

Idaho Property Insurance Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. A policyholder has an equipment breakdown policy with a \$200,000 limit. After a boiler explosion causing various damages, how much will the insured collect under the policy?**
 - A. \$180,000
 - B. \$200,000
 - C. \$100,000
 - D. \$175,000
- 2. Which of the following would typically be found in a policy's insuring agreement?**
 - A. Policy limits
 - B. Insurer's address
 - C. Renewal dates
 - D. Location of premises
- 3. In insurance policies written in Idaho, agents must have their licenses confirmed by counter-signature, which can also be delegated to individuals who are at least how old?**
 - A. 25
 - B. 17
 - C. 21
 - D. 18
- 4. A builder's risk form is most often written as which of the following?**
 - A. Specific value form
 - B. Completed value form
 - C. Scheduled form
 - D. Reporting form
- 5. Which of the following additional perils is covered under both the basic form and broad form dwelling policies?**
 - A. Freezing of plumbing, heating, or air conditioning systems
 - B. Internal explosion
 - C. Falling objects
 - D. Weight of ice, snow, or sleet

6. What is the typical extent of the examination conducted by the Director on alien insurers?

- A. Transactions occurring in both the insurer's home country and the U.S.**
- B. All transactions from the last year only**
- C. Transactions occurring in alien's home country**
- D. Transactions occurring in the U.S. only**

7. Which of the following losses would typically NOT be covered by a homeowners policy?

- A. A coin collection valued at \$500 lost in a fire**
- B. A stolen silver tea set worth \$2,000**
- C. A \$550 utility trailer blown away by a tornado**
- D. An \$800 outboard motor destroyed by hail**

8. The Director issues an order to an insurer and immediately receives a request for the charges to be reviewed in court. Within what number of days must the hearing be held?

- A. 15 days**
- B. 30 days**
- C. 45 days**
- D. 60 days**

9. What type of policy is specifically used for the coverage of equipment breakdown?

- A. Property insurance policy**
- B. Liability insurance policy**
- C. Cascade insurance policy**
- D. Equipment breakdown insurance policy**

10. Which HO Form is classified as a Comprehensive Homeowners policy?

- A. HO-1**
- B. HO-4**
- C. HO-5**
- D. HO-2**

Answers

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

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Explanations

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1. A policyholder has an equipment breakdown policy with a \$200,000 limit. After a boiler explosion causing various damages, how much will the insured collect under the policy?

- A. \$180,000**
- B. \$200,000**
- C. \$100,000**
- D. \$175,000**

The equipment breakdown policy provides coverage up to its specified limit, which in this case is \$200,000. To determine how much the insured will collect, we must consider the nature of the damages and whether they total up to the policy limit or not. If the total damages incurred from the boiler explosion amount to \$175,000, then the insured would collect precisely that amount under the policy. The limit of the policy signifies the maximum payout available, but if the damages don't reach that limit, the insured only receives compensation for the actual incurred losses. Therefore, in this scenario, the insured would collect \$175,000 because it accurately reflects the damages sustained while also being less than the policy limit. This ensures that the policy serves to reimburse the policyholder for their actual financial loss, which aligns with the principles of risk management and insurance.

2. Which of the following would typically be found in a policy's insuring agreement?

- A. Policy limits**
- B. Insurer's address**
- C. Renewal dates**
- D. Location of premises**

The insuring agreement of a policy typically outlines the basic coverage provided by the insurer, detailing what perils are covered and the scope of protection offered to the insured. Among the options presented, renewal dates would not ordinarily be part of the insuring agreement but rather found in policy endorsements or other administrative sections of the contract. The insuring agreement focuses on the actual terms of coverage, such as the types of risks insured and any specific conditions or limits related to that coverage. On the other hand, elements like policy limits, the insurer's address, and location of premises pertain to administrative details and definitions rather than the core agreements about coverage itself. Understanding the components of the insuring agreement is crucial as it determines the essential protections afforded by the policy and serves as a guide for both the insured and the insurer regarding the scope of the coverage being provided.

