Insurance Licensing

NY-Independent-General-Adjuster

NewYorkIndependent General Adjuster (Series 17-70)

Latest Version: 6.0

Question: 1

Which of the following is a disruption of a joint in which the bone ends are no longer in contact?

A. Fracture
B. Dislocation
C. Sprain
D. Strain

Answer: B

Explanation:
The correct answer is B — Dislocation. A dislocation is a joint injury in which the normal relationship between the bones forming the joint is disrupted and the bone ends are forced out of their normal position. MedlinePlus describes a dislocation as disruption of the normal position of the ends of two or more bones where they meet at a joint.
A fracture, option A, is a break in a bone and does not necessarily involve displacement of a joint. A sprain, option C, involves stretching or tearing of ligaments that stabilize a joint, while the articulating bones may remain in their normal relationship. A strain, option D, principally involves injury to a muscle or tendon.
This terminology matters to an independent adjuster because accident, automobile, liability, disability, and workers compensation claims frequently require review of medical reports. The nature of an injury affects causation analysis, treatment requirements, expected recovery, disability duration, and valuation of damages.
The Series 17-70 curriculum includes interpretation of medical reports, basic anatomy, medical terminology, and common injuries as part of claims adjustment knowledge. A joint whose opposing bone surfaces are no longer normally positioned is therefore describing a dislocation, not merely a sprain or fracture.

Question: 2

A commercial umbrella policy provides coverage in which of the following situations?

A. A loss is covered under the underlying contract but the insurer of that contract becomes insolvent.
B. There is a large claim on a personal auto policy.
C. A loss contained within the underlying limit.
D. The policy limits on losses under the underlying policy were exhausted.

Answer: D

Explanation:

The correct answer is D. A commercial umbrella policy provides an additional layer of liability insurance above specified underlying policies, such as Commercial General Liability, Business Auto Liability, or Employers Liability. For a loss covered by both the underlying policy and umbrella, the umbrella generally begins responding after the applicable underlying limits have been exhausted by covered loss, subject to the umbrella's terms, limits, exclusions, and attachment requirements.
Travelers describes umbrella coverage as providing additional limits for types of losses covered by primary policies, while excess liability functions as another layer over primary protection. The Series 17-70 outline specifically tests commercial umbrella coverage, underlying limits, excess coverage, stand-alone coverage, and follow-form concepts.
Option A is incorrect because an umbrella ordinarily does not automatically drop down merely because an underlying insurer becomes insolvent; insolvency treatment depends on the umbrella's exact wording. Option B refers to a personal-auto exposure rather than the commercial liability structure asked about. Option C is incorrect because a loss still within the retained underlying limit is principally the responsibility of the underlying insurer or insured retention.
Thus, once the required underlying policy limits have been exhausted by covered claims, the umbrella layer can attach.
Therefore, D is correct.

Question: 3

Broad theft coverage may ONLY be endorsed on a Dwelling Policy if the

A. insured is the landlord.
B. building is vacant.
C. insured is the owner-occupant.
D. insured personal property belongs to the landlord.

Answer: C

Explanation:
The correct answer is C — the insured is the owner-occupant. The Broad Theft Coverage endorsement is designed to add theft protection to a Dwelling Policy for an eligible residence occupied by the named insured. Broad theft coverage is distinguished from limited theft coverage primarily by its eligibility and its ability to provide both on-premises and qualifying off-premises theft coverage.
For a dwelling, condominium, or cooperative unit, broad theft coverage requires the residence to be owner occupied. Where the dwelling is non-owner occupied, a limited theft form is generally the appropriate theft endorsement.
Option A is therefore insufficient because being a landlord does not make the insured eligible for the broad theft endorsement when tenants occupy the insured dwelling. Vacancy, option B, is not an eligibility requirement and may instead trigger important restrictions in theft coverage. Option D also fails because ownership of personal property by a landlord does not substitute for the occupancy requirement.
New York's official Series 17-70 outline expressly identifies the Broad Theft Endorsement (DP 04 83) as a tested Dwelling Policy endorsement. New York DFS's prelicensing topic locator likewise identifies DP 04 83 as required dwelling-policy subject matter.
Therefore, owner-occupancy makes C correct.

