

GENERAL INSURANCE LEVEL 1 PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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

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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. When does long-term disability income start?**
 - A. Immediately after an accident
 - B. At the end of the weekly indemnity benefit period
 - C. After one month
 - D. Only after reaching retirement age
- 2. When is an occupier NOT liable for the negligence of an independent contractor?**
 - A. When they provide adequate supervision
 - B. When reasonable care was taken in selecting the contractor
 - C. When the contractor was negligent
 - D. When the contract provides an indemnity clause
- 3. What does liability for wild animals depend on?**
 - A. If the animal is housed in a controlled environment
 - B. If it is a common belief that the animal is dangerous
 - C. If the animal has attacked someone previously
 - D. If the owner has special training in animal handling
- 4. What liabilities does a tenant have towards a landlord under tort and contract law?**
 - A. Liable only in torts
 - B. Liable for damages to property and as specified in the rental agreement
 - C. Only liable if a written complaint is made
 - D. No liability if the damage is unintentional
- 5. What term is used for the cause of loss in an insurance context?**
 - A. Risk
 - B. Peril
 - C. Liability
 - D. Crisis

- 6. What is the age limitation for a student to qualify as a dependent for travel insurance coverage?**
- A. 24 or younger
 - B. 26 or younger
 - C. 22 or younger
 - D. 28 or younger
- 7. What characterizes strict liability?**
- A. Liability based on intention
 - B. Liability without fault or intention
 - C. Liability only in criminal cases
 - D. Liability that requires proof of negligence
- 8. Which of the following is a condition under which a landlord must maintain the property?**
- A. If the property is furnished
 - B. If there is a verbal agreement
 - C. If the tenant requests maintenance
 - D. If the landlord has a personal interest in the property
- 9. What is a defining characteristic of inverse-liability coverage?**
- A. It covers underinsured drivers
 - B. It protects against theft
 - C. It is optional coverage
 - D. It is part of the compulsory coverages
- 10. What action must be taken within 45 days after proof of loss if the insurer chooses to repair?**
- A. Begin the repairs
 - B. Notify the insured
 - C. Complete the repairs
 - D. Hold a meeting with the insured

Answers

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

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Explanations

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1. When does long-term disability income start?

- A. Immediately after an accident
- B. At the end of the weekly indemnity benefit period**
- C. After one month
- D. Only after reaching retirement age

Long-term disability income typically begins after a waiting period, known as the "elimination period." This period varies by policy but is often aligned with the end of the weekly indemnity benefit period. By the end of this period, the insured has usually exhausted any short-term disability payments they might have received. In the context of the question, the correct answer indicates that long-term disability income starts after this specified waiting period, which is designed to ensure that short-term disabilities are covered first and that the individual is then transitioned into long-term disability coverage if their condition persists. This aligns with the structure of disability policies, which often separate short-term coverage from long-term coverage due to the differing nature and duration of disabilities. Therefore, the choice stating that it starts at the end of the weekly indemnity benefit period accurately reflects how these policies are set up, providing continuity in income protection for individuals who cannot return to work due to long-term conditions.

2. When is an occupier NOT liable for the negligence of an independent contractor?

- A. When they provide adequate supervision
- B. When reasonable care was taken in selecting the contractor**
- C. When the contractor was negligent
- D. When the contract provides an indemnity clause

An occupier is typically not liable for the negligence of an independent contractor when reasonable care was taken in selecting that contractor. This principle relies on the understanding that if an occupier has exercised due diligence in choosing a competent and qualified contractor for a specific job, they cannot be held responsible for the contractor's subsequent negligent actions. This idea is grounded in the legal concept known as "vicarious liability," which generally holds employers or principals accountable for the negligent acts of their employees or agents. However, independent contractors are not considered employees, and therefore, the occupier's responsibility is mitigated if they have adequately assessed and selected a contractor based on their qualifications, track record, and capabilities. It reflects the legal expectation that the hiring party conducts proper vetting to ensure that the contractor can perform the work safely and competently. In contrast, the other options either imply a responsibility that may be present despite the use of an independent contractor, or they highlight conditions that do not exempt the occupier from liability, such as directly supervising the contractor or the negligent actions of the contractor themselves. The existence of an indemnity clause in a contract might manage risk allocation, but it does not negate the occupier's responsibility in the event of negligence if proper selection processes

