

LOSS CONTROL PRACTICES

1. A direct loss occurs when there is _____, as when a fire damages a home.
 - A. A witness to the destruction
 - B. Damage to property
 - C. Evidence that a problem occurred
 - D. Something of value lost
2. Safety best practices suggests that safety not be thought of as an expense, but rather as _____.
 - A. Earnings
 - B. Return of investment
 - C. A business and home nuisance
 - D. A&B
3. General liability coverage protects a firm against lawsuit costs stemming from _____ and physical property damage.
 - A. Bodily injury
 - B. Frivolous suits
 - C. Copyright violations
 - D. Completed works
4. In negligent hiring claims, the courts look for a connection between the victim and the _____ of the perpetrator.
 - A. Age
 - B. Relationship
 - C. Employment
 - D. Background
5. Business interruption insurance replaces _____ derived from the operation of the business during a period when normal operations cannot be continued.
 - A. Capital
 - B. Expenses
 - C. Ordinary income
 - D. Employees
6. The Law of Agency is a universal area of the law that determines _____.
 - A. Agent duties
 - B. Producer status
 - C. Commissions of all agents
 - D. Agency domain names
7. The fiduciary duty of the agent prevents him or her from competing with a principal or from making _____.
 - A. A secret profit
 - B. A Bigger commission
 - C. Too much money
 - D. Trouble
8. A totally satisfied customer is said to contribute _____ times as much revenue to a company as a somewhat satisfied customer.
 - A. 1.3 times
 - B. 1.8 times
 - C. 2.3 times
 - D. 2.6 times
9. Sales conduct is a higher level of responsibility agents _____ in order to do a better job for your client.
 - A. Choose to uphold
 - B. Must do
 - C. Might do
 - D. Neglect
10. A charging order is intended to protect partners of a partnership who have nothing to do with the claims against _____.
 - A. An individual partner
 - B. The general partner
 - C. Their spouse
 - D. The majority partners
11. The purpose of insurance is to protect the insured against losses caused by _____.
 - A. Anyone
 - B. Pure risk
 - C. Soft risk
 - D. Transient risk
12. An Occurrence Policy is an insurance policy that covers incidents that occur during the policy coverage period regardless of when they _____.
 - A. Were reported
 - B. Happened
 - C. Might have occurred
 - D. Arose
13. Extra expense insurance is designed for those businesses that simply cannot allow a physical damage loss to cause a _____.
 - A. Negative cash flow
 - B. Shutdown of operations
 - C. Accident
 - D. Chaos among employees
14. Premium fraud includes a number of _____ used by employers to reduce workers' compensation insurance premiums.
 - A. Activities
 - B. Outlets
 - C. Schemes
 - D. Possibilities
15. Health effects of exposure to lead at high levels can cause _____.
 - A. Convulsions
 - B. Coma
 - C. Death
 - D. All of the above
16. The significance of the Bell vs O'Leary case is that an agent can be sued for failing to notify his applicant that _____.
 - A. He is to old
 - B. Insurance cannot be obtained
 - C. The property in question is in a flood plain
 - D. Premiums will be higher than expected

LOSS CONTROL PRACTICES

17. A major limitation of reinsurance is that it does not change the _____ of risk being insured.
- Inherent nature
 - Value
 - Purpose
 - Legality
18. If a client sues you, hearsay evidence (notes you have taken) are generally not admissible unless _____.
- You have a witness
 - Collected under ordinary business rules
 - They are typed
 - The client has a copy
19. Concerning "knowledge about a potential claim", your clients have a duty to disclose information on an application only to facts and not mere _____.
- Fears or concerns
 - Fiction
 - Consequences
 - Actions
20. Indirect loss occurs when a direct loss causes expenses to _____ or revenues to _____.
- Decrease / Increase
 - Even out / Decline
 - Increase / Decline
 - Increase / Jump
21. Segregation of loss exposures involves arranging an organization's activities and resources so that no _____ can cause simultaneous losses to all of them.
- Person
 - Outside force
 - Unexpected activity
 - Single event
22. Actual risk in the workplace is determined by answering the question of whether the risk realized was a risk of _____, regardless of whether the risk is commonly shared by the public.
- One's employment
 - Accidental occurrence
 - Intention
 - Malfeasance
23. Contingent extra expense insurance is coverage for an extra expense loss on _____.
- The employer's own property
 - Premises not operated by the policyholder
 - The weekend
 - The way to work
24. The Southwest vs Binsfield case makes you responsible to know _____ that are widely available and reasonably priced.
- Specimen policy features
 - Policy options
 - Premium options
 - Settlement alternatives
25. An ERISA fiduciary has been interpreted to be any person exercising _____ over a pension plan or its assets.
- Discretion
 - Total control
 - Influence
 - Managerial control
26. The reasons primary insurers purchase reinsurance are to _____ liabilities and _____ capacity.
- Eliminate / Enhance
 - Reduce / Limit
 - Limit / Increase
 - Monitor / Grow
27. The agent call center is the system you establish to receive _____.
- Faxes
 - Calls
 - E-mails
 - Client communications
28. A totally dissatisfied customer decreases revenue at a rate equal to _____ times that contributed by a totally satisfied customer.
- 1.2 Times
 - 1.3 Times
 - 1.5 Times
 - 1.8 Times
29. Instilling ethics is a process that must start _____.
- At age 12
 - At age 21
 - Long before a person chooses insurance as a career.
 - When you become an insurance agent
30. In Sobotor vs Prudential, an agent was sued because he held himself to have _____ in a certain area of insurance.
- Knowledge
 - Special knowledge
 - A broad understanding
 - Limited knowledge
31. Hazards are situations or factors that _____.
- Happen to occur
 - Might occur
 - Increase the possibility of a loss occurring
 - Make it possible for a loss to happen

