

MARYLAND PROPERTY AND CASUALTY INSURANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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	15

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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. Which item is NOT required for license reinstatement?**
 - A. Licensing Examination Results
 - B. Completion of a reinstatement application
 - C. Payment of the reinstatement fee
 - D. Proof of continuing education credits

- 2. If an individual is unable to purchase auto liability insurance from private insurers, which entity may provide coverage?**
 - A. The Maryland Auto Insurance Fund (MAIF)
 - B. Private insurers
 - C. The Federal Auto Insurance Program
 - D. The Maryland Life Insurance Fund

- 3. Surety agents must maintain records of bail bonds; these records must be available for inspection by the Commissioner for at least how long after termination of the surety liability?**
 - A. 6 months
 - B. 1 year
 - C. 2 years
 - D. 3 years

- 4. Which of the following would NOT be considered a flood?**
 - A. Sewer backup
 - B. River overflow
 - C. Storm surge
 - D. Heavy rainfall

- 5. Which type of claim would be covered by the Maryland Property and Casualty Insurance Guaranty Corporation?**
 - A. A corporate liability claim
 - B. A workers' comp claim
 - C. An individual claim for \$100,000
 - D. A property damage claim

- 6. When a Maryland insurer changes rates for the largest corporation in the state, which statements could apply?**
- A. Rates must be filed with the Department
 - B. Rates may be changed without notice
 - C. The department may require public notice
 - D. Any of the above can be true
- 7. Which statement about transferring continuing education credits to the next reporting period is correct?**
- A. 0 hours may be transferred
 - B. 2 hours may be transferred
 - C. 5 hours may be transferred
 - D. 10 hours may be transferred
- 8. J retake earliest March 15.**
- A. March 8th
 - B. March 15th
 - C. March 21st
 - D. March 29th
- 9. Which statement about a Public Adjuster is correct?**
- A. A Public Adjuster can appraise auto policy losses.
 - B. A Public Adjuster is defined as someone who handles only property claims.
 - C. A Public Adjuster does not include a person that appraises claims for loss covered by a motor vehicle policy.
 - D. A Public Adjuster represents insurers.
- 10. If an applicant fails the written insurance licensing examination, how many days must pass before the next allowed examination?**
- A. 7 days
 - B. 14 days
 - C. 21 days
 - D. 28 days

Answers

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

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Explanations

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1. Which item is NOT required for license reinstatement?

- A. Licensing Examination Results**
- B. Completion of a reinstatement application
- C. Payment of the reinstatement fee
- D. Proof of continuing education credits

Licensing Examination results are not part of the standard reinstatement package. When you reinstate a Maryland property and casualty license, the focus is on getting you back to active status by showing you've met ongoing education requirements, submitting the proper form, and paying the required fee. The licensing exam is something typically associated with initial licensure or with certain upgrades, not with simply restoring an expired or lapsed license. Therefore, you'll usually need the reinstatement application, the reinstatement fee, and proof of continuing education credits to demonstrate current knowledge and compliance. If those are satisfied, the board can reinstate your license without requiring you to retake the licensing exam.

2. If an individual is unable to purchase auto liability insurance from private insurers, which entity may provide coverage?

- A. The Maryland Auto Insurance Fund (MAIF)**
- B. Private insurers
- C. The Federal Auto Insurance Program
- D. The Maryland Life Insurance Fund

When private insurers can't or won't write auto liability coverage, Maryland uses a residual market to ensure drivers still have mandatory protection. The Maryland Auto Insurance Fund is the state mechanism that steps in to provide auto liability coverage to high risk drivers who can't obtain it from private carriers. If someone qualifies, they obtain a policy through MAIF, with rates and rules set by the fund in line with state requirements. Other options don't fit because private insurers would be the ones capable of writing coverage in the normal market, there is no federal Auto Insurance Program in Maryland, and the Maryland Life Insurance Fund deals with life insurance, not auto liability.

3. Surety agents must maintain records of bail bonds; these records must be available for inspection by the Commissioner for at least how long after termination of the surety liability?

- A. 6 months
- B. 1 year**
- C. 2 years
- D. 3 years

Record-keeping for bail bonds and the period of regulatory inspection by the Commissioner is what this item tests. Surety agents must preserve their bail bond records and make them available for inspection for at least one year after the termination of the surety liability. That one-year window gives the Commissioner a reasonable period to audit past transactions, ensure proper handling of fees and collateral, and verify compliance with applicable laws and rules. A shorter period wouldn't provide enough time to uncover or review issues that surface after a bond is terminated, while longer periods add burden without additional regulatory benefit.

