Agent/Broker Review Company (ABRC) Casualty Practice Exam (Sample)

Study Guide

BY EXAMZIFY

Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 6
Answers 9
Explanations 11
Next Steps 17

SAMPLE

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.

SAMPLE

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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. What is an important educational role of the Insurance Information Institute?

A. To assess insurance companies' performance

B. To misinform the public about policies

C. To promote consumer awareness and understanding

D. To dictate policy pricing

2. What is the purpose of Drive Other Car Coverage?

A. To cover personal auto policies for business executives

B. To protect business owners who are not on a personal auto policy

C. To ensure all employees have comprehensive auto insurance

D. To provide insurance for rented vehicles only

3. Who is typically insured under a Commercial General Liability (CGL) policy?

A. Only the business owner

B. Only employees acting outside their job scope

C. The business and its officers, employees, and partners

D. Independent contractors working for the business

4. What does Auto Medical Payments Coverage provide?

A. Covers medical expenses for the insured only

B. Covers passengers if the insured is legally responsible

C. Covers all household members injured by any auto

D. Covers only those injured in an accident involving an uninsured driver

5. When does a policy typically lapse?

A. After a renewal period starts

B. If the insured fails to pay premiums

C. Upon reaching its maximum coverage limit

D. When the policyholder changes address

SAMPLE

6. What is covered by a business auto policy?

A. Any personal vehicle

B. Any auto owned by a business firm

C. Only large trucks over a certain weight

D. Luxury cars owned by individuals

7. In insurance, what does risk represent?

A. The chance of losing property

B. The likelihood of a peril causing a loss

C. The amount of coverage sold to clients

D. The premium rates charged for policies

8. What is the purpose of a supplemental reporting period in an insurance policy?

A. To extend the time for reporting claims

B. To increase the coverage amount

C. To reduce the policy premium

D. To change the retroactive date

9. Which coverage specifically addresses claims for wrongful entry or eviction?

A. Incidental insured contracts liability

B. Commercial Excess/Umbrella Liability Coverage

C. CGL B for personal and advertising injury liability

D. CGL C for medical expenses

10. What benefit does an endorsement for a supplemental reporting period provide?

A. Reduces the policy premium

B. Extends the time frame for reporting claims

C. Increases the claim limit

D. Clarifies the terms of the policy

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is an important educational role of the Insurance Information Institute?

A. To assess insurance companies' performance

B. To misinform the public about policies

C. To promote consumer awareness and understanding

D. To dictate policy pricing

The Insurance Information Institute (III) plays a critical educational role by promoting consumer awareness and understanding of insurance-related topics. This organization provides resources, research, and information that help individuals navigate the complexities of insurance policies, coverage options, and industry practices. By educating consumers, the III empowers them to make informed decisions concerning their insurance needs, which enhances overall understanding of the insurance landscape and promotes better consumer engagement. Other considerations clarify why the other options do not fit as well. Assessing insurance companies' performance is not central to the III's mission but is typically the realm of regulatory agencies and industry analysts. Misleading the public about policies runs contrary to the institute's purpose of fostering awareness and informed decision-making, which is integral to building consumer trust. Dictating policy pricing would involve control over market dynamics that the III does not possess; pricing is determined by insurers based on various factors including risk assessments and market conditions.

2. What is the purpose of Drive Other Car Coverage?

A. To cover personal auto policies for business executives

B. To protect business owners who are not on a personal auto policy

C. To ensure all employees have comprehensive auto insurance

D. To provide insurance for rented vehicles only

Drive Other Car Coverage is designed primarily to extend personal auto insurance benefits to individuals who may not have their own policy but occasionally drive vehicles that are not owned by them, such as rental cars or vehicles borrowed from friends or family. This is particularly relevant for business owners or executives who may not be listed on a personal auto policy but still require coverage when they are driving non-owned vehicles. This type of coverage allows these individuals to operate vehicles without the fear of inadequate insurance, ensuring that they receive some level of protection in case of an accident while driving a car that does not belong to them. The focus here is on providing the necessary insurance to persons who would not otherwise have it through their normal auto insurance policies. In contrast, other options do not encapsulate the primary purpose of Drive Other Car Coverage. For example, companies may have comprehensive policies for employees, but this coverage is specifically tailored to personal use of vehicles that the insured does not own, making option B the most accurate descriptor of its purpose.

