

DWELLING POLICY 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 types of properties are typically eligible for a Dwelling Policy?**
 - A. Only owner-occupied homes
 - B. Commercial properties and multi-family homes
 - C. Residential rental properties, second homes, and properties under renovation
 - D. Vacant land and agricultural properties
- 2. If a dwelling is undergoing renovations, how does the dwelling policy typically cover the risk?**
 - A. Renovation coverage is exempt
 - B. Coverage is reduced by half
 - C. Full coverage as long as renovations are completed within 90 days
 - D. Coverage is maintained unless it becomes vacant for over 60 days
- 3. Both the broad theft and limited theft endorsements on the dwelling program exclude all of the following types of property EXCEPT...**
 - A. Jewelry
 - B. Collectibles
 - C. Watercraft
 - D. Electronics
- 4. Which of the following is NOT considered an other coverage under the dwelling policy?**
 - A. Earth movement
 - B. Fire department service charge
 - C. Removal of debris
 - D. Reasonable repairs
- 5. Which of the following losses would most likely NOT be covered under Coverage A in the dwelling policy?**
 - A. Fire damage to the home
 - B. Theft of a renter's lawnmower used to service the premises
 - C. Water damage from a burst pipe
 - D. Damage from a fallen tree

- 6. Which situation would typically trigger Coverage D in a Dwelling Policy?**
- A. A flood that damages the property
 - B. A fire that makes the property uninhabitable
 - C. Theft of personal belongings
 - D. Damage to detached garages
- 7. Which item is NOT covered under the basic form dwelling policy?**
- A. Breakage of glass
 - B. Fire damage
 - C. Theft coverage
 - D. Vandalism
- 8. Under the Broad Form (DP-2) policy, which falling object peril would be covered?**
- A. Exterior damage from falling branches only
 - B. Interior building damage if the exterior was damaged first
 - C. Damage from ice or snow buildup on the roof
 - D. Damage from falling signs or awnings
- 9. On a DP-3 Dwelling Property Special Form policy, how is personal property coverage handled?**
- A. It is not covered
 - B. It is provided at actual cash value
 - C. It is the same as provided on the DP-2 Broad Form
 - D. It is offered as an optional add-on
- 10. How would the policy be described if it only covers specific loss scenarios?**
- A. Broad form policy
 - B. Narrow form policy
 - C. Special form policy
 - D. Comprehensive policy

Answers

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

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Explanations

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1. What types of properties are typically eligible for a Dwelling Policy?

- A. Only owner-occupied homes
- B. Commercial properties and multi-family homes
- C. Residential rental properties, second homes, and properties under renovation**
- D. Vacant land and agricultural properties

The eligibility for a Dwelling Policy encompasses a variety of property types that are not limited to a single category. A Dwelling Policy is designed primarily for residential properties that may not fit into standard homeowners insurance categories. Residential rental properties are a key inclusion, as they represent homes rented to tenants, which can be a risk that insurers are willing to underwrite. Second homes also qualify, as these properties are often used for leisure and are not the primary residence of the insured. Properties under renovation are included as well, as these can still hold value and require protection even if they are not yet complete or habitable. This broad eligibility helps to ensure that various property owners have access to necessary coverage, addressing distinct needs in the insurance market that would otherwise be left uninsured under traditional homeowners policies.

2. If a dwelling is undergoing renovations, how does the dwelling policy typically cover the risk?

- A. Renovation coverage is exempt
- B. Coverage is reduced by half
- C. Full coverage as long as renovations are completed within 90 days
- D. Coverage is maintained unless it becomes vacant for over 60 days**

The dwelling policy typically maintains coverage for properties undergoing renovations, as long as they do not become vacant for an extended period, which is generally defined as over 60 days. This approach allows homeowners to continue to safeguard their investment during the renovation period, ensuring that risks such as fire, theft, or vandalism are still covered. If the dwelling were to become vacant for more than the stipulated time, the insurer might impose limitations or exclusions, as vacant properties are deemed to have a higher risk. This distinction emphasizes the importance of continuous occupancy during renovations to ensure that full coverage remains intact. In contrast, the other options suggest limitations or gaps in coverage that do not align with standard dwelling policy practices in relation to occupied properties undergoing renovation.

