

Mississippi Insurance Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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 minimum requirement for proof of financial responsibility for automobile insurance in Mississippi?**
 - A. \$15,000/\$30,000 BI and \$15,000 PD**
 - B. \$25,000/\$50,000 BI and \$25,000 PD**
 - C. \$50,000/\$100,000 BI and \$50,000 PD**
 - D. \$100,000/\$300,000 BI and \$100,000 PD**
- 2. Which of the following is NOT covered by the garage coverage form?**
 - A. Underinsured motorists**
 - B. Damage to customer vehicles**
 - C. Liability for customer injuries**
 - D. Property damage to covered premises**
- 3. The Guaranty Association pays covered claims up to what amount for claims other than return of premium and workers' compensation?**
 - A. \$200,000**
 - B. \$300,000**
 - C. \$400,000**
 - D. \$500,000**
- 4. Which type of policy insures a property against all perils specifically listed in the policy?**
 - A. All-risk policy**
 - B. Named peril policy**
 - C. Comprehensive policy**
 - D. Special form policy**
- 5. Which of the following is a typical requirement for a producer's license renewal?**
 - A. Completing additional background checks**
 - B. Fulfilling continuing education requirements**
 - C. Participating in peer evaluations**
 - D. Paying increased commission rates**

6. What is the maximum percentage of commissions that a producer may earn for writing controlled business during a 24-month period?

- A. 25%
- B. 30%
- C. 35%
- D. 40%

7. What is a guarantee that something is true called?

- A. Declaration
- B. Assertion
- C. Warranty
- D. Affirmation

8. All of the following are covered under the farm property coverage forms except?

- A. Farm equipment
- B. Growing crops
- C. Livestock
- D. Farm buildings

9. Which type of coverage would the insured depend on in the event of damage during construction?

- A. Builder's risk
- B. Completed operations
- C. General liability
- D. Workers compensation

10. What term best describes a loss that occurs when an individual breaks into a safe and leaves visible signs of forcible entry?

- A. Theft
- B. Burglary
- C. Robbery
- D. Vandalism

Answers

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

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Explanations

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1. What is the minimum requirement for proof of financial responsibility for automobile insurance in Mississippi?

- A. \$15,000/\$30,000 BI and \$15,000 PD**
- B. \$25,000/\$50,000 BI and \$25,000 PD**
- C. \$50,000/\$100,000 BI and \$50,000 PD**
- D. \$100,000/\$300,000 BI and \$100,000 PD**

In Mississippi, the minimum requirement for proof of financial responsibility for automobile insurance is set at \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage. This means that if a driver is involved in an accident, their insurance must cover at least these amounts for damages and injuries they may cause to others. Choosing this option reflects compliance with state laws designed to ensure that drivers can manage their financial liability in the event of an accident, providing individuals with a level of security while operating a vehicle. The other options present higher limits than what is mandated by state law, which might exceed what is required for financial responsibility but are not necessary for the minimum standard.

2. Which of the following is NOT covered by the garage coverage form?

- A. Underinsured motorists**
- B. Damage to customer vehicles**
- C. Liability for customer injuries**
- D. Property damage to covered premises**

The garage coverage form is an insurance policy specifically designed for businesses in the automotive industry, such as garages, auto repair shops, and dealerships. This form typically provides coverage for a range of liabilities and property damages associated with the operation of these businesses. Underinsured motorists coverage is a type of auto insurance that protects drivers when they are involved in an accident with another driver who has insufficient insurance to cover the damages. This coverage is intended for personal auto policies rather than garage coverage policies. Therefore, underinsured motorists are not a risk covered by the garage coverage form because the focus of this insurance is primarily on business-related activities, including liability for customer injuries and damage to customer vehicles while in the business's care. The other options, including damage to customer vehicles, liability for customer injuries, and property damage to covered premises, are all explicitly addressed within the scope of the garage coverage form, making them part of the protections offered under this type of insurance policy.

3. The Guaranty Association pays covered claims up to what amount for claims other than return of premium and workers' compensation?

- A. \$200,000
- B. \$300,000**
- C. \$400,000
- D. \$500,000

The Guaranty Association plays a crucial role in providing financial protection to policyholders in the event that an insurance company becomes insolvent. For claims other than the return of premium and workers' compensation, the Guaranty Association covers covered claims up to a limit designed to help insured individuals receive some compensation despite the financial troubles of their insurance provider. In Mississippi, this limit is set at \$300,000. This figure ensures that policyholders are partially shielded from potential losses and maintain some level of protection against the uncertainty of insurance company sustainability. The clarity of this limit is essential for both consumers and providers in the insurance market, reinforcing a sense of stability in the face of industry challenges.

4. Which type of policy insures a property against all perils specifically listed in the policy?

- A. All-risk policy
- B. Named peril policy**
- C. Comprehensive policy
- D. Special form policy

The correct answer is the named peril policy. This type of insurance specifically covers only those risks or perils that are explicitly listed in the policy. For instance, if a named peril policy includes coverage for fire, theft, and vandalism, it will only provide protection against these specific events. Any peril not mentioned in the policy would not be covered, which is a key characteristic of this type of insurance. In contrast, an all-risk policy provides coverage for all perils except those that are specifically excluded. This means that unless a peril is explicitly stated as not covered, it is generally included. A comprehensive policy is often used interchangeably with all-risk but typically emphasizes broader coverage. The special form policy is often considered another name for an all-risk policy, which further reinforces the distinction between it and the named peril policy. Thus, the named peril policy is uniquely defined by its limitation to specific risks listed within its terms.