Question: 4

The self-insured portion of an insurance claim is called a

A. coinsurance.
B. principal.
C. liability.
D. deductible.

Answer: D

Explanation:
The correct answer is D. A deductible is the portion of an otherwise covered loss that the insured agrees to retain before the insurer becomes responsible for the remaining covered amount. In practical risk-management terms, it represents a form of self-insurance or risk retention because the policyholder absorbs losses up to the deductible amount.
New York Department of Financial Services describes a deductible as the amount the insured agrees to be responsible for when a covered loss occurs. DFS also explains that a higher deductible generally means the insured retains a larger portion of the risk and may receive a lower premium in return.
For example, if covered property damage equals $10,000 and the applicable deductible is $1,000, the insured ordinarily bears $1,000 and the insurer pays $9,000, assuming no other policy limitation applies.
Coinsurance is different; it is an insurance-to-value or cost-sharing mechanism and is not simply the initial dollar amount retained by the insured. “Principal” describes a party or monetary concept in other contractual contexts, while “liability” means legal responsibility.
The Series 17-70 curriculum includes deductibles, loss valuation, policy conditions, and claim settlement concepts.
Therefore, D is correct.

Question: 5

Under an HO-6 policy, Coverage A — Dwelling applies to all of the following EXCEPT

A. a water heater.
B. unattached appliances.
C. built-in kitchen cabinets.
D. attached bathroom fixtures.

Answer: B

Explanation:
The correct answer is B — unattached appliances. The HO-6 Condominium Unit-Owners form uses Coverage A differently from an ordinary homeowners dwelling form. Coverage A applies to qualifying alterations, appliances, fixtures, and improvements that are part of the building, together with specified items of real property pertaining exclusively to the residence premises and property for which the insured has insurance responsibility under the condominium association agreement.

Current judicial reproduction of condominium-policy language confirms that Coverage A includes "alterations, appliances, fixtures and improvements" that are part of the building on the residence premises.
Thus, a built-in kitchen cabinet is a fixture forming part of the unit. Attached bathroom fixtures likewise constitute building fixtures. A permanently installed water heater serving the unit can also qualify as building property depending on ownership and association responsibility.
An unattached appliance, however, ordinarily remains personal property rather than a building fixture. Such property is generally analyzed under Coverage C — Personal Property, not Coverage A. The key examination distinction is whether the property has become part of the building or remains movable personal property.
The Series 17-70 outline specifically requires knowledge of HO-2 through HO-6, definitions, Coverage A — Dwelling, Coverage C — Personal Property, and other Section I property coverages.

Question: 6

All of the following would be covered by Other than Collision (Comprehensive) coverage EXCEPT

A. interior damage from an electrical fire.
B. auto body damage caused by a roll-over.
C. interior and exterior flood damage.
D. auto body damage from a hailstorm.

Answer: B

Explanation:
The correct answer is B — auto body damage caused by a roll-over. In automobile physical damage insurance, Other Than Collision, commonly called Comprehensive coverage, protects against specified noncollision causes of physical loss. New York DFS specifically identifies theft, fire, flood, windstorm, glass breakage, vandalism, animal impact, and falling or flying objects as examples of comprehensive losses.
Accordingly, an electrical fire causing interior damage falls within the fire exposure contemplated by Comprehensive coverage. Flood damage to the vehicle is also a Comprehensive exposure, and hailstorm damage falls within windstorm/hail-type noncollision loss.
A roll-over or overturn, however, is classified as a collision loss. Collision coverage traditionally includes physical damage resulting from the covered automobile's impact with another vehicle or object and from upset or overturn. Thus, an automobile that rolls over during operation would require Collision coverage rather than Other Than Collision coverage.
This distinction is important because both coverages are optional physical-damage protections in most circumstances and may carry different deductibles. The adjuster must determine the actual mechanism of damage before selecting the applicable coverage.
The Series 17-70 Auto Insurance curriculum specifically tests Collision versus Other Than Collision physical damage coverage, exclusions, limits, and loss settlement.
Therefore, B is the exception.

Question: 7

What is the policy limit for personal liability supplement under Coverage L of a dwelling policy?

A. $50,000
B. $100,000
C. $150,000
D. $200,000

Answer: B

Explanation:
The correct examination answer is B — $100,000. A standard Dwelling Policy primarily provides property insurance; personal liability protection is added through the Personal Liability Supplement. Under that supplement, Coverage L — Personal Liability responds when an insured becomes legally liable for bodily injury or property damage caused by a covered occurrence. Coverage M separately provides Medical Payments to Others. The Series 17-70 outline expressly identifies the Personal Liability Supplement as a tested Dwelling Policy endorsement.
The traditional standard limit associated with Coverage L in licensing material is $100,000 per occurrence. Policy analyses of the ISO dwelling liability supplement also illustrate Coverage L using a $100,000 limit.
A technical distinction is important for claims practice: the actual contractual limit is ultimately the amount shown in the policy declarations or Personal Liability Schedule. Therefore, higher limits may be purchased when offered by the insurer. The question is testing the standard/default licensing-exam limit rather than asserting that every dwelling liability supplement is permanently restricted to $100,000.
Coverage L also generally includes the insurer's defense obligation in addition to covered damages, subject to the policy's exclusions and conditions.
Therefore, the required answer is B.

