

Test Alert!

Mississippi Property and Casualty Insurance

License Exam Manual

9/1/07

P&C

The information included in this release, in addition to your other Kaplan Financial materials, is designed to assist you in preparing for concepts that your exam may include. We urge you to read it carefully and take time to review the sample questions and rationales.

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Unit 1—Policy Territory (page 18)

Puerto Rico is included in all policies that apply to US territories and possessions.

Unit 4—Period of Restoration (page 77)

The time during which the insured must suspend operations is known as the **period of restoration**. Once a building is repaired, rebuilt, or replaced, the period of restoration ends, and business income coverage terminates.

Unit 7—Commercial General Liability (page 146)

Fire legal liability is known on newer CGL policies as Damage to Premises Rented to You.

Unit 7—Umbrella Policies (page 154)

Examples of coverage

If an insured has a homeowners policy with liability coverage of \$100,000 and a personal umbrella policy with coverage of \$1 million, the umbrella policy would pay for a covered loss after the limits of the homeowners policy were exhausted. For a \$600,000 loss, the homeowners policy would pay \$100,000, and the umbrella policy would pay \$500,000.

For losses that are excluded by the underlying policy, the umbrella policy would cover the loss, minus the amount of the retention limit (which acts like a deductible and must be paid for out of pocket). If an insured has a homeowners policy with liability coverage of \$100,000, and a personal umbrella policy with coverage of \$1 million, and a retention limit of \$5,000, then a \$600,000 loss excluded by the underlying policy would be paid by the umbrella policy in the amount of \$595,000. The first \$5,000 of the loss would be paid by the insured.

Unit 8 —Businessowners Policy (page 166)

The money and securities optional coverage also applies while the money and securities are at the insured's place of business.

Part II

Sample Questions

There are no new sample questions at this time.

Part III

Answers and Rationales

There are no new answers and rationales at this time.

Part IV

Errata

1. Unit 2 Quiz

Question #7

The answer is listed as **A**. The correct answer is **B**.

2. Unit 4 Quiz

Question #1

The question should read “Which of the following statements concerning the commercial package policy are NOT correct?”

Question #4

This question applies to the businessowners policy and should appear in Unit 8.

4. Unit 6, page 133

Individual named insured endorsement should read CA 99 17.

5. Unit 8 Quiz

Question # 9

The correct answer is **B**. The rationale is incorrect. Employee vandalism, weather conditions, and negligent work are excluded on the BOP.

6. Unit 10 Quiz

Question #1

The answer is listed as **A**. The correct answer is **B**.

7. Sample Exam

Question # 9, page 111

This question has more than one right answer. It will be rewritten in the next edition. Aircraft hull coverage can be written for a variety of circumstances depending on what is listed in the declarations.

Question # 68, page 206

This question has more than one right answer. The listed answer, A, is incorrect. Business income is an available coverage, as is extra expense. There is no coverage specifically for consequential damage, which is just another name for a direct loss, generally; or business interruption, which is a type of business income coverage itemized in the commercial property coverage part.

To submit comments or suggestions, please send an email to errata@kaplan.com.

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