage.
   d) The insured's address.
#77. Which of the following is true regarding examination of financial affairs of insurers?
   a) Examination expenses are the responsibility of the insurer.
   b) The Superintendent must examine all insurers: domestic, foreign and alien.
   c) Examinations are conducted by the NAIC.
   d) Examinations must be conducted at least annually.

#78. The policy conditions define
   a) The excluded perils.
   b) The amount of coverage.
   c) How parties to the contract must act following a loss.
   d) How the policy will respond following a loss.

#79. All are true of the supplementary payments of a CGL EXCEPT
   a) Pays all reasonable costs incurred by the insured in helping investigate or defend a claim
   b) Pays defense costs even after the aggregate limits has been reached
   c) Pays all expenses incurred by the insurer
   d) Pays pre-judgment and post–judgment interest

#80. A Surplus Lines Broker's license will expire on what date each year?
   a) A date selected by the licensee
   b) The birthdate of the license
   c) The date that the license was originally issued
   d) January 31

#81. Rebating is an unfair trade practice and is regulated by law. All of the following would be considered to be rebating, EXCEPT
   a) An agent offers the use of his lake house to person as an inducement to buy.
   b) An agent offers to share his commission with a policyholder.
   c) An agent offers tickets to a baseball game as an inducement to buy insurance.
   d) An agent uses misrepresentation to convince a person to cancel an existing policy and take a new policy from him.
#82. All of the following are supplemental payments found in liability policies EXCEPT
   a) Limited amounts for bail bonds and other bonds related to a claim.
   b) **Costs the insured incurred in hiring their own attorney.**
   c) Expenses and defense costs incurred by the insurer.
   d) Up to $250 a day for loss of income.

#83. In case of a loss, the indemnity provision
   a) Pays the insured a percentage of the loss above and beyond the loss.
   b) Pays the insured as much as 95% of the loss.
   c) **Restores an insured person to the same financial state as before the loss.**
   d) Allows the insured to collect 20% more than the actual loss.

#84. An insured stated on her application for life insurance that she had never had a heart attack, when in fact she had a series of minor heart attacks last year for which she sought medical attention. Which of the following will explain the reason a death benefit claim is denied?
   a) Estoppel
   b) **Material misrepresentation**
   c) Waiver
   d) Utmost Good Faith

#85. A meteorite hits the insured's car causing damage. Under which of the following coverages in a Personal Auto Policy would this loss be paid for?
   a) **Other than collision (comprehensive)**
   b) Liability
   c) Uninsured motorist
   d) Collision
#86. Before an insurer will pay any loss under a policy, what will it usually require the insured to produce?
   a) A Binder
   b) A Claims Made form
   c) Proof of Loss form
   d) Notice of Claim form

#87. A producer who omits a statement which may mislead or deceive the persons addressed has committed
   a) Coercion.
   b) Misrepresentation.
   c) Defamation.
   d) Twisting.

#88. The type of liability that is imposed regardless of fault or negligence is called
   a) Absolute.
   b) Strict.
   c) Contributory.
   d) Intentional.

#89. All of the following are conditions commonly found in the insurance policy, EXCEPT
   a) Subrogation.
   b) Appraisal.
   c) Insuring Agreement.
   d) Cancellation and non-renewal.
#90. An insurance agency is running a promotion offering any purchaser of insurance two tickets to a basketball game upon payment of the annual premium. This promotion constitutes
   a) Discrimination.
   b) Target marketing.
   c) Illegal inducement.
   d) Rebating.

#91. Each person licensed as an agent or solicitor is required to complete continuing education instruction every
   a) Year for the first 3 years, then every 2 years thereafter.
   b) Year.
   c) 2 years.
   d) 3 years.

#92. Surety bonds are written for a definite limit called
   a) Indemnity limit.
   b) The limit of liability.
   c) Loss costs.
   d) The bond penalty.

#93. In the event of a loss covered by the policy, if the insurer requests a signed sworn proof of loss, the named insured is required to submit it within
   a) 30 days.
   b) A specified time.
   c) 1 year.
   d) 5 business days.

#94. Under the professional liability loss settlement provision, what must an insurer do before offering to pay a claimant to settle a claim?
   a) Cancel the insured's policy
   b) Refuse new business
   c) Get the insured's consent
   d) Sue the claimant
#95. Statements made by an applicant for a life insurance policy which are true to the best of the applicant's knowledge are referred to as

a) Warranties.
b) Information.
c) **Representations.**
d) Facts.

#96. In which of the following situations is it legal to limit coverage based on marital status?

a) **It is never legal to limit coverage based on marital status.**
b) Excessive number of divorces, as defined by the Insurance Code
c) Legal separation during the application process
d) Divorce within the last six months of applying for insurance

#97. Which of the following definitions best defines the term "accident"?

a) Injury to the character of another person caused by libel, slander, false arrest, invasion of privacy and other acts
b) Physical damage to tangible property of others caused by the negligence of an insured
c) The negligent or purposeful act or omission by an insured that results in physical trauma or death to a person
d) **A sudden, unplanned and unexpected event, not under the control of the insured, resulting in injury or damage neither expected nor intended**

#98. Bob insists that the insurer owes him $10,000 for liability damages, while his insurer asserts that they owe him no more than $7,000. Which of the following would most likely describe the type of claim settlement that they might pursue?

a) Independent audit
b) Appraisal hearing
c) **Arbitration**
d) Small claims court
#99. Employee fidelity may be written in all the following ways EXCEPT
   a) Location schedule.
   b) Individual.
   c) Name schedule.
   d) Position schedule.

#100. Which of the following is included under the physical damage coverage of a
       Personal Auto Policy?
       a) A cellular phone located in a locked vehicle
       b) Custom furnishings or equipment in a pick up or van
       c) **Sound reproduction equipment permanently installed in the covered auto**
       d) A covered auto which is seized and destroyed by a government authority