SAMPLE

3. Who is typically insured under a Commercial General Liability (CGL) policy?

A. Only the business owner

B. Only employees acting outside their job scope

C. The business and its officers, employees, and partners

D. Independent contractors working for the business

A Commercial General Liability (CGL) policy is designed to provide broad coverage for businesses against a variety of liability claims. The correct answer reflects the comprehensive nature of protection offered under this type of policy. Typically, a CGL policy insures the business itself, along with its officers, employees, and partners. This means that not only the business owner but anyone directly involved with the business's operations is covered for liabilities that may arise from their work-related activities. The inclusion of officers, employees, and partners ensures that all aspects of the business are protected, as liability can stem from many different sources, including accidents that occur during normal business operations or claims of negligence. This comprehensive coverage is crucial for businesses to effectively manage potential risks associated with their activities and interactions with the public and clients. In contrast, options that focus solely on specific individuals (like only the business owner or only employees) overlook the broader protections that CGL policies are meant to provide. Additionally, independent contractors may need separate coverage as their relationship with the business can complicate liability claims, and they are not automatically included in a standard CGL policy.

4. What does Auto Medical Payments Coverage provide?

A. Covers medical expenses for the insured only

B. Covers passengers if the insured is legally responsible

C. Covers all household members injured by any auto

D. Covers only those injured in an accident involving an uninsured driver

Auto Medical Payments Coverage is designed to pay for medical expenses incurred by individuals injured in an automobile accident, regardless of who is at fault. This coverage typically applies not only to the insured driver but also extends to passengers in the vehicle at the time of the accident and, in many cases, covers household members who might be injured in any auto accident, regardless of whether they were in the insured vehicle or not. Therefore, the correct option conveys this broad protective feature, emphasizing that it covers all household members who are injured in any automobile accident, without the need to establish fault. This comprehensive coverage is an important benefit for ensuring that medical expenses related to auto injuries are addressed promptly, providing peace of mind for the insured and their family members.

SAMPLE

5. When does a policy typically lapse?

A. After a renewal period starts

B. If the insured fails to pay premiums

C. Upon reaching its maximum coverage limit

D. When the policyholder changes address

A policy typically lapses when the insured fails to pay premiums. This is crucial because insurance policies are agreements that require regular payments to maintain coverage. When a policyholder neglects to make timely payments, the insurer has the right to terminate the policy, leading to a lapse in coverage. This represents a significant risk for the insured, as they may find themselves without protection against potential claims or losses. While other factors like changes in address or renewal periods may affect the status of a policy, they do not directly lead to a lapse. A policy can continue to be in force during a renewal period or after a change of address, provided that premiums are paid as agreed. Additionally, reaching a maximum coverage limit may require a reassessment or increase in coverage but does not inherently result in a lapse. Thus, failing to meet the payment obligations is the primary cause of a policy lapse.

6. What is covered by a business auto policy?

A. Any personal vehicle

B. Any auto owned by a business firm

C. Only large trucks over a certain weight

D. Luxury cars owned by individuals

A business auto policy is designed specifically to provide coverage for vehicles that are owned, leased, or utilized by a business. This includes a range of vehicles used in the day-to-day operations of a business, such as cars, trucks, and vans that are owned by the business entity itself. The primary purpose of this policy is to protect against various risks associated with business-related vehicle use, including liability for bodily injury and property damage resulting from accidents. The nature of a business auto policy means it does not extend to personal vehicles that are owned by the employees or owners unless those vehicles are used specifically for business purposes as outlined in the policy. A business auto policy also does not apply to vehicles that are not under the ownership of the business, such as large trucks beyond a specific weight limit, or luxury cars owned by individuals, because these vehicles are not classified as business vehicles in the context of the policy. Therefore, the correct answer emphasizes the importance of properly insuring any vehicle that is owned and intended for use in the course of business operations to ensure adequate coverage for potential liabilities that may arise from their use.

