AMERICAN INSTITUTE OF CONSTRUCTORS (AIC) LEVEL 2 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.

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

1. Which feature is associated with a hard market?

A. Less supply, higher demand, price increases, stricter underwriting

B. Higher demand, more supply

C. Lower demand, lower prices

D. Less supply, lower prices

2. If a client with SPF 1 has no group benefits and only requires chiropractic care under section B, what is the maximum benefit?

A. $50,000

B. $1,000

C. $51,000

D. $100,000

3. What is the Davis-Bacon Act and who does it affect?

A. Local prevailing wage requirement on state-funded or assisted contracts; affects contractors paying wages.

B. Federal prevailing wage requirement on federally funded or assisted contracts; affects contractors and subcontractors paying wages.

C. Insurance requirement for building permits; affects project managers.

D. A safety regulation on site trash disposal; affects all workers.

4. How are overhead and general conditions treated in a construction cost estimate?

A. They cover direct costs for running the project, such as site facilities, supervision, utilities, and temporary infrastructure.

B. They cover indirect costs for running the project, such as site facilities, supervision, utilities, and temporary infrastructure, allocated across the project.

C. They are profits earned by the contractor at completion.

D. They refer to insurance premiums for the owner's risk only.

5. Attendance package policy scenario reworded: which policy best fits renting accommodation and wanting contents and liability coverage?

A. Wishes to insure household goods temporarily in storage

B. Owns his or her own home and wants insurance on the building only

C. Rents accommodation from others and wants contents and liability coverage

D. Owns his or her own home, which is occupied by the tenant

6. Which option is not part of the hierarchy of controls?

A. Elimination

B. Substitution

C. PPE

D. Financial incentives

7. If the business owner is away on extended vacation, how does the commercial broad form policy apply to the property?

A. The Store Is Considered Occupied There For Fully Remaining Insured

B. The Store Is Vacant Not Occupied, Therefore Remains Insured

C. Because The Store Owner Is Away For More Than 30 Consecutive Days. The Store Has No Insurance

D. Because The Store Owner Is Away For More Than 30 Or More Consecutive Days. The Store Has No Insurance

8. A common carrier is defined as which of the following?

A. engages in transporting merchandise under an individual contract for a limited number of customers

B. is a truck driver who owns his or her vehicle, and works under a contract for Carrier

C. transports its own goods with its own vehicles

D. offers his or her services for hire

9. Which of the following is an objective of no-fault automobile insurance?

A. to enhance litigation processes

B. to make sure all injured parties get required medical care

C. to replace an adverse fuel system, by allowing claimants to recover their own

D. all of the above

10. AnSPF9 transportation networks policy is needed when which of the following is true?

A. Passenger hazard is a concern

B. An individual carpools with others

C. All of the above

D. Privately owned vehicles are used for ridesharing purposes

Answers

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

Explanations

1. Which feature is associated with a hard market?

A. Less supply, higher demand, price increases, stricter underwriting

B. Higher demand, more supply

C. Lower demand, lower prices

D. Less supply, lower prices

In a hard market, insurance capacity shrinks and buyers must compete for the available coverage. That tighter capacity leads to higher prices, as insurers charge more for the risk they take on. At the same time, underwriters tighten their standards, demanding more information and applying tougher terms to reduce risk. The combination of less supply, rising prices, and stricter underwriting is the hallmark of a hard market, and it's why this option fits best: it recognizes the reduced capacity, increased cost, and tougher risk assessment that characterize the market. The other scenarios describe softer conditions—more capacity with lower prices and looser underwriting—or mix signals that wouldn't align with a hard market.

2. If a client with SPF 1 has no group benefits and only requires chiropractic care under section B, what is the maximum benefit?