3. Both the broad theft and limited theft endorsements on the dwelling program exclude all of the following types of property EXCEPT...

- A. Jewelry
- B. Collectibles
- C. Watercraft**
- D. Electronics

The broad theft and limited theft endorsements provided within dwelling policies are designed to protect against specific types of property loss related to theft, but they also delineate certain exclusions. In the context of these endorsements, watercraft is typically included in the coverage because it often falls under personal property that might be subject to theft, especially when stored at a residence. Jewelry, collectibles, and electronics, on the other hand, usually have stricter coverage limitations or exclusions due to their high value and portability, making them more susceptible to theft, which raises the insurer's risk. Therefore, the inclusion of watercraft means it is a type of property that, in certain situations, can still be covered under these theft endorsements. This coverage is essential for homeowners who may have a boat or similar watercraft that could be stolen while on their property, distinguishing it from the other options that are generally excluded under these endorsements.

4. Which of the following is NOT considered an other coverage under the dwelling policy?

- A. Earth movement**
- B. Fire department service charge
- C. Removal of debris
- D. Reasonable repairs

In the context of a dwelling policy, "other coverages" typically refer to supplementary coverages that provide additional protection beyond the primary coverage for the dwelling itself. The key to understanding why earth movement is categorized differently lies in the nature of the coverage. Earth movement, which includes events such as earthquakes, landslides, or mudslides, is generally not covered by a standard dwelling policy. Instead, it is often excluded and may require separate coverage or endorsement from the insurance provider. This exclusion underscores the understanding that earth movements pose significant risk, and insurance companies typically do not provide coverage for these events under standard policies. On the other hand, the fire department service charge, removal of debris, and reasonable repairs are considered essential other coverages provided in a dwelling policy. These coverages are designed to assist policyholders with necessary expenses incurred in the event of a covered loss, helping to mitigate damage and restore the property. Therefore, these three options are integral components that enhance the protective measures of a standard dwelling policy.

5. Which of the following losses would most likely NOT be covered under Coverage A in the dwelling policy?

- A. Fire damage to the home
- B. Theft of a renter's lawnmower used to service the premises**
- C. Water damage from a burst pipe
- D. Damage from a fallen tree

Coverage A in a dwelling policy typically insures the physical structure of the home itself, including any attached structures, for risks such as fire, water damage, and damage from falling objects. The correct answer highlights that theft of personal property, like a lawnmower, particularly when it is owned by a renter rather than the policyholder, is not covered under Coverage A. Coverage A focuses on real property, meaning structures and their attached systems, rather than personal property. Therefore, while a theft might involve both the home and personal belongings, only the structure and items permanently attached or a part of it are protected under this coverage. The other options listed—fire damage to the home, water damage from a burst pipe, and damage from a fallen tree—are all relevant to the home's physical structure, making them eligible for coverage under this specific part of the policy.

6. Which situation would typically trigger Coverage D in a Dwelling Policy?

- A. A flood that damages the property
- B. A fire that makes the property uninhabitable**
- C. Theft of personal belongings
- D. Damage to detached garages

Coverage D in a Dwelling Policy, also known as "Loss of Use" coverage, is designed to provide financial assistance for additional living expenses incurred when a covered property becomes uninhabitable due to a covered loss. This typically includes scenarios where the dwelling cannot be lived in, such as when a fire or other insured peril causes significant damage. The situation involving a fire that makes the property uninhabitable perfectly aligns with the purpose of Coverage D. It compensates the policyholder for costs such as temporary housing, increased living expenses, and other related expenses that arise as a result of the inability to live in the home due to damage caused by the fire. In contrast, a flood damaging the property would typically not trigger Coverage D unless flood damage is specifically included in the policy, which generally requires a separate flood insurance policy. Theft of personal belongings would be more related to property covered under personal property protection rather than loss of use. Lastly, damage to detached garages does not directly impact the habitability of the primary dwelling, which is essential for Coverage D to be activated.