3. In insurance policies written in Idaho, agents must have their licenses confirmed by counter-signature, which can also be delegated to individuals who are at least how old?

- A. 25**
- B. 17**
- C. 21**
- D. 18**

In Idaho, the law stipulates that individuals who are authorized to provide counter-signatures for insurance policies must be at least 21 years old. This requirement is in place to ensure that those involved in the insurance process possess a certain level of maturity and responsibility, which is essential given the nature of insurance transactions and the legal implications they carry. By setting the minimum age at 21, the state aims to establish a standard that reflects professionalism and accountability within the insurance industry. This is particularly important because counter-signatures serve as a verification of the agent's authority to bind coverage on behalf of the insurance company, and any mistakes or fraudulent activities can have significant consequences for both the insurer and the insured.

4. A builder's risk form is most often written as which of the following?

- A. Specific value form**
- B. Completed value form**
- C. Scheduled form**
- D. Reporting form**

A builder's risk form is most commonly written as a completed value form because it provides coverage for the completed value of the project rather than at an interim or specific value. This type of policy is designed for buildings or projects under construction and covers losses to the property up to the agreed-upon total value upon completion. In a completed value form, coverage is automatically adjusted to match the project's value as construction progresses, which simplifies the insurance process for builders. This approach ensures that the full value of the project is covered once it is completed, rather than requiring adjustments that might be necessary in other types of policies. Other forms like the specific value form assign a set dollar amount to specific items, while a scheduled form specifies coverage limits per item or structure but doesn't adapt as easily to the total value of an ongoing project. Reporting forms typically require periodic updates on values insured, which adds complexity in the construction context. Thus, the completed value form is the most straightforward and suitable option for builder's risk insurance.

5. Which of the following additional perils is covered under both the basic form and broad form dwelling policies?

- A. Freezing of plumbing, heating, or air conditioning systems**
- B. Internal explosion**
- C. Falling objects**
- D. Weight of ice, snow, or sleet**

The correct answer is that internal explosion is covered under both the basic form and broad form dwelling policies. This peril is included in the coverage because it can occur in various scenarios, such as explosions from appliances, heating systems, or other internal sources within the dwelling. The inclusion of internal explosion as a covered peril in both forms of insurance reflects the industry's recognition of the potential dangers associated with these events and the need for protection against the resulting damages. This coverage is crucial because explosions can lead to significant structural damage and personal property loss, which homeowners would want to be insured against. Other perils, such as the freezing of plumbing systems, falling objects, and the weight of ice, snow, or sleet, are typically covered under the broad form but may not be included in the basic form, which has more limited coverage. Thus, internal explosion stands out as a common coverage feature in both policy types.

6. What is the typical extent of the examination conducted by the Director on alien insurers?

- A. Transactions occurring in both the insurer's home country and the U.S.**
- B. All transactions from the last year only**
- C. Transactions occurring in alien's home country**
- D. Transactions occurring in the U.S. only**

The typical extent of the examination conducted by the Director on alien insurers primarily focuses on transactions occurring in the U.S. This approach is essential because it allows regulators to assess the insurer's activities and financial stability within the jurisdiction where they are operating. Alien insurers, which are foreign insurance companies operating in the U.S., must comply with local laws and regulations, making it crucial for the Director to examine only those activities that take place within the U.S. market. By concentrating the examination on U.S. transactions, the Director ensures that the regulatory framework is being applied correctly, protects U.S. consumers, and evaluates the alien insurer's compliance with applicable state laws. This focus is important for maintaining the integrity of the insurance market in the U.S. and ensuring that foreign entities meet the necessary standards to operate effectively and responsibly. Other considerations or choices about inspecting transactions in the alien's home country or transactions from the last year alone do not align with the primary regulatory interest, which is safeguarding the local insurance market and consumer interests.

