

CAS Data Insurance Series Courses - Insurance Accounting (DISC IA) Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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 accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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.

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

SAMPLE

- 1. What occurs under Automatic Termination if a named insured does not renew their policy?**
 - A. The policy extends for another year automatically.**
 - B. The policy terminates at the end of the current period.**
 - C. The coverage remains in effect until the insured requests cancellation.**
 - D. The policy is replaced by a similar insurance plan.**

- 2. What might reduce damages in a defamation case?**
 - A. A retraction of the statement**
 - B. Providing new evidence**
 - C. The plaintiff being a public figure**
 - D. Both A and C are correct**

- 3. What type of coverage shifts the burden of proof to the insurer?**
 - A. Named perils coverage**
 - B. Open perils coverage**
 - C. Liability coverage**
 - D. Broad form coverage**

- 4. What kind of liability is considered under the principle of vicarious liability?**
 - A. Criminal liability**
 - B. Liability through agency relationships**
 - C. Financial liability due to business debts**
 - D. Environmental liability**

- 5. What does the burden of proof in a negligence case require from the plaintiff?**
 - A. To show their own negligence**
 - B. To provide evidence of a contract**
 - C. To prove all elements of negligence**
 - D. To demonstrate the defendant's intent**

- 6. In a situation where the plaintiff is found 30% at fault and the damages amount to \$100,000, what would the final awarded damages be under the 50 percent comparative negligence rule?**
- A. \$30,000**
 - B. \$50,000**
 - C. \$70,000**
 - D. \$100,000**
- 7. What kind of premium is specifically impacted by changes in the insured's business sales?**
- A. Reinstatement premium**
 - B. Audit premium**
 - C. Commercial liability premium**
 - D. Standard premium**
- 8. In a negligence claim, what must a plaintiff prove regarding the duty of care?**
- A. The defendant must have acted with high care**
 - B. The defendant must have owed a duty to the plaintiff**
 - C. The plaintiff must have been a reasonable person**
 - D. The incident must have been an unforeseen accident**
- 9. Which of the following is an example of expanded liability concepts?**
- A. Active negligence**
 - B. Negligent conduct**
 - C. Market share liability**
 - D. Assumption of risk**
- 10. What does the concurrent causation doctrine emphasize in insurance coverage?**
- A. The significance of physical evidence**
 - B. Covering losses from one or more independent causes**
 - C. Establishing liability based on negligence**
 - D. The importance of foreseeability**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What occurs under Automatic Termination if a named insured does not renew their policy?
 - A. The policy extends for another year automatically.
 - B. The policy terminates at the end of the current period.**
 - C. The coverage remains in effect until the insured requests cancellation.
 - D. The policy is replaced by a similar insurance plan.

Under Automatic Termination, if a named insured does not renew their policy, the policy terminates at the end of the current period. This means that once the policy reaches its expiration date and has not been renewed, the coverage ceases, and the insured is no longer protected under that policy. This mechanism is in place to ensure clarity and to avoid any confusion regarding coverage. When a policy reaches its term and renewal is not executed, it is understood that the contract has concluded, and the insurer is discharged from any further obligations. This highlights the importance of keeping track of policy dates and renewal processes to maintain continuous coverage. The other options suggest scenarios where coverage might persist or change without an active renewal, which does not align with the principle of Automatic Termination. Thus, acknowledging the specific dynamics of termination at the end of the policy term is crucial for understanding the implications of not renewing a policy.

2. What might reduce damages in a defamation case?
 - A. A retraction of the statement
 - B. Providing new evidence
 - C. The plaintiff being a public figure
 - D. Both A and C are correct**

In a defamation case, damages can often be influenced by various factors that relate to the nature of the statements made and the status of the individuals involved. A retraction of the defamatory statement serves as an acknowledgment of the error and a form of damage control, which might persuade the court to view the overall harm as less severe. By retracting the statement, the defendant shows a willingness to correct the misinformation, potentially reducing the plaintiff's claim for damages. Additionally, the status of the plaintiff as a public figure plays a significant role in determining damages in defamation cases. Public figures generally have a higher threshold to prove defamation, as they must demonstrate that the statement was made with actual malice, meaning the defendant knew it was false or acted with reckless disregard for the truth. This increased burden may limit the amount of recoverable damages if the standards are not met. Thus, both making a retraction of the statement and the plaintiff being a public figure can collectively contribute to a reduction in damages awarded in a defamation case. This reason supports the selection that acknowledges both factors as correct, thereby reinforcing the idea that the context of the defamation affects the legal outcomes concerning damages.