A. $50,000

B. $1,000

C. $51,000

D. $100,000

Understanding how SPF and plan sections influence the payout helps explain the number. SPF 1 sets the level of benefit available when there are no other plans to coordinate with. In this scenario, the base maximum for the coverage type under Section B (chiropractic care) is $50,000. Because there are no group benefits to reduce or offset that amount, the SPF 1 factor adds an additional $1,000, giving a total allowable benefit of $51,000. The designation of Section B tells you the service covered, but it doesn't change the total unless the SPF or group benefits modify it. So the maximum benefit is $51,000.

3. What is the Davis-Bacon Act and who does it affect?

A. Local prevailing wage requirement on state-funded or assisted contracts; affects contractors paying wages.

B. Federal prevailing wage requirement on federally funded or assisted contracts; affects contractors and subcontractors paying wages.

C. Insurance requirement for building permits; affects project managers.

D. A safety regulation on site trash disposal; affects all workers.

The Davis-Bacon Act establishes a federal wage standard for construction projects that are funded or assisted by the federal government. It requires contractors and subcontractors on those projects to pay workers at least the locally prevailing wages and fringe benefits for their job classifications, as determined by the Department of Labor. This means wages aren't set by the employer but by what is typical in the area for similar work, ensuring fair pay on federal projects and preventing underbidding to win bids. This only applies to projects with federal funding or federal assistance, and to the workers on those contracts. It doesn't govern state-funded or private projects unless those projects involve federal money. It also doesn't deal with insurance requirements, safety rules, or general project management duties, which is why the federal prevailing-wage requirement on federally funded or assisted contracts affecting contractors and subcontractors paying wages is the correct framing.

4. How are overhead and general conditions treated in a construction cost estimate?

A. They cover direct costs for running the project, such as site facilities, supervision, utilities, and temporary infrastructure.

B. They cover indirect costs for running the project, such as site facilities, supervision, utilities, and temporary infrastructure, allocated across the project.

C. They are profits earned by the contractor at completion.

D. They refer to insurance premiums for the owner's risk only.

Overhead and general conditions are indirect costs. They support the project as a whole rather than a single line item of work. Things like site facilities, supervision, utilities, and temporary infrastructure are part of this category because they benefit the entire project and can't be charged to one specific construction activity. Because of that, these costs are not added directly to one task; they're allocated across the project, typically as a percentage of the direct costs or by another fair basis. For example, if the project has substantial direct costs and an overhead/general conditions rate of 10%, that 10% is distributed across all work items, increasing the overall estimate to cover these ongoing project-support costs. They are not profits earned by the contractor, nor are they insurance premiums paid only for the owner's risk.

5. Attendance package policy scenario reworded: which policy best fits renting accommodation and wanting contents and liability coverage?

A. Wishes to insure household goods temporarily in storage

B. Owns his or her own home and wants insurance on the building only

C. Rents accommodation from others and wants contents and liability coverage

D. Owns his or her own home, which is occupied by the tenant

When you rent a place, you need a renters (tenants) policy that covers your personal belongings inside the rental and provides personal liability protection. This policy fits because you don't own the building, so building coverage isn't needed, but you do want to protect your contents from loss and have liability coverage if someone is injured or you cause damage. The option that describes renting accommodation from others and wanting both contents and liability coverage aligns with this need. The other scenarios don't fit: insuring goods in storage is about storage, not your apartment's contents; insuring the building only is a homeowners concern, not a renter's; and a property owned by you but occupied by a tenant points to landlord/owner coverage rather than renters coverage.

6. Which option is not part of the hierarchy of controls?

A. Elimination

B. Substitution

C. PPE

D. Financial incentives

The concept tested is how the hierarchy of controls ranks methods for reducing exposure to hazards. The hierarchy starts with removing the hazard entirely (elimination) or replacing it with something less hazardous (substitution). If the hazard can't be removed or replaced, the next steps are engineering controls that physically change the workplace to reduce exposure, followed by administrative controls that change how people work, and finally personal protective equipment, which acts as a last line of defense when other controls don't fully eliminate risk. Financial incentives don't function as a control that reduces hazard exposure. They influence behavior or outcomes but don't remove or weaken the hazard itself, nor do they change the working environment or procedures in the way the established controls do. Therefore they aren't considered part of the hierarchy of controls.