7. Which of the following losses would typically NOT be covered by a homeowners policy?

- A. A coin collection valued at \$500 lost in a fire**
- B. A stolen silver tea set worth \$2,000**
- C. A \$550 utility trailer blown away by a tornado**
- D. An \$800 outboard motor destroyed by hail**

A homeowners policy generally covers the personal property within the home for risks such as fire, theft, and certain types of damage. However, specific items may have limitations or exclusions based on the type of coverage or endorsements included in the policy. In this case, a coin collection may not be fully covered because personal property has coverage limits for certain categories of valuables, including coins, jewelry, and collectibles. Standard homeowners policies often contain sub-limits for these types of items, which means that a much lower amount than the total value could be covered. If the loss exceeds that sub-limit, the insurance payout would not cover the entire value lost, making the loss difficult to recover under a standard policy. In contrast, losses associated with a stolen silver tea set, a blown-away utility trailer, or an outboard motor destroyed by hail may fall under typical coverage since they are more likely to be categorized as personal property without the same limitations as collectible items. This differentiation highlights why the coin collection loss is often not fully covered under standard homeowners insurance policies.

8. The Director issues an order to an insurer and immediately receives a request for the charges to be reviewed in court. Within what number of days must the hearing be held?

- A. 15 days**
- B. 30 days**
- C. 45 days**
- D. 60 days**

The correct answer is 30 days because, according to Idaho insurance regulations, when the Director issues an order to an insurer and a request for a court review is made, the law stipulates that a hearing must be held within 30 days of that request. This timeframe ensures a prompt process for resolving disputes between the Director's orders and the insurer's rights or actions, promoting efficiency and fairness in regulatory proceedings. Understanding this timeline is crucial for both insurers and regulators, as it reflects the balance of authority and the rights of parties involved in insurance matters.

9. What type of policy is specifically used for the coverage of equipment breakdown?

- A. Property insurance policy**
- B. Liability insurance policy**
- C. Cascade insurance policy**
- D. Equipment breakdown insurance policy**

The type of policy specifically used for the coverage of equipment breakdown is equipment breakdown insurance. This insurance is designed to protect businesses from financial loss due to the failure of machinery or equipment. It covers repair or replacement costs for essential equipment that breaks down due to mechanical failure, electrical failure, or other causes, reducing the financial impact caused by unexpected equipment issues. This type of policy is crucial for businesses that rely heavily on machinery, as it can mitigate disruption to operations and safeguard against potentially expensive repair costs. It typically includes coverage for not only the equipment but also business income losses that occur as a result of the breakdown, providing a comprehensive safety net. In contrast, a property insurance policy generally covers risks related to physical loss or damage to property but does not specifically focus on the unique issues surrounding equipment failure. Similarly, liability insurance policies are designed to protect against claims arising from injuries or damages caused to third parties, which is unrelated to the functionality of equipment. Cascade insurance does not refer to any recognized insurance type concerning equipment breakdown and thus is not applicable in this context.

10. Which HO Form is classified as a Comprehensive Homeowners policy?

- A. HO-1**
- B. HO-4**
- C. HO-5**
- D. HO-2**

The HO-5 form is classified as a Comprehensive Homeowners policy because it offers a broad range of coverage that includes protection for both the dwelling and personal property. This form provides coverage on an open perils basis for personal property, meaning that unless specifically excluded, all risks of loss or damage are covered. This contrasts with other homeowners policies, such as the HO-1 and HO-2, which provide named perils coverage that only protects against specific risks listed in the policy. The HO-4 form, also known as renters insurance, covers personal property but does not include dwelling coverage, as it is designed for tenants rather than homeowners. Thus, the HO-5 stands out for its comprehensive nature, making it the most inclusive option among homeowners insurance forms available.

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://idpropertyinsurance.examzify.com>

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

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