3. What does liability for wild animals depend on?

- A. If the animal is housed in a controlled environment
- B. If it is a common belief that the animal is dangerous**
- C. If the animal has attacked someone previously
- D. If the owner has special training in animal handling

Liability for wild animals is often rooted in the perception of their inherent danger. The correct answer reflects that liability can arise from a common belief or understanding that a particular type of wild animal poses a risk to people or property. This concept is grounded in the idea of "strict liability," where an owner of a wild animal can be held responsible for injuries caused by that animal, regardless of whether the owner took precautions or had prior knowledge of the animal's propensity for aggression. This principle serves to protect the public from the potential hazards associated with wild animals, recognizing that some species are inherently more dangerous than domesticated animals. Therefore, if there is a widespread belief that a particular species is dangerous, this perception can significantly influence legal outcomes in liability cases. Other factors, such as whether an animal has attacked someone before, can indeed contribute to liability, but the foundation often lies in the general societal view of the animal's inherent dangers. Thus, while prior attacks (the third option) can be crucial evidence in establishing liability, it is ultimately the common belief surrounding the animal's potential for harm that primarily dictates liability issues in legal contexts.

4. What liabilities does a tenant have towards a landlord under tort and contract law?

- A. Liable only in torts
- B. Liable for damages to property and as specified in the rental agreement**
- C. Only liable if a written complaint is made
- D. No liability if the damage is unintentional

A tenant has specific liabilities toward a landlord that arise both from tort law and the terms of their rental agreement, which is governed by contract law. These liabilities include responsibility for damages to the property that they occupy, as well as any obligations explicitly outlined in their lease or rental agreement. Under tort law, tenants can be held liable for any negligent actions that result in damage to the landlord's property. For example, if a tenant accidentally causes a fire that damages the rental property, they may be responsible for the costs associated with that damage, depending on the circumstances and any applicable insurance coverage. In addition, the rental agreement may specify particular liabilities, such as maintaining the property, timely payment of rent, or prohibitions on certain activities that could lead to damage. By signing the lease, the tenant agrees to abide by these contractual obligations, which further emphasizes their liability under contract law. Other answer choices do not encompass the full scope of a tenant's responsibilities. For instance, liability in tort does not exclude obligations under contract law, and liability does not solely hinge on written complaints. Additionally, unintentional damage does not absolve a tenant of liability if they were negligent or if such damages are addressed in the lease agreement.

5. What term is used for the cause of loss in an insurance context?

- A. Risk
- B. Peril**
- C. Liability
- D. Crisis

In the context of insurance, "peril" refers specifically to the cause of loss or damage covered by an insurance policy. This can include events such as fire, theft, flood, or other specific incidents that lead to the need for a claim to be made under the policy. Understanding perils is crucial because they define the circumstances under which an insurer is liable to pay for a claim. For instance, if a homeowner's property is damaged due to a fire, the fire itself is the peril that creates a loss. Insurers may cover certain perils within their policies, determining what is insurable and what is not based on the risks involved. While "risk" is related, it represents the broader concept of uncertainty regarding potential loss, rather than specifying what the cause of that loss is. "Liability" pertains to legal responsibility for damages or loss, and "crisis" generally refers to a significant event or period in which resources are strained, rather than being tied directly to the loss or damage aspects that perils encompass. Understanding the distinction and the application of these terms is essential in grasping the fundamentals of insurance terminology.

6. What is the age limitation for a student to qualify as a dependent for travel insurance coverage?

- A. 24 or younger
- B. 26 or younger**
- C. 22 or younger
- D. 28 or younger

For travel insurance coverage, a student typically qualifies as a dependent if they are 26 years old or younger. This age limit aligns with many insurance policies and regulations that have evolved to accommodate the increasing trend of young adults remaining financially dependent on their parents or guardians longer, especially as they pursue education or establish careers. This age threshold reflects changes in societal norms regarding education and economic independence, recognizing that many students may still be enrolled in higher education or participating in a qualifying educational program at this age. As such, they are eligible for dependent coverage under their parents' travel insurance policies, which can provide essential benefits for unexpected events while traveling. The other options do not represent typical age limitations for dependent status in most travel insurance policies, which is why they would not be applicable in this context.