LOSS CONTROL PRACTICES

32. Alleged negligent acts may result when clients of a company have incorrect expectations of the services it provides and file a claim. This is also known as _____.
- A. Errors and omissions
 - B. Negligent tendencies
 - C. Ruthless disregard
 - D. Non-participatory actions
33. A block policy is a form of insurance coverage commonly used by _____.
- A. Dentists
 - B. Teachers
 - C. Jewelers
 - D. Insurance agents
34. The Occupational Safety and health Act (OSHA) is a comprehensive law designed to _____ workplace hazards and _____ health and safety programs for workers.
- A. Eliminate / Increase
 - B. Monitor / Equalize
 - C. Reduce / Improve
 - D. Limit / Create
35. Negligent hiring is a broad doctrine that extends liability to employers for _____ even when they are committed outside the scope of employment.
- A. The injurious conduct of its employees
 - B. Their negligence
 - C. Non-employee acts of injury
 - D. Civil and criminal acts
36. Employment practices liability protects the corporation and its officers from claims resulting from which of the following events . . .
- A. Wrongful termination
 - B. Discrimination & sexual harassment
 - C. Failure to employ or promote
 - D. All of the above
37. Facultative reinsurance is the reinsurance of all or part of the insurance provided by a _____.
- A. Block of policies
 - B. Single policy
 - C. Multiple policies
 - D. A large policy
38. Employer fraud today costs _____ employee fraud.
- A. Less than
 - B. As much as
 - C. More than
 - D. Close to the same as
39. Pollution of water by oil is extremely damaging. It is said that a single quart of oil can pollute _____ gallons of drinking water
- A. 50,000
 - B. 100,000
 - C. 250,000
 - D. 750,000
40. In Alaniz vs Simpson, an agent avoided liability by _____ before an accident.
- A. Canceling a client
 - B. Refusing to accept a premium payment
 - C. Faxing a letter to an applicant that he was uninsured hours
 - D. Hinting to the applicant that he was uninsured
41. An attorney may ask for a "drafting history" in order to determine the _____.
- A. Agent actions concerning a policy
 - B. The original meaning of policy terms and the manner in which they were intended to apply
 - C. Amount of damages available
 - D. Extent of an agent's involvement
42. Standard operating procedures which can give you the most protection against client claims include which of the following:
- A. Reducing oral agreements to writing ASAP
 - B. Using an operating manuals in your business
 - C. Transferring notes to a formal log
 - D. All of the above
43. "Call plus" is the status of handling _____ customer communications.
- A. A mixture of
 - B. A Specific type of
 - C. Long distance telephone
 - D. All
44. The "client for life" agent is doing the right thing when he _____.
- A. Calls clients promptly
 - B. Monitors all client transactions
 - C. Exceeds the needs and expectation of clients
 - D. Is on time for appointments
45. In Bayley vs Pete Satire an agent was held liable because he assured a client he was covered, when, in fact the policy purchased contained an _____ for the very business operated.
- A. Rider
 - B. Exclusion
 - C. Restriction
 - D. Limitation
46. Which of the following are examples of intangible property.
- A. Copyrights
 - B. Trademarks
 - C. Patents
 - D. All of the above