7. Which item is NOT covered under the basic form dwelling policy?

- A. Breakage of glass**
- B. Fire damage
- C. Theft coverage
- D. Vandalism

The basic form dwelling policy, often referred to as DP-1, provides very limited coverage and primarily focuses on specific perils. Among these, fire damage is a fundamental coverage guaranteed under the policy, along with implied coverage for other risks such as vandalism. The option of theft coverage is typically not included in the basic form dwelling policy; it usually falls under more comprehensive policies or can be added through endorsements. In this case, breakage of glass is a peril that is not covered under the basic form dwelling policy, making it the correct choice. This highlights the importance of fully understanding the specifics of coverage in different types of insurance policies, as certain perils, such as theft and glass breakage, may require additional policies or riders for protection.

8. Under the Broad Form (DP-2) policy, which falling object peril would be covered?

- A. Exterior damage from falling branches only
- B. Interior building damage if the exterior was damaged first**
- C. Damage from ice or snow buildup on the roof
- D. Damage from falling signs or awnings

Under the Broad Form (DP-2) policy, coverage for falling objects includes damage that occurs due to the falling object striking the building. Specifically, if an exterior object causes damage and subsequently leads to interior damage, that interior damage would be covered, as the policy provides protection against such scenarios where there is a sequence of damage starting from an exterior cause. The relevant context is that the DP-2 policy offers broader coverage compared to the DP-1 policy by covering specified perils, which include not just the initial impact on the exterior but also any resulting damage that occurs, as long as the initial cause is covered and correct protocols are followed in the claims process. This understanding fosters clarity on the application of policy coverage limits and emphasizes the significance of the cause-and-effect relationship in claims related to falling objects. Other options include various types of damage that may not meet the specific criteria outlined in the DP-2 policy's provisions for falling objects. The policy does not specifically mention coverage for exterior damage alone without further consequences, nor does it cover conditions arising from non-specific scenarios such as general accumulation of ice or snow, which would fall under other exclusions or may require separate coverage.

9. On a DP-3 Dwelling Property Special Form policy, how is personal property coverage handled?

- A. It is not covered
- B. It is provided at actual cash value
- C. It is the same as provided on the DP-2 Broad Form**
- D. It is offered as an optional add-on

In the context of the DP-3 Dwelling Property Special Form policy, personal property coverage is indeed similar to that provided under the DP-2 Broad Form. Both forms provide coverage for personal property on a named perils basis, meaning that specific risks are outlined in the policy as covered. This alignment demonstrates the continuity in coverage features between the two forms, reinforcing the understanding that personal property is protected against the same set of named perils under both policies. When comparing the other options, the assertion that personal property is not covered would be inaccurate since the DP-3 does provide personal property coverage. Stating that it is provided at actual cash value does not apply here, as personal property under the DP-3 is typically covered at Replacement Cost, which is an upgrade from the Actual Cash Value method used under other policies. Lastly, the characterization of personal property being offered as an optional add-on does not apply; coverage for personal property is a standard feature under the DP-3, similar to the DP-2, rather than an optional enhancement. Understanding that the DP-3 policy covers personal property similarly to the DP-2 fosters clarity about the coverage expectations and reinforces the essential details of the dwelling policies in question.

10. How would the policy be described if it only covers specific loss scenarios?

- A. Broad form policy
- B. Narrow form policy
- C. Special form policy**
- D. Comprehensive policy

A policy that covers only specific loss scenarios is best described as a Special form policy. This type of policy is designed to protect the insured against losses resulting from perils explicitly stated in the policy itself. Rather than providing extensive coverage that includes a broad range of risks, the Special form policy is tailored to respond only to defined events, such as fire or theft, which are expressly listed. Other policy types differ in their coverage scope: Broad form policies typically offer a wider range of protections than special forms but not as comprehensive as a comprehensive policy. A Narrow form policy is not a recognized term in standard insurance practices and does not accurately reflect the nature of coverage provided by dwelling policies. Comprehensive policies, on the other hand, generally encompass a broader array of risks and are characterized by covering all perils except those explicitly excluded. Thus, the Special form policy accurately captures the concept of covering specific loss scenarios.

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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://dwellingpolicy.examzify.com>

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

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