

# Other Than Life (OTL) Agent's Exam A Practice (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. Under a policy with a specified upper limit, which statement is true?**
  - A. The insurer will always pay the full amount of the loss.**
  - B. The insurer will pay up to the policy limit, regardless of the loss amount.**
  - C. The insurer will pay only a portion of the loss according to coinsurance.**
  - D. The insurer will pay only the actual cash value.**
  
- 2. In a break-in, specified perils will cover which item?**
  - A. Musical instruments that were in the trunk**
  - B. The bumper jack belonging to the insured automobile**
  - C. The insured's raincoat**
  - D. Property of the insured's passengers**
  
- 3. Which statement about the 3-D policy is true?**
  - A. Fidelity and wrongful abstraction of securities outside premises are covered automatically.**
  - B. It automatically covers sample shipments from France.**
  - C. Forgery and money orders are not covered.**
  - D. Other items are excluded unless specified.**
  
- 4. Under a Homeowner's policy, which statement about coins and stamp collections is true?**
  - A. They are always excluded from coverage.**
  - B. They are always fully covered without limits.**
  - C. They may be subject to special limitations and require consideration for full coverage under certain perils.**
  - D. They require no endorsement.**

5. The insured is driving Robert Brown's automobile as a temporary substitute and is responsible for an accident causing \$1200 damage to that automobile. Smith carries Collision on his own automobile with a \$300 deductible while Brown carries no Collision. How much would Smith's insurer pay?
- A. \$0
  - B. \$300
  - C. \$900
  - D. \$1200
6. In a surety bond, who is primarily protected by the bond?
- A. The obligee benefits from the bond.
  - B. The principal benefits from the bond.
  - C. The insured under a contract of insurance benefits from the bond.
  - D. The insurer benefits from the bond.
7. The property was insured for \$100,000, and valued at \$150,000, with an 80% coinsurance. The loss was \$80,000. The amount the client would receive is:
- A. \$80,000.
  - B. \$66,667.
  - C. \$96,000.
  - D. \$100,000.
8. In the context of completed operations coverage, which statement is correct?
- A. Liability arising from work performed before project completion.
  - B. Liability arising from non-construction activities.
  - C. Liability arising from work performed after project completion.
  - D. Liability due to property damage to the insured's own property.

- 9. Which policy is primarily designed to cover office equipment such as computers and printers?**
- A. Office Equipment Floater.**
  - B. Commercial Property Floater.**
  - C. Glass Insurance.**
  - D. Boiler & Machinery.**
- 10. Under Water Escape, Rupture Freezing peril, which statement is NOT TRUE?**
- A. Accidental discharge or overflow of water or steam from within a plumbing, heating or sprinkler system is covered (includes waterbeds and fish tanks).**
  - B. Sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam is covered.**
  - C. Freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance is covered.**
  - D. Damage caused by continuous or repeated seepage or leakage is covered.**

## Answers

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1. B
2. B
3. A
4. C
5. C
6. A
7. B
8. C
9. A
10. D

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## **Explanations**

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1. Under a policy with a specified upper limit, which statement is true?
- A. The insurer will always pay the full amount of the loss.
  - B. The insurer will pay up to the policy limit, regardless of the loss amount.**
  - C. The insurer will pay only a portion of the loss according to coinsurance.
  - D. The insurer will pay only the actual cash value.

A policy with a specified upper limit sets a maximum amount the insurer will pay for a covered loss. The payment is the lesser of the actual loss (minus any deductible) and the policy limit. So if the loss is smaller than the limit, you get that loss amount (minus deductible). If the loss is larger, you get only up to the limit (minus deductible). This makes the statement that the insurer will pay up to the policy limit, regardless of the loss amount, the correct one because the limit caps the payout. The other options don't fit: you wouldn't always receive the full loss if it exceeds the limit; coinsurance applies only if such a clause is in the policy; and paying only the actual cash value would depend on depreciation provisions and does not reflect the limit's cap.