LOSS CONTROL PRACTICES

47. A risk manager must _____ management decisions concerning property and loss exposures every day.
- A. Handle
 - B. Address
 - C. Identify, treat and review
 - D. Monitor
48. Exposure avoidance _____ any possibility of loss.
- A. Limits
 - B. Reduces
 - C. Substantially restricts
 - D. Eliminates entirely
49. A "rated policy" is coverage issued at _____.
- A. 1.2 times higher than normal premiums
 - B. 1.5 times higher than normal premiums
 - C. Higher-than-standard premiums
 - D. Lower-than-normal
50. OSHA safety standards state that employers must provide a place of employment that is free from _____ that are causing or likely to cause death or serious physical harm to employees.
- A. Chemicals
 - B. Recognized hazards
 - C. Risk factors
 - D. Dangerous elements
51. Treaty reinsurance involves a _____.
- A. Narrow band of an insurer's business
 - B. A block of the ceding company's book of business
 - C. Single policy
 - D. Policy on an Indian reservation
52. Creative billing is billing for _____.
- A. Talented services
 - B. Services not performed
 - C. Medical services
 - D. Insurance coverage not received
53. Ergonomic reviews examine _____.
- A. Material handling procedures
 - B. Product flow
 - C. Lifting tasks
 - D. All of the above
54. Phenols and alcohol are poisonous and flammable chemicals and active ingredients in most _____.
- A. Household cleansers
 - B. Industrial cleaners
 - C. Disinfectant products
 - D. Floor wax
55. Symptoms of carbon monoxide poisoning include _____.
- A. Severe headaches
 - B. Nausea
 - C. Faintness
 - D. All of the above
56. A potentially responsible letter (PRP) sent to a client is not a claim, but is serious enough to establish _____.
- A. The carrier's duty to defend
 - B. Liability
 - C. Intent to file a claim
 - D. A precedence
57. Twisting or churning is defined as _____ for the purpose of inducing a client to change, surrender or laps an existing policy.
- A. Monetary reimbursement
 - B. Defamation
 - C. Misrepresentation
 - D. Misleading
58. Due to changing technology, e-mails should be treated the same as _____. Check them often and return them promptly.
- A. Letters
 - B. Phone calls
 - C. Faxes
 - D. Walk-ins
59. In Saunders vs Cariss, a client sued his agent for _____.
- A. Misrepresentation
 - B. Signing his name without authorization
 - C. Stealing premiums
 - D. Insufficient coverage
60. Segregation of loss exposures involves arranging an organization's activities so that no _____ can cause simultaneous losses to all of them.
- A. Group of people
 - B. One person
 - C. Single event
 - D. Environmental exposure

--END EXAM--

163	Loss Control Practices Exam	22 Hours	Instructions
------------	------------------------------------	-----------------	---------------------

Fill-in information below if you plan to fax or mail answers. Or, Submit Answers & get Certificates online at CEclass.com—click My Account

Name _____ E-Mail _____

Address: _____ Phone (_____) _____

City _____ State _____ Zip _____

Calif. License # _____ Type: ___ Life ___ Health ___ P&C Renewal Date _____

I certify I have reviewed the course book and completed this exam on my own. I agree to all [course conditions](#) at [www.CEclass.com](#). If I have not paid yet, I enclose a check or authorize you to charge the credit / debit card below or one you may already have on file.

X _____ Dated _____
Signature (Required)

Visa MC AE Disc Credit Card # Expires \$ _____ Amount

- More Exams & Books at CEclass.com**
1. Review book.
 2. Fill-in answers below.
 3. Choose How To Send below.
 4. Get results in 10 days by mail or quicker via CEclass.com at My Account.
 5. Credits sent to DOI M/W/F

How To Send

4 Ways To Send When Finished: 1) ONLINE (quickest): [www.CEclass.com](#) (choose My Account) 2) FAX to (951) 296-3004 3) Email to orders@ceclass.com or 4) MAIL to Affordable Educators at PO BOX 2048, Temecula, CA 92593

Quicker Results

INSTANT GRADING & CERTIFICATE: Grade your test and get an instant Certificate of Completion ONLINE using **My Account** at www.CEclass.com

DOI CREDIT RUSH: CE hours are posted by DOI in approximately 48 hours (NO holidays & weekends). Check below or choose this service online.
___ YES. Charge \$15 to rush ALL my DOI credits.

Mark Your Answers With a Dark Pencil

If You Mail This Sheet, Make a Copy Before Sending

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