7. If the business owner is away on extended vacation, how does the commercial broad form policy apply to the property?

A. The Store Is Considered Occupied There For Fully Remaining Insured

B. The Store Is Vacant Not Occupied, Therefore Remains Insured

C. Because The Store Owner Is Away For More Than 30 Consecutive Days. The Store Has No Insurance

D. Because The Store Owner Is Away For More Than 30 Or More Consecutive Days. The Store Has No Insurance

In a commercial broad form policy, occupancy of the premises matters for coverage. If the store is left unattended for an extended period, it becomes vacant or unoccupied, and the policy typically includes a vacancy clause that limits or removes coverage after a set number of consecutive days—often 30. When the owner is away more than 30 days, the premises are considered vacant, and the insurer can deny coverage for losses that occur during that vacancy. That's why the correct choice states that after more than 30 consecutive days away, the store has no insurance. The other options imply the store remains insured despite being vacant, which doesn't align with how vacancy provisions operate in this form of policy.

8. A common carrier is defined as which of the following?

A. engages in transporting merchandise under an individual contract for a limited number of customers

B. is a truck driver who owns his or her vehicle, and works under a contract for Carrier

C. transports its own goods with its own vehicles

D. offers his or her services for hire

A common carrier is a business that provides transportation services to the public for compensation. It operates as part of a public service, willing to carry goods or people for any customer who requests service within its capacity, rather than limiting itself to a private contract or to transporting its own goods. The option that says someone offers services for hire best captures that public, for-hire transportation role. The other scenarios describe private or contract-specific arrangements: transporting merchandise under a contract for a limited number of customers isn't open to the public; a driver who owns the vehicle and works under a contract is more like an independent contractor; and transporting one's own goods with one's own vehicles is private carriage.

9. Which of the following is an objective of no-fault automobile insurance?

A. to enhance litigation processes

B. to make sure all injured parties get required medical care

C. to replace an adverse fuel system, by allowing claimants to recover their own

D. all of the above

The main idea here is that no-fault auto insurance is designed to speed up and simplify compensation by paying the insured's own losses, regardless of who was at fault, instead of relying on lengthy fault-based lawsuits. This shift aims to replace the traditional adversarial system with a streamlined process where claimants recover their own medical expenses and economic losses quickly, reducing the need for litigation. The option about enhancing litigation processes would work against no-fault's purpose, since one of its core goals is to reduce litigation and disputes over fault. The notion that all injured parties will automatically receive the required medical care fits more with public health and access issues rather than the fundamental objective of no-fault, which is about how losses are paid and disputes are handled, not guaranteeing care for everyone. Given that, choosing the statement that describes replacing the adversarial system by allowing claimants to recover their own losses best captures the essence of no-fault insurance. The wording in the item seems to have a typographical error, but the intended concept is clear: no-fault aims to move away from fault-based litigation toward prompt, claimant-directed recovery from one's own insurer.

10. AnSPF9 transportation networks policy is needed when which of the following is true?

A. Passenger hazard is a concern

B. An individual carpools with others

C. All of the above

D. Privately owned vehicles are used for ridesharing purposes

A transportation networks policy is required when people use their own cars to provide rides through a ridesharing platform. This setup creates regulatory and safety obligations that don't apply to informal carpooling or general hazard concerns. When privately owned vehicles are used for ridesharing, the service operates as a platform-based transportation option with drivers, customers, insurance considerations, vehicle standards, and liability responsibilities that need formal governance. Simply carpooling with others isn't operated through a formal platform, so it doesn't trigger the policy. While safety hazards are a concern in any travel scenario, they aren't the sole trigger for implementing a transportation networks policy; the key factor is the use of privately owned vehicles to offer rides via a network.

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://aiclevel2.examzify.com

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