MISSISSIPPI INSURANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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.

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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!

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Questions

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1. What type of auto policy coverage would pay for damages from a hit-and-run accident?

A. Liability coverage

B. Collision coverage

C. Uninsured motorist coverage

D. Comprehensive coverage

2. What type of coverage form is used for buildings that are currently under construction?

A. Builder's risk coverage form

B. General liability coverage form

C. Property damage coverage form

D. Contractor's equipment coverage form

3. Which of the following must a producer do promptly after a change of address?

A. Notify the insurer only

B. Submit a supervised report

C. Notify a client within 60 days

D. Notify the Commissioner

4. A liability insurance policy primarily pays which party?

A. The insured

B. The insurer

C. The third party

D. The claimant

5. What are the two flood insurance programs available?

A. Basic program and advanced program

B. Emergency program and regular program

C. Standard program and excess program

D. Short-term program and long-term program

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6. What type of liability would apply to a homeowner with a pet tiger if a neighbor's child is injured after managing to open the cage?

A. Negligent liability

B. Absolute liability

C. Vicarious liability

D. General liability

7. Which dwelling form pays losses to dwellings and other structures on an actual cash value basis?

A. DP-1

B. DP-2

C. DP-3

D. DP-4

8. Ray's auto policy has a $50,000 bodily injury limit and a $25,000 property damage limit. This structure is an example of?

A. Combined limit policy

B. Monoline policy

C. Split limit policy

D. Aggregate limit policy

9. Which coverage type excludes certain loss scenarios related to intentional actions?

A. Comprehensive coverage

B. Liability coverage

C. Collision coverage

D. Excusable loss coverage

10. An insured whose legally parked car is damaged by a mudslide may collect for damages under which of the following coverages?

A. Collision

B. Comprehensive

C. Other-than-collision

D. Liability

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Answers

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

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Explanations

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1. What type of auto policy coverage would pay for damages from a hit-and-run accident?

A. Liability coverage

B. Collision coverage

C. Uninsured motorist coverage

D. Comprehensive coverage

Uninsured motorist coverage is designed to protect a policyholder in situations where they are involved in an accident with a driver who does not have insurance or cannot be identified, as in a hit-and-run scenario. This type of coverage is particularly crucial because it ensures that the insured party can recover costs associated with damages or injuries resulting from an accident caused by an unidentified or uninsured driver. When a hit-and-run occurs, the responsible party cannot be located, making the claim against their liability coverage impossible. Therefore, uninsured motorist coverage steps in to provide compensation for the losses incurred. Liability coverage, on the other hand, only pays for damages to another party when the policyholder is at fault, and comprehensive coverage deals with non-collision-related incidents like theft or weather damage. Collision coverage typically covers damages to the policyholder's vehicle resulting from a collision, regardless of who is at fault, but it does not specifically address hit-and-run situations involving uninsured drivers. Thus, the type of coverage that directly applies in this instance is indeed uninsured motorist coverage.

2. What type of coverage form is used for buildings that are currently under construction?

A. Builder's risk coverage form

B. General liability coverage form

C. Property damage coverage form

D. Contractor's equipment coverage form

The Builder's risk coverage form is specifically designed to protect buildings and structures while they are under construction. This type of insurance provides coverage for various risks associated with the construction process, including damage due to fire, vandalism, theft, and certain natural disasters. It ensures that the investing parties—such as the property owner, contractor, and subcontractors—are protected from financial loss during the construction phase. This form is crucial because standard property insurance policies typically exclude coverage for structures that are not yet complete. Builder's risk insurance fills this gap by offering broad protection tailored to the unique risks associated with construction, thereby giving stakeholders peace of mind during the project. In contrast, general liability coverage protects against claims of bodily injury or property damage resulting from business operations, rather than focusing specifically on the construction of the building. Property damage coverage is a broader insurance category that does not specifically address the needs of ongoing construction projects. Contractor's equipment coverage, while important, mainly secures the tools and equipment used by contractors rather than the structure itself during its construction phase.