2. In a break-in, specified perils will cover which item?
- A. Musical instruments that were in the trunk
  - B. The bumper jack belonging to the insured automobile**
  - C. The insured's raincoat
  - D. Property of the insured's passengers

Specified perils coverage pays for losses only when they fall under the named risks listed in the policy. In a break-in involving the insured's vehicle, the bumper jack that belongs to the insured automobile is considered part of the vehicle's own equipment and property of the insured, so it falls within the scope of coverage for the car's contents or equipment affected by a break-in. The other items are typically not covered under this type of break-in coverage: musical instruments in the trunk are personal belongings and usually require separate personal-property coverage; a raincoat is clothing and not a specified peril item; and property of the insured's passengers belongs to someone else and isn't covered by the insured's policy in this context. So the bumper jack is the item that would be covered.

### 3. Which statement about the 3-D policy is true?

- A. Fidelity and wrongful abstraction of securities outside premises are covered automatically.**
- B. It automatically covers sample shipments from France.**
- C. Forgery and money orders are not covered.**
- D. Other items are excluded unless specified.**

The 3-D policy is focused on protecting against losses from employee dishonesty and similar fraud, including when those losses involve securities outside the insured's premises. The statement that fidelity and wrongful abstraction of securities outside premises are covered automatically is true because this policy automatically includes coverage for such losses, even when the property is away from the insured's locations, without needing extra endorsements. This automatic outside-premises coverage reflects the policy's purpose of guarding against theft or misappropriation of securities by employees, whether the acts occur on site or elsewhere in transit. The other options don't fit: sample shipments from France aren't automatically covered under this basic scope, forgery and money orders are typically included in fidelity protections rather than excluded, and coverage isn't simply "other items are excluded unless specified" in a way that would negate the automatic outside-premises fidelity coverage.

### 4. Under a Homeowner's policy, which statement about coins and stamp collections is true?

- A. They are always excluded from coverage.**
- B. They are always fully covered without limits.**
- C. They may be subject to special limitations and require consideration for full coverage under certain perils.**
- D. They require no endorsement.**

In homeowners policies, collectibles such as coins and stamp collections are not treated like ordinary personal property. They usually carry special limits that cap how much the insurer will pay for a loss of these items, and some perils may be covered only if you arrange additional protection. Because of their high value and unique nature, many policies require scheduling or an endorsement to insure them for full value under specific perils. So the statement that these items may be subject to special limitations and require consideration for full coverage under certain perils reflects how this coverage actually works. These items aren't automatically excluded, nor are they guaranteed to be covered without limits, and they often do require an endorsement to achieve full protection.

5. The insured is driving Robert Brown's automobile as a temporary substitute and is responsible for an accident causing \$1200 damage to that automobile. Smith carries Collision on his own automobile with a \$300 deductible while Brown carries no Collision. How much would Smith's insurer pay?
- A. \$0
  - B. \$300
  - C. \$900**
  - D. \$1200

When you're driving a car you don't own as a temporary substitute, your own collision coverage can apply to damage you cause to that car, with the deductible reducing the amount paid. Here, Smith is at fault for \$1200 of damage to Brown's car while using Brown's vehicle. Smith has collision coverage on his own car with a \$300 deductible, so the insurer would pay the damage amount minus the deductible:  $\$1200 - \$300 = \$900$ . The fact that Brown has no collision simply means Brown's own policy wouldn't cover the loss, but Smith's collision coverage would still respond to the damage to the non-owned car, subject to the deductible. Therefore, the insurer would pay \$900.

6. In a surety bond, who is primarily protected by the bond?
- A. The obligee benefits from the bond.**
  - B. The principal benefits from the bond.
  - C. The insured under a contract of insurance benefits from the bond.
  - D. The insurer benefits from the bond.

