

DIRECTIONS: Each question is followed by four suggested answers. In each case, select the **one** that best answers the question.

1. In the Ocean Marine field, the term “average” means:
 - a. that coverage is estimated and written on a Named Peril basis
 - b. the ACV of the ship
 - c. loss or damage
 - d. annual premium for the policy divided by the term of the policy
2. A new dry cleaner opened last Tuesday. The owner has a General Liability policy, but it excludes coverage for property in the insured’s Care, Custody and Control. As an insurance agent, there is an opportunity to fill this insurance gap by recommending:
 - a. An Operations and Completion policy
 - b. A Performance bond
 - c. A Bailees Customers policy
 - d. A Jeweler’s Block policy
3. The nationwide definition of Marine Insurance includes all the following, **except**:
 - a. Imports
 - b. Exports
 - c. Instrumentalities of Communication
 - d. Equipment Breakdown
4. Zerona takes her mink coat to Adolfo Furs for storage during the summer. When the weather turns cold, Adolfo Furs returns the coat to her. Adolfo Furs is the:
 - a. Principal
 - b. Bailer
 - c. Bailee
 - d. Agent
5. Under an Ocean Marine policy, freight insurance has been purchased. This will protect the insured against what type of loss?
 - a. Indirect Loss
 - b. Property Damage Loss
 - c. Liability Loss
 - d. General Average
6. The Personal Articles Floater insures property against all the following losses, **except**:
 - a. wear and tear
 - b. deterioration
 - c. inherent vice
 - d. all the above
7. Ocean Marine policies provide coverage for several unique perils. One of those perils is **jettison**, which is:
 - a. A peril that damages only part of the cargo.
 - b. Any perils to which property in transit by water is exposed.
 - c. The voluntary sacrifice of the ship cargo to prevent further loss
 - d. An illegal act committed willfully by the ship’s captain or crewman for the purpose of damaging the ship or cargo.
8. In Ocean Marine, all the following is an implied warranty, **except**:
 - a. legality
 - b. seaworthiness
 - c. general average
 - d. condition of cargo
9. A Trucker’s form is used by:
 - a. common carriers that transport the goods of others for hire
 - b. owners of goods that may be liable for loss
 - c. owners to cover owned property transported by their own trucks

- d. all the above
10. Ocean Marine Protection and Indemnity coverage usually insures the ship owner against liability for all the following losses, **except**:
- Damage to or loss of the insured ship.
 - Injuries to seamen.
 - Damage to other vessels when caused by collision.
 - For cargo lost or damaged through negligence.
11. Personal Articles Floaters (PAFs) provide protection for certain valuables. PAFs cover all the following as scheduled items that can be separately listed and specifically insured, **except**:
- Musical instruments
 - Rare coin collections
 - Furs
 - Watercraft
12. In Ocean Marine, Hull policies insure against damage to or loss of:
- cargo transported
 - the ship itself
 - injuries to the crew.
 - legal liability
13. A Contractors Equipment Floaters is commonly used to insure:
- farm equipment and machinery
 - mobile equipment and construction machinery
 - shipments in transit
 - property on exhibition
14. Inland Marine policies are used to cover all the following **except**:
- Construction equipment off premises
 - Theatrical Props
- c. Property in transit
- d. Commercial buildings
15. The “Pair and Set” clause in Property Insurance contracts, notes that the loss of one item in the pair and set:
- Constitutes a partial loss
 - Does not constitute a partial loss
 - Constitutes a total loss
 - Pays the difference between ACV of the property before and after the loss
16. Inland Marine Insurance is used to insure all the following, **except**:
- Jewelry and Furs
 - Stamp Collection
 - Automobiles
 - Construction Equipment
17. Bailee forms are special floaters that provide:
- Legal liability coverage
 - Scheduled property coverage
 - Coverage for property in transit
 - Coverage for customers’ property
18. After a loss, if the insured and the insurer cannot agree about the value of the property, either may:
- Cancel the policy
 - Make a written demand for an appraisal
 - Request a judge make a decision
 - Choose an umpire to settle the dispute

19. The four major coverages of Ocean Marine insurance are all the following, **except**:
- a. Freight Insurance
 - b. Hull Coverage
 - c. Difference and Conditions Coverage
 - d. Protection and Indemnity (P&I)
20. All the following make a Monoline Commercial Inland policy, **except**:
- a. Commercial Inland Coverage part.
 - b. Common Policy Declarations
 - c. Common Policy Conditions
 - d. Common Valuation Clause