

Based on the information provided

Based on the information provided, I can help create a 20 question multiple choice study test by pulling relevant questions from the CAIB1 Practice Questions level 1 document. Here is a 20 question test:

1. Consideration is...

- a. The law of insurance
- b. A promise between parties
- c. A contract's binding force
- d. An exchange of something of value

2. A stock company is...

- a. A company that invests in other companies
- b. A company owned by stockholders who provide the capital to start and run the company
- c. Is owned by customers of the company
- d. A company that owns livestock

3. The most basic form of coverage is coverage from fire losses. The Insurance Act in Canada also ensures there is coverage for...

4. The difference between pure and speculative risk is...

- a. Speculative risk is insurable but pure risk is not
- b. Pure risk is insurable but speculative risk is not
- c. Both are insurable
- d. Neither are insurable

5. What is a tort?

- a. A type of insurance policy
- b. A civil wrong
- c. A criminal act
- d. A contract between two parties

6. Which type of tort is insurable?

- a. Intentional torts
- b. Negligence
- c. Strict liability
- d. All of the above

7. What is negligence?

- a. A type of insurance
- b. Failure to exercise reasonable care
- c. An intentional wrongful act
- d. A contract violation

8. What is the liability of a landlord in a building with multiple tenancy?

- a. The landlord has no liability
- b. The landlord is liable for injuries in common areas
- c. The landlord is liable for injuries inside tenant units
- d. The landlord has unlimited liability for all injuries

9. Explain the liability of employers for the tort of their employees

- a. Employers are never liable for employee torts

- b. Employers are liable only if they authorized the tort
- c. Employers can be vicariously liable for employee torts committed within the scope of employment
- d. Employers are always liable for all employee torts

10. Identify 3 categories of risk

- a. Personal, property, liability
- b. Life, health, disability
- c. Auto, home, business
- d. Fire, flood, earthquake

11. What is a physical hazard? Provide an example.

- a. A hazard relating to a person's actions, such as smoking
- b. A hazard relating to economic conditions, such as a recession
- c. A hazard relating to a physical condition, such as faulty wiring
- d. A hazard relating to legal issues, such as lack of permits

12. A moral hazard is...

- a. A physical condition that increases risk
- b. A person's tendency to take risks
- c. A hazard related to unethical behavior
- d. A hazard imposed by law

13. What is the main difference between "named perils" and "all risk" property policies?

- a. Named perils cover more risks
- b. All risk policies exclude certain perils
- c. There is no difference in coverage
- d. All risk policies cover all perils except those specifically excluded

14. What are the 3 types of property insured under a commercial property policy?

- a. Buildings, contents, stock
- b. Autos, equipment, inventory
- c. Cash, securities, records
- d. Fences, signs, landscaping

15. The principles of conduct governing an individual or group is known as:

- a. Morals
- b. Ethics
- c. Duties
- d. Laws

16. A broker's license may be revoked for:

- a. Recommending high commission products
- b. Misrepresentation or fraud
- c. Failing to meet sales quotas
- d. Working part-time hours

17. How many years is a CAIB license typically valid for before renewal in Ontario?

- a. 5 years
- b. 3 years
- c. 1 year
- d. For life

18. Continuing education credits are sometimes required to:

- a. Initially obtain a broker license
- b. Validate or renew a license

- c. Qualify for promotions
- d. Join industry associations

19. The statutory condition of salvage refers to:

- a. An insurer's right to damaged property after paying a claim
- b. An insured's obligation to protect damaged property
- c. Limitations on coverage for salvaged vehicles
- d. The claims settlement process

20. General average is a concept most relevant to:

- a. Auto insurance
- b. Home insurance
- c. Marine insurance
- d. Life insurance

Let me know if you need any clarification or have additional questions!