In a surety bond, the protection is aimed at the party that needs assurance about performance—the obligee. A surety bond is a three-party arrangement: the principal is the one who must perform the contract, the obligee is the party who requires the bond to protect against losses if the principal fails, and the surety is the company guaranteeing the principal's obligations. If the principal defaults or fails to meet the contract terms, the surety covers the loss up to the bond amount and then seeks reimbursement from the principal. That structure makes the obligee the primary beneficiary of the bond, because the bond's purpose is to ensure the obligee is compensated for any default by the principal. Bonds are distinct from insurance and are not primarily for the benefit of the principal or the insurer.

7. The property was insured for \$100,000, and valued at \$150,000, with an 80% coinsurance. The loss was \$80,000. The amount the client would receive is:
- A. \$80,000.
  - B. \$66,667.**
  - C. \$96,000.
  - D. \$100,000.

Coinsurance means you must carry at least a certain percentage of the property's value to receive full payment for a loss. Here, the value is 150,000 and the requirement is 80%, so the minimum amount to insure for full coverage is  $150,000 \times 0.80 = 120,000$ . The policy only covers 100,000, which is  $100,000 / 120,000 = 5/6$  of the required amount. In a coinsurance scenario, the payout for a loss is the same fraction of the loss as the insured amount is of the required amount. So the payout is  $(5/6) \times 80,000 = 66,666.67$ , rounded to 66,667. The client would receive 66,667.

8. In the context of completed operations coverage, which statement is correct?
- A. Liability arising from work performed before project completion.
  - B. Liability arising from non-construction activities.
  - C. Liability arising from work performed after project completion.**
  - D. Liability due to property damage to the insured's own property.

Completed operations coverage focuses on liability that arises after the work has been finished and turned over to the owner. It kicks in when problems from finished work cause damage or injury later, not while the project is still in progress. That makes the statement about liability arising from work performed after project completion the best fit for this coverage, since it targets post-completion exposure. The other scenarios don't align with completed operations. Liability from work done before completion relates to the construction period, not post-completion risk. Non-construction activities fall outside the scope of completed operations. Liability for damage to the insured's own property is typically excluded or addressed by other types of coverage, not the completed operations exposure.

**9. Which policy is primarily designed to cover office equipment such as computers and printers?**

- A. Office Equipment Floater.**
- B. Commercial Property Floater.**
- C. Glass Insurance.**
- D. Boiler & Machinery.**

The main idea is that office equipment like computers and printers needs coverage that follows the items wherever they go and protects high-value, moveable gear. An Office Equipment Floater is designed exactly for this exposure. It provides scheduled coverage for portable, often high-value office equipment, with limits assigned to individual items and the option to cover newly acquired equipment. This means computers, printers, and similar devices are protected not just at a single location but also while in transit or off the premises, against perils such as theft or physical damage. A Commercial Property Floater is broader and can cover a wide range of business contents, but it isn't specialized for the nuances of portable office equipment. Glass Insurance covers glass breakage, not computers or printers. Boiler & Machinery focuses on mechanical and electrical equipment that powers a facility, not typical office devices.

**10. Under Water Escape, Rupture Freezing peril, which statement is NOT TRUE?**

- A. Accidental discharge or overflow of water or steam from within a plumbing, heating or sprinkler system is covered (includes waterbeds and fish tanks).**
- B. Sudden and accidental bursting, tearing apart, cracking, burning or bulging due to the pressure of water or steam is covered.**
- C. Freezing of any part of a plumbing, heating, sprinkler, air conditioning system or domestic appliance is covered.**
- D. Damage caused by continuous or repeated seepage or leakage is covered.**

Under Water Escape, Rupture Freezing peril, the key idea is understanding what kinds of water-related damage are covered when the event is sudden versus gradual. Continuous seepage or leakage is not covered. This peril is designed to protect against sudden, accidental water-related incidents—like an unexpected discharge or overflow from plumbing, heating, or sprinkler systems (including waterbeds and fish tanks), a sudden burst due to pressure, or damage from freezing that happens as a result of a sudden event. Gradual leaks that occur over time are considered ongoing wear-and-tear or maintenance issues, not a single abrupt incident, so they're excluded from this coverage.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://otherthanlifea.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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