4. Which of the following would NOT be considered a flood?

- A. Sewer backup
- B. River overflow
- C. Storm surge
- D. Heavy rainfall

In property and casualty terms, flood is typically defined as inundation of normally dry land from surface water sources, such as rivers overflowing, heavy rains causing surface flooding, or coastal waters pushed inland by a storm surge. Sewer backup, on the other hand, comes from water backing up through the sewer system into a building due to blockages or plumbing failures. That peril isn't caused by overland floodwaters and is usually treated as a separate coverage item (often requiring an endorsement or a separate policy) rather than a standard flood peril. Therefore, sewer backup would NOT be considered a flood, while river overflow, storm surge, and heavy rainfall all fit the common definition of flood.

5. Which type of claim would be covered by the Maryland Property and Casualty Insurance Guaranty Corporation?

- A. A corporate liability claim
- B. A workers' comp claim
- C. An individual claim for \$100,000
- D. A property damage claim

The main idea is that the Maryland Property and Casualty Insurance Guaranty Corporation steps in to pay covered claims against insolvent property and casualty insurers, protecting policyholders and other claimants within a set per claim limit. It does not cover workers' compensation claims, which are handled by a separate guaranty system. An individual claim for \$100,000 fits this purpose precisely: it's a claim by a person (a claimant) under a property or casualty policy against an insolvent insurer, and it would be paid up to the state's per claim limit. The workers' compensation option is outside this guaranty, which is why that choice is not correct. While corporate liability or general property damage claims could also be covered if they arise under a qualifying policy and stay within the per claim limit, the example of an individual claim clearly aligns with how the guaranty fund operates.

6. When a Maryland insurer changes rates for the largest corporation in the state, which statements could apply?

- A. Rates must be filed with the Department
- B. Rates may be changed without notice
- C. The department may require public notice
- D. Any of the above can be true

Rate changes in Maryland are subject to regulatory oversight by the Department. Rates typically must be filed with the Department for review and approval before they become effective, ensuring they're justified and not unfairly discriminatory. The Department can also require public notice of proposed rate changes so policyholders and the market are informed. In some situations, such as when the regulator allows immediate implementation or in emergencies, a rate change may take effect without separate advance notice. Because these different pathways exist, any of these outcomes could occur, making the option that any of the above statements could be true the best choice.

7. Which statement about transferring continuing education credits to the next reporting period is correct?

- A. 0 hours may be transferred**
- B. 2 hours may be transferred
- C. 5 hours may be transferred
- D. 10 hours may be transferred

Continuing education credits must be earned within the current license reporting period; there is no carryover to the next period. In Maryland, any hours completed beyond what's required in a period do not roll over to the next renewal cycle. So, no hours can be transferred to the next period, making the statement that zero hours may be transferred correct. This means you must meet the full requirement within each period, rather than counting extra hours toward the next one.

8. J retake earliest March 15.

- A. March 8th
- B. March 15th**
- C. March 21st
- D. March 29th

Retake timing is governed by a minimum waiting period between attempts. If the policy requires a 14-day interval between exams, the earliest you can retake is 14 days after the previous attempt. Assuming the last attempt was on March 1, the next available date would be March 15, which is exactly 14 days later. March 8 would be too soon (only 7 days later), while March 21 and March 29 come after the minimum interval but are not the earliest possible date. Therefore, March 15 is the earliest valid retake date.

9. Which statement about a Public Adjuster is correct?

- A. A Public Adjuster can appraise auto policy losses.
- B. A Public Adjuster is defined as someone who handles only property claims.
- C. A Public Adjuster does not include a person that appraises claims for loss covered by a motor vehicle policy.**
- D. A Public Adjuster represents insurers.

Public adjusters are professionals hired by the insured to negotiate and settle claims for property losses, representing the insured rather than the insurer. In Maryland, this role does not include those who appraise losses under motor vehicle policies. That means a person who handles motor vehicle policy losses isn't considered a public adjuster. The key point is who they represent and what types of losses they handle: public adjusters advocate for the insured in property claims, while auto policy losses are typically handled by insurers or their own adjusters.

10. If an applicant fails the written insurance licensing examination, how many days must pass before the next allowed examination?

- A. 7 days
- B. 14 days**
- C. 21 days
- D. 28 days

There's a built-in waiting period between failed attempts to encourage focused study and prevent rapid, repeated testing. In Maryland, if you fail the written licensing examination, you must wait 14 days before you may sit for the next exam. This gives you a meaningful window to review your weaker areas and adjust your study plan, while still keeping the process progressing toward licensure. The other intervals don't match Maryland's rule: 7 days is typically too short for thorough review, and 21 or 28 days go beyond the standard policy, which is set at 14 days. When you retake, you'll also need to schedule the next available date and pay the exam fee again through the testing provider.

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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://mdpropertycasualty.examzify.com>

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

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