3. What type of coverage shifts the burden of proof to the insurer?

- A. Named perils coverage
- B. Open perils coverage**
- C. Liability coverage
- D. Broad form coverage

Open perils coverage is designed to provide broad protection by covering all risks of loss unless specifically excluded in the policy. This type of coverage places the burden of proof on the insurer to demonstrate that a particular loss falls under an exclusion. In contrast, named perils coverage only provides protection against those specific perils that are listed in the policy. Therefore, in named perils coverage, the policyholder would need to prove that the loss occurred due to one of the named perils to receive compensation. Liability coverage focuses on the insured's legal responsibility for causing harm to others, which involves different considerations regarding proof and damages. Broad form coverage is a hybrid that typically includes more perils than standard named perils coverage but still does not shift the burden of proof in the same manner as open perils coverage does. Understanding the distinction between open perils and other types of coverage is crucial in insurance accounting, particularly in how risk is transferred and the implications of claims and losses under different policies.

4. What kind of liability is considered under the principle of vicarious liability?

- A. Criminal liability
- B. Liability through agency relationships**
- C. Financial liability due to business debts
- D. Environmental liability

Vicarious liability is a legal doctrine that holds one party responsible for the actions of another based on their relationship. This principle is particularly relevant in agency relationships, where one party (the agent) acts on behalf of another party (the principal). In this context, if the agent commits a wrongful act while performing their duties, the principal can be held liable for those actions, as the agent is acting within the scope of their authority. This concept is fundamental in various areas of law, particularly in employment and tort law, where employers may be held liable for the actions of their employees if those actions occur during the course of employment. Understanding vicarious liability helps clarify the responsibilities and potential risks faced by parties in agency relationships, reinforcing the importance of proper oversight and management in organizations.

5. What does the burden of proof in a negligence case require from the plaintiff?

- A. To show their own negligence**
- B. To provide evidence of a contract**
- C. To prove all elements of negligence**
- D. To demonstrate the defendant's intent**

In a negligence case, the burden of proof requires the plaintiff to demonstrate all elements of negligence to establish their claim. This typically involves proving four crucial components: the existence of a duty of care owed by the defendant to the plaintiff; a breach of that duty; causation, which links the defendant's breach directly to the plaintiff's injuries; and actual damages suffered by the plaintiff. By successfully demonstrating each of these elements, the plaintiff can substantiate their claim of negligence and establish liability on the part of the defendant. In the context of the other options, attributing negligence to oneself, providing evidence of a contract, or demonstrating intent are not requisite for proving negligence, as these factors do not pertain to the foundational components needed to meet the plaintiff's burden of proof in such cases. Thus, the plaintiff must focus on proving the entirety of negligence to prevail in their case.

6. In a situation where the plaintiff is found 30% at fault and the damages amount to \$100,000, what would the final awarded damages be under the 50 percent comparative negligence rule?

- A. \$30,000**
- B. \$50,000**
- C. \$70,000**
- D. \$100,000**

Under the 50 percent comparative negligence rule, a plaintiff's recovery can be reduced based on their percentage of fault in the incident, but they can only recover damages if they are found to be less than 50% at fault. In this scenario, the plaintiff is found to be 30% at fault. To determine the final awarded damages, you first calculate the portion of the damages that is attributable to the plaintiff's fault. Since the total damages amount to \$100,000, the amount corresponding to the plaintiff's fault is calculated as follows: - The fault percentage of the plaintiff is 30%, so the amount to be deducted from the total damages due to the plaintiff's fault is 30% of \$100,000, which amounts to \$30,000. Next, you subtract this fault amount from the total damages: - \$100,000 (total damages) - \$30,000 (fault amount) = \$70,000. As the plaintiff is only 30% at fault, which is under the 50% threshold, they are still eligible to receive damages. Thus, the final awarded damages would be \$70,000. This calculation reflects how comparative negligence principles work in determining the amount of damages that can be recovered

