

CHAMPIONS BROKERAGE SAE PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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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. What is the primary benefit of having an umbrella policy in addition to regular insurance?**
 - A. It simplifies the claims process significantly
 - B. It provides broader protection against lawsuits
 - C. It lowers the monthly premium costs
 - D. It guarantees approval on all claims made
- 2. What is a common reason for lawsuits concerning open listings?**
 - A. Lack of market demand
 - B. Unclear procuring cause of the sale
 - C. Duplicate listing agreements
 - D. Failure to advertise properly
- 3. What does "permanent life insurance" provide?**
 - A. Temporary coverage with lower premiums
 - B. Lifelong coverage with a cash value component
 - C. Limited coverage with no cash value
 - D. Coverage that expires after a certain time
- 4. What color is described as having a practical nature and the ability to discern what is important for task completion?**
 - A. Blue/Purple
 - B. Blue/Green
 - C. Yellow/Orange
 - D. Red/Green
- 5. In auto insurance, what does "financial responsibility" mean?**
 - A. The ability to pay for repairs only
 - B. Demonstrating ability to pay for damages or injuries
 - C. Having a policy with the minimum coverage
 - D. Signing a co-signer agreement

- 6. Which term refers to an insurer's right to pursue a third party after a loss?**
- A. Liability
 - B. Subrogation
 - C. Deductible
 - D. Co-insurance
- 7. What is one of the primary advantages of buyer agency?**
- A. Allows dual representation
 - B. No requirement for a buyer agreement
 - C. Prevents dual representation
 - D. Agents list properties without permission
- 8. How does the conversion privilege in term life insurance benefit policyholders?**
- A. It allows cancellation of the policy
 - B. It enables conversion to a permanent policy without evidence of insurability
 - C. It provides immediate cash benefits
 - D. It extends the term at reduced rates
- 9. What is 'deductible elimination'?**
- A. A policy feature that allows for lower premiums
 - B. A provision that allows the insured to eliminate their deductible under certain conditions, often for an additional premium
 - C. A strategy to increase coverage limits without added cost
 - D. A method to waive any policy co-pays
- 10. Which color represents a management style that encourages creativity and systems to be in place?**
- A. Yellow/Orange
 - B. Red/Green
 - C. Blue/Purple
 - D. Blue/Orange

Answers

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

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Explanations

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1. What is the primary benefit of having an umbrella policy in addition to regular insurance?

- A. It simplifies the claims process significantly
- B. It provides broader protection against lawsuits**
- C. It lowers the monthly premium costs
- D. It guarantees approval on all claims made

Having an umbrella policy provides broader protection against lawsuits, which is its primary benefit. This type of insurance is designed to complement existing policies, such as homeowners, auto, and other liability coverages, by extending liability limits and offering additional layers of protection. For instance, if a serious incident results in legal claims that exceed the limits of your underlying policies, the umbrella policy steps in to cover the excess costs, protecting you from substantial financial loss. This additional coverage is especially beneficial in today's litigious environment, where the potential for larger payouts in lawsuits is increasing. It offers protection against various liability claims, including those that may not be covered under your standard policies. Many regular insurance policies have limitations, and an umbrella policy can help fill those gaps, ensuring individuals have sufficient coverage for significant unforeseen events. While other options touch on aspects that might be perceived as benefits, they do not capture the essence of why an umbrella policy is most valuable. Simplifying the claims process is not a primary feature. Lowering monthly premium costs is not typically a direct benefit of an umbrella policy, as it can add to your overall insurance costs. Finally, no insurance policy can guarantee approval on all claims, as each claim is evaluated based on its own merits and the terms of the

2. What is a common reason for lawsuits concerning open listings?

- A. Lack of market demand
- B. Unclear procuring cause of the sale**
- C. Duplicate listing agreements
- D. Failure to advertise properly

A common reason for lawsuits concerning open listings revolves around the unclear procuring cause of the sale. Open listings allow multiple brokers to list a property, which can lead to confusion about which broker is entitled to a commission if the property sells. The term "procuring cause" refers to the agent who primarily brings about the sale—a crucial point in determining commission rights. In an open listing scenario, if more than one broker is involved and the seller does not clearly communicate which broker was responsible for bringing the buyer, disputes can arise. This ambiguity often leads to legal issues when multiple brokers feel entitled to a commission for the same sale. Thus, establishing a clear understanding of who initiated or facilitated the transaction is essential, and it is typically this lack of clarity that invites litigation in cases involving open listings.