5. Which of the following is a typical requirement for a producer's license renewal?

- A. Completing additional background checks**
- B. Fulfilling continuing education requirements**
- C. Participating in peer evaluations**
- D. Paying increased commission rates**

Fulfilling continuing education requirements is a standard prerequisite for renewing a producer's insurance license. States mandate these requirements to ensure that producers remain knowledgeable about the latest insurance products, regulatory changes, and best practices within the industry. Continuing education helps enhance the skills and competencies of producers, ensuring they can serve their clients effectively and uphold the professional standards of the insurance industry. Typically, state insurance departments outline specific hours of education required over a set period, and producers must demonstrate compliance with these regulations to maintain their licensure. This process ensures that the producers are up to date with their knowledge, which is crucial for responsible and informed advising of clients regarding insurance products and services. This focus on ongoing education reflects the dynamic nature of the insurance field, where laws, products, and consumer needs are constantly evolving.

6. What is the maximum percentage of commissions that a producer may earn for writing controlled business during a 24-month period?

- A. 25%**
- B. 30%**
- C. 35%**
- D. 40%**

The maximum percentage of commissions that a producer may earn for writing controlled business during a 24-month period is 35%. This regulation is in place to prevent conflicts of interest and ensure that producers do not excessively profit from business that they have significant control over, which could lead to unethical practices. Controlled business refers to insurance purchased for an agent's own benefit, such as insurance for their family or themselves, and this limit is intended to promote fairness and competition in the insurance market. Such regulations are established to ensure producers have diverse clients and do not solely rely on their personal networks, ultimately protecting the integrity of the insurance industry.

7. What is a guarantee that something is true called?

- A. Declaration**
- B. Assertion**
- C. Warranty**
- D. Affirmation**

A guarantee that something is true is referred to as a warranty. Warranties are formal promises or guarantees regarding the quality or performance of a product or service. In the context of insurance and other contractual agreements, a warranty serves as a binding assurance that specific conditions are met or that certain facts are true. This legal commitment can have significant implications for the parties involved—particularly if the warranty is found to be false or if the conditions outlined are not fulfilled, leading to potential legal consequences or claims denials. In this context, while terms like declaration, assertion, and affirmation may also indicate claims of truth or validation, they do not carry the same legal weight or binding nature as a warranty does. A warranty typically implies a deeper obligation to rectify or remedy if the guaranteed conditions are not satisfied, making it a crucial component in contracts, especially in the field of insurance.

8. All of the following are covered under the farm property coverage forms except?

- A. Farm equipment**
- B. Growing crops**
- C. Livestock**
- D. Farm buildings**

The correct response identifies that growing crops are not covered under the standard farm property coverage forms. This is primarily because the coverage for farm properties typically includes tangible assets such as buildings, equipment, and livestock, which are permanent or semi-permanent in nature. Growing crops are considered to be part of the harvest rather than property. Insurance for crops is usually provided through a different type of policy, such as crop insurance, which is specifically designed to address the unique risks associated with agricultural production. This differentiation reflects how insurance coverage is structured to properly account for the various needs of farmers depending on the type of property or asset involved. Thus, while equipment, livestock, and farm buildings fall under the coverage forms due to their more permanent nature, growing crops are excluded because they are not classified as property under these forms.

9. Which type of coverage would the insured depend on in the event of damage during construction?

- A. Builder's risk**
- B. Completed operations**
- C. General liability**
- D. Workers compensation**

Builder's risk coverage is specifically designed to provide insurance protection for buildings under construction, renovation, or repair. This type of coverage typically addresses damage to the structure and might also cover materials, fixtures, and equipment that are part of the construction project. It helps protect the financial interests of the insured in case of incidents such as fire, theft, or vandalism that could lead to significant losses during the construction phase. In contrast, completed operations coverage applies once the construction project is finished and the building is in use. It protects against liability claims resulting from the completed work. General liability insurance provides broad protection against third-party claims for bodily injury and property damage but does not directly cover the materials and equipment while they are on-site and under construction. Workers' compensation insurance is focused on providing coverage for medical expenses and lost wages for employees injured while working and is not related to damage to the construction itself. Therefore, builder's risk is the appropriate choice for coverage during the construction period.

10. What term best describes a loss that occurs when an individual breaks into a safe and leaves visible signs of forcible entry?

- A. Theft**
- B. Burglary**
- C. Robbery**
- D. Vandalism**

The term that best describes a loss involving breaking into a safe and leaving visible signs of forcible entry is burglary. Burglary specifically refers to the unlawful entry into a structure, typically a building, with the intent to commit a crime inside, such as theft. The act of breaking into the safe indicates that there was intent to commit a crime, and the visible signs of forced entry confirm that the entry was not authorized. In contrast, theft generally refers to the act of taking someone else's property without permission, without focusing on how the entry was made. Robbery involves taking property from a person through force or threat, emphasizing the confrontational aspect, which is not present in the scenario described. Vandalism refers to the intentional destruction of property, which does not align with the act of breaking into a safe to commit theft. Thus, burglary is the most accurate term to describe this situation.

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://msinsurance.examzify.com>

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

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