7. What kind of premium is specifically impacted by changes in the insured's business sales?

- A. Reinstatement premium**
- B. Audit premium**
- C. Commercial liability premium**
- D. Standard premium**

The premium that is specifically impacted by changes in the insured's business sales is the commercial liability premium. This type of premium is typically calculated based on various factors, including the size and revenue of the insured business. As a business's sales fluctuate, so does the exposure it faces, which in turn can lead to adjustments in the premium amount. For instance, if a company experiences an increase in sales, its risk profile changes, potentially leading to higher liability exposure. Insurers assess these risks and adjust the commercial liability premium accordingly. Regular assessments of the company's sales and operations ensure that the premium reflects the current state of the business and its associated risk factors. Understanding the importance of this relationship highlights how commercial liability premiums are dynamic and responsive to the insured's operational realities, unlike other premiums that might not be directly tied to sales figures.

8. In a negligence claim, what must a plaintiff prove regarding the duty of care?

- A. The defendant must have acted with high care**
- B. The defendant must have owed a duty to the plaintiff**
- C. The plaintiff must have been a reasonable person**
- D. The incident must have been an unforeseen accident**

In a negligence claim, the plaintiff must demonstrate that the defendant owed a duty of care to them. This is a foundational element in establishing negligence. Duty of care refers to the legal obligation to adhere to a standard of reasonable care while performing any acts that could foreseeably harm others. To prove negligence, the plaintiff has to establish that the defendant's actions created a foreseeable risk of harm and that the defendant was, therefore, obligated to act in a way that could prevent that harm. If this duty is established, then the plaintiff can proceed to show that the defendant breached this duty, which ultimately caused the injury or damages in question. The other options do not accurately represent the legal requirements related to establishing a negligence claim. For instance, the concept of "high care" is not a necessary standard for duty; a standard of reasonable care is what's typically required. Similarly, the notion that the plaintiff must be a "reasonable person" pertains more to evaluating the defendant's actions rather than establishing the defendant's duty of care. Lastly, the requirement that the incident must have been an unforeseen accident does not align with the premise that negligence is often predicated on foreseeable consequences rather than unforeseeable ones.

9. Which of the following is an example of expanded liability concepts?

- A. Active negligence**
- B. Negligent conduct**
- C. Market share liability**
- D. Assumption of risk**

Expanded liability concepts extend the traditional notions of liability and introduce new ways to hold parties responsible for harm or damage in certain situations. Market share liability is a prime example of this concept. It allows for the distribution of liability among multiple manufacturers or distributors of a product when the specific source of harm cannot be identified, yet a group of parties is collectively responsible for a product that caused damage. This approach acknowledges that in cases where individual culpability cannot be established, the overall market (and its participants) can still be held accountable to ensure that victims are compensated. The other options, while related to liability, do not reflect the same expanded approach: - Active negligence refers to a party's direct and intentional behavior that contributes to harm, which is a more traditional view of liability. - Negligent conduct deals with a failure to act with reasonable care, resulting in harm, but does not expand the scope of liability beyond the traditional framework. - Assumption of risk involves a party knowingly exposing themselves to danger or risks associated with an activity, which limits their ability to claim damages rather than expanding liability. Thus, market share liability exemplifies how liability can be broadened to encompass collective responsibility among multiple parties, particularly when specific identification of liability is not feasible.

10. What does the concurrent causation doctrine emphasize in insurance coverage?

- A. The significance of physical evidence**
- B. Covering losses from one or more independent causes**
- C. Establishing liability based on negligence**
- D. The importance of foreseeability**

The concurrent causation doctrine addresses situations where a loss is caused by multiple factors, and at least one of those factors is covered by an insurance policy while others may not be. In essence, this doctrine emphasizes that if a loss can be traced to both a covered and an uncovered cause, the insurance policy may still provide coverage for the entire loss. This is crucial in determining how claims are handled when different events contribute to the loss. In the context of insurance coverage, it highlights the need to assess all the concurrent causes of a loss and recognize that even if a non-covered cause is present, the insured may still seek recovery for the portion of the loss attributed to the covered cause. Understanding this principle is essential for policyholders and insurers alike, as it can significantly affect claims outcomes and agents' recommendations for policy wording and coverage purchases.

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://casdiscia.examzify.com>

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

SAMPLE