3. What does "permanent life insurance" provide?

- A. Temporary coverage with lower premiums
- B. Lifelong coverage with a cash value component**
- C. Limited coverage with no cash value
- D. Coverage that expires after a certain time

Permanent life insurance provides lifelong coverage, which distinguishes it from term life insurance that is temporary and has a defined expiration date. One of the key features of permanent life insurance is the cash value component that accumulates over time. This cash value grows at a guaranteed rate and can be accessed by the policyholder through loans or withdrawals. Additionally, as long as premiums are paid, the coverage continues for the insured's entire lifetime, as opposed to expiring after a set term. This combination of lifelong protection and cash value accumulation makes permanent life insurance a valuable financial tool for long-term planning and investment, which is why the identification of this option as the correct answer is accurate.

4. What color is described as having a practical nature and the ability to discern what is important for task completion?

- A. Blue/Purple
- B. Blue/Green
- C. Yellow/Orange
- D. Red/Green**

The color identified as having a practical nature and the ability to discern what is important for task completion is red/green. This color combination is often associated with traits such as focus, clarity, and a strong sense of priority, which are essential for effective task management. Red is frequently linked to energy and action, driving individuals to take initiative and accomplish goals, while green is tied to growth and balance, helping to maintain a focus on what's necessary to complete tasks efficiently. Together, these colors symbolize a blend of motivation and practical understanding, enabling individuals to prioritize effectively and tackle tasks with purpose. In contrast, other color combinations may evoke different feelings or associations that do not align with the practical nature needed for task completion. For instance, blue/purple can evoke tranquility and creativity, which, while beneficial, may not directly support prioritization. Similarly, blue/green emphasizes communication and calmness, rather than practical assessment. Yellow/orange conveys enthusiasm but might not maintain the focus required for discerning task importance. Thus, the red/green combination stands out for its alignment with practicality and task-oriented discernment.

5. In auto insurance, what does "financial responsibility" mean?

- A. The ability to pay for repairs only
- B. Demonstrating ability to pay for damages or injuries**
- C. Having a policy with the minimum coverage
- D. Signing a co-signer agreement

In the context of auto insurance, "financial responsibility" refers to a driver's obligation to demonstrate the ability to pay for damages or injuries they may cause in an accident. This typically involves providing proof of insurance that meets state requirements, ensuring that the driver is financially equipped to cover liabilities that arise from their actions on the road. When an individual carries adequate insurance coverage, they are demonstrating their financial responsibility by ensuring that, in the event of an accident, they can compensate others for any injuries or property damage they may cause. This requirement helps protect not only the at-fault driver and their assets but also the victims of accidents, as it ensures that there are financial resources available for medical expenses, repairs, and other related costs. While minimum coverage (mentioned in another option) is often a part of demonstrating financial responsibility, it's specifically about the overall ability to pay for any potential damages, not just having insurance or a specific policy. Therefore, the most accurate interpretation of financial responsibility in this context is the ability to pay for damages or injuries caused by one's actions.

6. Which term refers to an insurer's right to pursue a third party after a loss?

- A. Liability
- B. Subrogation**
- C. Deductible
- D. Co-insurance

The term that refers to an insurer's right to pursue a third party after a loss is subrogation. This process occurs after an insurance company pays a claim to the insured for a covered loss. At this point, the insurer can step into the shoes of the insured and seek recovery from the third party that caused the loss. This is essential as it allows the insurance company to regain some of the funds it disbursed, thereby helping to keep insurance costs lower for everyone. Subrogation not only protects the interests of the insurer but also serves to hold the responsible party accountable for their actions. For instance, if a driver causes an accident and the injured party's insurance pays for the damages, that insurance company can later pursue the at-fault driver's insurance for reimbursement. This mechanism helps ensure that the financial burden falls on the responsible party rather than on the insurance provider or the policyholder.