SAMPLE

7. In insurance, what does risk represent?

A. The chance of losing property

B. The likelihood of a peril causing a loss

C. The amount of coverage sold to clients

D. The premium rates charged for policies

Risk in insurance encapsulates the potential for a loss to occur, which is fundamentally tied to the concept of peril. Peril represents specific events or circumstances that can result in a loss, such as natural disasters, accidents, or theft. By focusing on the likelihood of a peril causing a loss, we understand risk as a measurable factor that can be assessed and managed through various insurance products and policies. This understanding is crucial in determining coverage options, setting premiums, and establishing terms within insurance contracts. The higher the probability that a peril can lead to a loss, the greater the risk perceived by the insurer, which is then reflected in the policy's conditions and costs. This differentiation is essential in the insurance field, as it helps professionals and policyholders alike navigate the complexities of coverage and protection against potential losses.

8. What is the purpose of a supplemental reporting period in an insurance policy?

A. To extend the time for reporting claims

B. To increase the coverage amount

C. To reduce the policy premium

D. To change the retroactive date

The purpose of a supplemental reporting period in an insurance policy is primarily to extend the time for reporting claims. This feature is particularly significant in liability insurance policies, as it allows policyholders additional time after the policy term has ended to report claims for incidents that occurred during the coverage period. This extension is vital for insured parties because it can take time for claims to be identified or for the policyholder to become aware of a claim's potential. By providing a supplemental reporting period, insurers help ensure that policyholders are not unduly penalized for delays that can occur in the claims discovery process, thus safeguarding their interests and allowing them to maintain coverage for incidents that might surface after the policy has expired. The other options do not relate to the specific function of a supplemental reporting period. For instance, increasing the coverage amount pertains to altering policy limits or enhancements rather than the time aspect of reporting claims. Reducing the premium typically involves changes in risk factors or coverage levels, which is unrelated to claims reporting timelines. Changing the retroactive date is about modifying the coverage period's applicability for claims, rather than extending the time to report those claims. Therefore, the correct focus on extending the time for reporting claims is accurately represented by the answer provided.

SAMPLE

9. Which coverage specifically addresses claims for wrongful entry or eviction?

A. Incidental insured contracts liability

B. Commercial Excess/Umbrella Liability Coverage

C. CGL B for personal and advertising injury liability

D. CGL C for medical expenses

The coverage that specifically addresses claims for wrongful entry or eviction falls under Commercial General Liability (CGL) coverage, particularly the part that pertains to personal and advertising injury liability. This coverage is designed to protect against claims that arise from offenses such as invasion of privacy, wrongful eviction, wrongful entry, and other similar accusations. In this context, "wrongful entry" refers to situations in which someone is accused of entering a property without legal justification, while "wrongful eviction" would relate to claims made by individuals who believe they were unlawfully removed from a property. The CGL B section covers these types of claims, offering financial protection and legal defense costs, underlining its crucial role in managing risk associated with personal and advertising injury claims that can emerge in several contexts. Other coverage options, while relevant in their respective areas, do not provide specific protection for wrongful entry or eviction claims. Incidental insured contracts liability typically deals with liabilities assumed under certain types of contracts, while Commercial Excess/Umbrella Liability Coverage offers broader coverage limits above and beyond the primary insurance but does not specifically address wrongful entry or eviction. CGL C for medical expenses covers costs associated with bodily injury regardless of fault, making it unrelated to the issue of wrongful entry or eviction claims.

10. What benefit does an endorsement for a supplemental reporting period provide?

A. Reduces the policy premium

B. Extends the time frame for reporting claims

C. Increases the claim limit

D. Clarifies the terms of the policy

An endorsement for a supplemental reporting period is designed to extend the time frame for reporting claims that arise during a specific period after the expiration of a policy. This is particularly useful for claims-made policies, which only cover claims that are reported within the policy period. By allowing additional time for claims to be reported, this endorsement provides policyholders with greater flexibility and peace of mind, knowing that they can still report potential claims that occur during the coverage period even if they do not become known until after the policy has expired. This benefit is essential for ensuring that claims are addressed in a timely manner, especially in industries where exposure to risks may not become apparent until well after an incident occurs.

SAMPLE

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://abrccasualty.examzify.com

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

SAMPLE