7. What characterizes strict liability?

- A. Liability based on intention
- B. Liability without fault or intention**
- C. Liability only in criminal cases
- D. Liability that requires proof of negligence

Strict liability is characterized by the imposition of liability without the need to prove fault or intention. This legal doctrine means that a party can be held responsible for damages or injuries caused by their actions or products, regardless of whether there was any negligent or intentional wrongdoing involved. In the context of strict liability, the focus is on the inherent risks associated with certain activities or the use of specific products, rather than the behavior or intent of the defendant. For instance, strict liability is often applied in cases involving inherently dangerous activities, such as using explosives, or in product liability cases where a defective product causes harm. The underlying principle is that individuals or businesses engaging in activities that pose a significant risk to others must bear the consequences, ensuring that the burden of loss is placed on them, rather than on the injured party. This concept is essential because it promotes safety and accountability, encouraging manufacturers and individuals to take greater care in their practices to prevent harm.

8. Which of the following is a condition under which a landlord must maintain the property?

- A. If the property is furnished**
- B. If there is a verbal agreement
- C. If the tenant requests maintenance
- D. If the landlord has a personal interest in the property

The correct answer relates to the landlord's obligation to maintain the property, which is particularly influenced by the nature of the lease agreement. When a property is furnished, it typically implies that the landlord has made specific commitments, either through formal contracts or implied standards, to keep the property in good condition for the tenant. This involves ensuring that all furniture and appliances provided are functional and maintained, adding to the overall livability of the space. Conditions regarding what a landlord must do regarding property maintenance often stem from local laws or lease agreements, where furnished properties generally have higher standards to meet due to the added items included in the rental arrangement. If a property is furnished, the landlord's responsibility to maintain it can also extend to the upkeep of these furnishings, further solidifying their obligation towards maintenance. In contrast, the other options do not establish necessary conditions for maintenance. A verbal agreement lacks formal standing compared to written contracts, weakly supporting a claim for specific maintenance responsibilities. Tenants requesting maintenance often prompts action, but it does not fundamentally create an obligation unless previously established by the lease. Similarly, a landlord's personal interest in a property doesn't automatically impose a duty to maintain it unless it's reflected in the lease terms, which is not a universal condition.

9. What is a defining characteristic of inverse-liability coverage?

- A. It covers underinsured drivers
- B. It protects against theft
- C. It is optional coverage
- D. It is part of the compulsory coverages**

Inverse-liability coverage is characterized by being part of the compulsory coverages required by law in many jurisdictions. This type of coverage protects drivers against claims made by other parties when they are at fault in an accident. It is designed to ensure that injured parties receive compensation regardless of the insured's ability to pay, which is a fundamental aspect of liability insurance. Compulsory coverages are mandated by law in order to ensure that all drivers have a baseline level of financial responsibility and compensation available to those they may injure in accidents. As a result, this coverage is generally not optional, and drivers must have it to legally operate a vehicle. Understanding this compulsory nature of inverse-liability coverage highlights its importance in promoting road safety and assurance for all parties involved in vehicle incidents. The other aspects, such as covering theft or underinsured drivers, do not accurately describe what inverse-liability coverage specifically provides nor its essential role within insurance regulations.

10. What action must be taken within 45 days after proof of loss if the insurer chooses to repair?

- A. Begin the repairs**
- B. Notify the insured
- C. Complete the repairs
- D. Hold a meeting with the insured

When an insurer decides to repair a damaged property after receiving proof of loss, it is essential for the process to begin promptly. The correct action is to start the repairs within 45 days of receiving the proof of loss. This time frame is generally stipulated in many insurance policies to ensure that the insured's property is restored in a timely manner, which minimizes further loss or damage. Beginning repairs promptly after agreeing to this course of action demonstrates the insurer's commitment to fulfilling its obligations under the insurance contract. It helps the insured to resume normal use of their property as quickly as possible, thus serving both the insurer's and insured's interests effectively. The other options do not represent the primary action required by the insurer in this context. Notifying the insured or completing the repairs are important steps, but they come after the initial decision to start the repair process. Holding a meeting is not typically a required step either, as the focus should be on executing the repair work without unnecessary delay.

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://geninsurancelvl1.examzify.com>

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

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