7. What is one of the primary advantages of buyer agency?

- A. Allows dual representation
- B. No requirement for a buyer agreement
- C. Prevents dual representation**
- D. Agents list properties without permission

One of the primary advantages of buyer agency is that it prevents dual representation. In a buyer agency relationship, the agent exclusively represents the interests of the buyer, ensuring that their needs and concerns are prioritized throughout the transaction. This exclusivity fosters a stronger fiduciary relationship where the agent is obligated to act in the best interests of the buyer without conflicting loyalties to the seller. The prevention of dual representation is significant as it eliminates potential conflicts of interest that could arise if the agent were to also represent the seller in the same transaction. By focusing solely on the buyer, the agent can provide unbiased guidance, negotiate effectively on behalf of the buyer, and work diligently to secure the best possible deal. This arrangement promotes trust and transparency between the buyer and the agent, enhancing the overall experience in navigating the real estate process. By ensuring that the buyer has dedicated representation, the agent can help the client make informed decisions that align with their goals and preferences.

8. How does the conversion privilege in term life insurance benefit policyholders?

- A. It allows cancellation of the policy
- B. It enables conversion to a permanent policy without evidence of insurability**
- C. It provides immediate cash benefits
- D. It extends the term at reduced rates

The conversion privilege in term life insurance is designed to provide policyholders with the opportunity to convert their term policy into a permanent life insurance policy, such as whole life or universal life, without the requirement of evidence of insurability. This means that even if the insured's health has deteriorated or if they have developed conditions that could make obtaining new life insurance difficult or expensive, they still have the option to maintain their life insurance protection by moving to a permanent policy. This feature is particularly beneficial as it allows individuals to secure lifelong coverage despite any changes in their health status. The conversion privilege also typically ensures that the policyholder can convert the policy at specific times or before the term policy expires, providing flexibility and security for their future financial planning. While the cancellation of a policy, immediate cash benefits, or extension of term rates may represent other aspects of life insurance policies, they do not encompass the unique advantages offered by the conversion privilege specifically related to transitioning from term to permanent life insurance coverage.

9. What is 'deductible elimination'?

- A. A policy feature that allows for lower premiums
- B. A provision that allows the insured to eliminate their deductible under certain conditions, often for an additional premium**
- C. A strategy to increase coverage limits without added cost
- D. A method to waive any policy co-pays

Deductible elimination refers to a provision in an insurance policy that allows the insured to eliminate or waive their deductible under specific circumstances, often in exchange for an additional premium. This means that, should a claim arise, the insured does not have to pay the standard deductible amount, allowing for a more straightforward claims process and potentially reducing out-of-pocket expenses during times of loss or damage. This feature can be particularly appealing for policyholders who prefer to avoid the upfront cost of deductibles in case of a claim, providing peace of mind and financial predictability. It underscores the flexibility and customization options, enabling individuals to tailor their insurance products to better fit their personal risk tolerance and financial situation. The other options pertain to different aspects of insurance policies but do not define deductible elimination accurately. For instance, options discussing lower premiums or strategies to increase coverage limit without additional costs do not capture the essence of how deductible elimination functions within an insurance policy structure. Understanding these nuances helps consumers make informed decisions about their insurance coverage.

10. Which color represents a management style that encourages creativity and systems to be in place?

A. Yellow/Orange

B. Red/Green

C. Blue/Purple

D. Blue/Orange

The choice of yellow/orange as the color representing a management style that encourages creativity and systems to be in place aligns well with established color psychology frameworks in organizational behavior. Yellow often symbolizes optimism, creativity, and innovation, which are essential qualities for fostering an environment where new ideas can flourish. This color encourages team members to think outside the box and explore new possibilities. Orange complements these attributes by conveying enthusiasm and a sense of energy. It promotes collaboration and engagement, fostering a supportive atmosphere that encourages teamwork. When combined, yellow and orange illustrate a balance between creative freedom and the necessary systems that can structure that creativity into productive outcomes. In many management models, the effectiveness of a style is determined not only by its encouragement of creative thinking but also by its ability to implement processes that help manage and execute those ideas efficiently. The yellow/orange approach supports an organizational culture where creativity is not just encouraged but is also aligned with the systems that allow for practical implementation. This makes it a compelling choice for a management style that values both innovation and structured processes.

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://championsbrokeragesae.examzify.com>

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

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