Question: 8

Accident-only policies commonly include benefits due to losses related to

A. accidental illnesses.
B. congenital diseases.
C. accidents or fortuitous events.
D. nonintentional bodily injury, regardless of accidental nature.

Answer: C

Explanation:
The correct answer is C. Accident-only insurance is a limited form of accident and health coverage in which benefits are triggered by an accident or specified category of accidental event, rather than by sickness generally. The NAIC defines an accident as an unexpected event or circumstance without deliberate intent and describes accident-only insurance as coverage for death, dismemberment, disability, hospital treatment, or medical care caused or necessitated by an accident or specified kinds of accidents.

Option A is incorrect because illness is not converted into an accident simply because its onset is unexpected. Coverage for sickness belongs to health or medical insurance provisions unless specifically included by another policy form. Option B, congenital diseases, similarly concerns medical conditions rather than accidental occurrences. Option D is too broad because the mere absence of intentional conduct does not automatically satisfy the policy's definition of an accidental injury or covered accident. There must be the required causal connection to an insured accidental event.
The Series 17-70 content outline expressly tests Accidental Injury, classes of accident and health coverage, limited policies, and specifically Accident-Only coverage.
Accordingly, a fortuitous, unexpected accidental event is the operative trigger, making C the correct answer.

Question: 9

At the insurer's request, an insured must assist the insurer in

A. enforcing any right of contribution or indemnity against any person liable to an insured.
B. making voluntary payments to claimants in advance of final settlement.
C. negotiating a settlement.
D. paying legal bills.

Answer: A

Explanation:
The correct answer is A. Liability insurance policies impose an assistance and cooperation condition on the insured. Under the traditional policy wording, the insured must cooperate with the insurer and, when requested, assist in the conduct of suits and in enforcing rights of contribution or indemnity against persons or organizations that may be liable to the insured for the covered injury or damage. Courts reproducing standard liability-policy language confirm this contractual obligation.
Option B conflicts with another fundamental liability-policy condition: an insured generally may not voluntarily make payments, assume obligations, or incur expenses without the insurer's consent, except for specifically permitted expenses such as immediate first aid under applicable forms. Unauthorized voluntary payments can prejudice the insurer's contractual control of the claim.
Option C is imprecise. Although an insured can be required to assist the insurer in making settlements, the insurer normally controls settlement negotiations within the authority granted by the liability contract. The question asks for the specific duty expressed in standard cooperation language, making A the precise choice. Paying legal bills, option D, is likewise not the insured's cooperation obligation where covered defense costs are contractually borne by the insurer.
The Series 17-70 outline expressly includes duties after loss, subrogation, third-party provisions, settlement procedures, and subrogation procedures.

Question: 10

When it comes to liability on a Businessowners Policy, the insurer's duty to defend ends if the

A. insured did not pay his taxes.
B. limits of insurance are used up.

C. insured missed a payment on his premium.
D. insurer feels they put in too many claims in the past.

Answer: B

Explanation:
The correct answer is B. Under Businessowners liability coverage, the insurer ordinarily has both a duty to indemnify for covered damages and a duty to defend the insured against qualifying suits. The defense obligation is broad, but it is not unlimited.
Standard BOP wording provides that the insurer's duty to defend terminates when the applicable limit of insurance has been used up through payment of judgments or settlements. Importantly, merely offering or depositing the policy limit is not necessarily sufficient; exhaustion must occur in accordance with the policy's contractual language.
Option A has no relationship to the policy's defense obligation. Tax-payment status is not a BOP liability-defense trigger. Option C can eventually create policy cancellation or lapse issues if premium obligations are not satisfied, but it does not describe the specific provision controlling termination of defense after a covered liability claim has arisen. Option D is entirely unsupported by the contract: an insurer cannot terminate its contractual defense obligation simply because it considers the insured's prior claim history excessive.
The Series 17-70 outline specifically tests Businessowners liability coverage, limits of insurance, liability exclusions, conditions, and claim handling.
Therefore, once the applicable liability limit has been properly exhausted through judgments or settlements, the duty to defend can end.
Thus, B is correct.

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