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3. Which of the following must a producer do promptly after a change of address?

A. Notify the insurer only

B. Submit a supervised report

C. Notify a client within 60 days

D. Notify the Commissioner

When a producer changes their address, it is essential to notify the Commissioner of Insurance promptly. This requirement helps ensure that the state's regulatory authority has accurate and up-to-date information about licensed producers. Keeping the Commissioner informed is crucial for maintaining compliance with state regulations, which can facilitate communication regarding licensing, renewals, and potential audits. Notifying the insurer is important, but the primary formal requirement under insurance regulations is to inform the Commissioner. This way, all relevant records are updated in the state database, which can help in maintaining transparency and proper oversight of licensed agents. Other options, such as notifying a client or submitting a supervised report, may not be legally required or necessary to maintain one's license status in the same way.

4. A liability insurance policy primarily pays which party?

A. The insured

B. The insurer

C. The third party

D. The claimant

A liability insurance policy is designed to protect the insured from the financial consequences of claims made against them by third parties. When a covered event occurs, such as an accident resulting in injuries or damage to another individual or their property, the liability insurance policy steps in to cover the costs associated with those claims. This typically includes legal fees, settlements, and judgment amounts. The definition of liability insurance emphasizes that it exists to address the financial impact of a policyholder's potential negligence towards others. As a result, the payment is directed to the third party who has suffered the loss or injury, rather than to the insured or the insurer. In this context, the main function of the policy is to protect the insured's financial interests while satisfying the legitimate claims of injured parties.

5. What are the two flood insurance programs available?

A. Basic program and advanced program

B. Emergency program and regular program

C. Standard program and excess program

D. Short-term program and long-term program

The correct answer is based on the structure of the National Flood Insurance Program (NFIP), which has two distinct phases designed to provide flood insurance in various circumstances. The emergency program acts as the initial phase, offering basic coverage to communities that have just joined the NFIP, while they work towards fulfilling the requirements for full participation. This program provides limited coverage and is intended to give immediate assistance following a flood event. As communities develop their floodplain management plans and gain full NFIP certification, they transition to the regular program. In this phase, broader coverage options and higher limits are offered, allowing for more comprehensive flood insurance protections. This tiered approach helps to ensure that communities are properly managed and engaged in flood risk mitigation while still providing necessary coverage options to policyholders.

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6. What type of liability would apply to a homeowner with a pet tiger if a neighbor's child is injured after managing to open the cage?

A. Negligent liability

B. Absolute liability

C. Vicarious liability

D. General liability

Absolute liability applies in this situation because it holds individuals or entities responsible for harm caused by certain inherently dangerous activities, regardless of negligence or fault. In the case of owning a pet tiger, the presence of a wild animal poses a significant risk to others in the vicinity. This type of liability is designed to ensure that individuals who engage in high-risk activities or own dangerous animals are responsible for any resulting injuries, even if they took precautions to prevent such incidents. For instance, regardless of how secure the cage was or if the owner was attentive, the fact that a potentially dangerous animal is involved means that the owner can still be held liable for any injuries that occur. This concept is rooted in public safety, emphasizing that certain risks cannot be fully controlled, and therefore, the owner must be held accountable for any consequences that arise from their ownership of such a dangerous creature. In contrast, negligent liability typically requires proof that the owner failed to take reasonable care, which isn't necessary for absolute liability. Vicarious liability pertains to responsibility for actions taken by others, often within an employment context, and general liability encompasses a broader range of claims but doesn't specifically address the unique risks associated with owning dangerous animals.

7. Which dwelling form pays losses to dwellings and other structures on an actual cash value basis?

A. DP-1

B. DP-2

C. DP-3

D. DP-4

The dwelling form that pays losses to dwellings and other structures on an actual cash value basis is the DP-1. The Actual Cash Value (ACV) method considers the replacement cost of the property minus depreciation, meaning that the policyholder receives compensation based on the current value of the property, rather than what it would cost to replace it with a new one. The DP-1, or Dwelling Property Basic Form, is typically the simplest and most basic of the dwelling forms offered. It primarily covers the structure itself, as well as other structures on the property, but does so on an ACV basis, which can lead to a lower payout in the event of a loss compared to forms that offer replacement cost coverage. In contrast, the DP-2 and DP-3 forms provide broader coverage options and may offer replacement cost coverage for the structures involved, which means they would cover the cost to replace the dwelling or other structures without factoring in depreciation. The DP-4 is less common and typically associated with mobile homes. The key characteristic of the DP-1 form distinguishes it as the only option among these alternatives that uses the actual cash value method for settlement of claims. Thus, the DP-1 specifically addresses this need for ACV in

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8. Ray's auto policy has a $50,000 bodily injury limit and a $25,000 property damage limit. This structure is an example of?

A. Combined limit policy

B. Monoline policy

C. Split limit policy

D. Aggregate limit policy

The situation described in the question represents a split limit policy. In a split limit policy, the coverage limits for bodily injury and property damage are separated. In this case, Ray's auto policy specifically outlines a maximum of $50,000 for bodily injury per person and $25,000 for property damage per incident. This means that if he were to be at fault in an accident, his insurance would cover up to $50,000 for injuries to others, while limiting property damage coverage to a maximum of $25,000. This structure differentiates it from a combined limit policy, where a single limit applies to both bodily injury and property damage collectively. A monoline policy refers to an insurance policy that provides coverage for a single line of insurance, usually not applicable since the focus is on the limits rather than the coverage types. An aggregate limit policy generally applies to multiple occurrences or accidents, indicating a total limit on the insurer's liability over a certain period, which is not relevant in this instance. Thus, the example clearly illustrates how the split limits function in Ray's auto policy.

9. Which coverage type excludes certain loss scenarios related to intentional actions?

A. Comprehensive coverage

B. Liability coverage

C. Collision coverage

D. Excusable loss coverage

The correct answer is collision coverage, which is designed to cover damage to your vehicle resulting from a collision with another vehicle or an object, such as a tree or a guardrail. However, it specifically excludes losses that occur as a result of intentional actions. This means if a driver intentionally causes damage to their own vehicle or engages in reckless driving leading to a collision, those scenarios would not be covered under collision coverage. Understanding that certain types of coverage, like comprehensive coverage, focus on non-collision events (such as theft or natural disasters) helps to emphasize the specific nature of collision coverage. Liability coverage, on the other hand, addresses harm or damage caused to others, which is also not relevant to intentional loss exclusions related to one's own vehicle. Excusable loss coverage is not a standard term used in insurance, indicating that it does not pertain to established insurance practices and options. The distinction lies in the clear boundaries set by collision coverage regarding intentional losses, which reinforces its role in protecting only against unintentional, accidental events.

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10. An insured whose legally parked car is damaged by a mudslide may collect for damages under which of the following coverages?

A. Collision

B. Comprehensive

C. Other-than-collision

D. Liability

The correct choice is comprehensive coverage. This type of insurance is designed to cover damages to a vehicle caused by events that are not related to a collision with another vehicle. Mudslides fall into the category of natural disasters or acts of nature, which are typically covered under comprehensive policies. Comprehensive coverage protects against a wide range of incidents, including theft, vandalism, fire, and various weather-related damages, making it the suitable option in this scenario. Additionally, this coverage would be activated because the vehicle was legally parked and not involved in an accident with another vehicle. Other options, such as collision coverage, specifically apply to damages resulting from the vehicle's collision with another object, which does not apply here. Liability coverage protects against damages or injuries that the insured might cause to others but does not cover damages to the insured's own vehicle. The term "other-than-collision" is not commonly used in insurance terminology and does not specifically indicate a type of coverage; thus, it's less relevant in this context.

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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.

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

https://msinsurance.examzify.com

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

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