

# Nevada Casualty Law Practice Exam (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. Which document outlines Nevada's insurance law regulations?**
  - A. Nevada Administrative Code**
  - B. Nevada Revised Statutes (NRS) Chapter 685A**
  - C. Nevada Insurance Guidelines**
  - D. Nevada Law Review**
- 2. Regarding the personal auto policy, which vehicle qualifies as a nonowned auto?**
  - A. An auto owned by the insured**
  - B. A vehicle borrowed from a friend**
  - C. A vehicle that is titled to another person, but is used with permission by the insured**
  - D. A rental car under contract with a rental agency**
- 3. What is the "collateral source rule" in Nevada?**
  - A. Only insurance benefits can be considered**
  - B. A plaintiff's other compensations do not reduce damages from the defendant**
  - C. It limits compensation to actual losses**
  - D. It applies only to medical expenses**
- 4. What does a Certificate of Insurance typically document?**
  - A. The types and amounts of insurance issued to the insured**
  - B. The personal details of the insured**
  - C. The history of claims made by the insured**
  - D. The terms and conditions of the insurance policy**
- 5. Which of the following is a requirement for obtaining workers' compensation in Nevada?**
  - A. The employer must have a physical office in Nevada**
  - B. The employer must provide proof of financial stability**
  - C. The employer must be registered with the Secretary of State**
  - D. The employer must report all employee injuries to OSHA**

**6. What is "negligence per se"?**

- A. A type of negligence that requires intent**
- B. An act deemed negligent due to violation of a statute or regulation**
- C. A legal defense against negligence claims**
- D. A standard for evaluating moral wrongdoing**

**7. The premium for a motor vehicle liability insurance policy can be reduced for a 55 year old who does all of the following EXCEPT:**

- A. Complete a defensive driving course**
- B. Have a clean driving record**
- C. Pass a written safety examination**
- D. Maintain continuous coverage**

**8. What factor is commonly used to determine the premium of a Workers Compensation policy?**

- A. Location of the business**
- B. Employee turnover rate**
- C. Payroll amount**
- D. Type of industry**

**9. What did Jim do to reduce his premium for 3-year periods?**

- A. Completed an advanced driving course**
- B. Attended a traffic safety course**
- C. Changed his policy provider**
- D. Increased his deductible amount**

**10. How long does the employee theft crime policy cover employees temporarily outside the coverage territory?**

- A. 60 days**
- B. 90 days**
- C. 120 days**
- D. 180 days**

## **Answers**

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

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## **Explanations**

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**1. Which document outlines Nevada's insurance law regulations?**

- A. Nevada Administrative Code**
- B. Nevada Revised Statutes (NRS) Chapter 685A**
- C. Nevada Insurance Guidelines**
- D. Nevada Law Review**

The correct answer focuses on the Nevada Revised Statutes (NRS) Chapter 685A, which specifically outlines the regulatory framework for insurance in Nevada. This chapter encompasses various regulations governing insurance practices, including licensing requirements, financial regulations for insurers, and consumer protections within the insurance market. NRS Chapter 685A provides clear statutory language that defines the roles and responsibilities of insurance companies operating in Nevada, ensuring compliance with state laws. This statute serves as the primary source of law regarding insurance, making it essential for practitioners to understand its provisions when dealing with insurance matters in Nevada. While other options may refer to general administrative codes or publications relevant to law in Nevada, they do not focus specifically on the comprehensive legal framework concerning insurance regulations as NRS Chapter 685A does.

**2. Regarding the personal auto policy, which vehicle qualifies as a nonowned auto?**

- A. An auto owned by the insured**
- B. A vehicle borrowed from a friend**
- C. A vehicle that is titled to another person, but is used with permission by the insured**
- D. A rental car under contract with a rental agency**

A nonowned auto is defined as a vehicle that the insured does not own but operates with permission. In this context, a vehicle that is titled to another person and is used with their consent qualifies as a nonowned auto. This means that if the insured has been given permission by the titled owner to use the vehicle, it falls under this category. The concept of nonowned autos is important within a personal auto policy because it provides coverage for vehicles that the insured does not personally own. This is especially relevant for occasions when individuals borrow cars or use vehicles that are not in their name, ensuring they remain covered while driving those vehicles. The other options do not fit the definition of nonowned autos. An auto owned by the insured is not considered nonowned because it is directly owned by the insured, thus not fulfilling the criteria of being "nonowned." A rented vehicle, while technically not owned by the insured either, is covered differently under most personal auto policies and typically falls under a specific category dedicated to rental vehicles, not as nonowned. While borrowing from a friend typically fits the nonowned definition, the emphasis on permission provided in the context of the query points more specifically to the case where the vehicle is owned by another individual but used with their knowledge.

### 3. What is the "collateral source rule" in Nevada?

- A. Only insurance benefits can be considered**
- B. A plaintiff's other compensations do not reduce damages from the defendant**
- C. It limits compensation to actual losses**
- D. It applies only to medical expenses**

The collateral source rule in Nevada stipulates that a plaintiff's compensation from sources independent of the defendant, such as insurance benefits or other forms of compensation, will not be used to reduce the amount of damages the defendant is liable for. This means that if a plaintiff receives benefits from their own insurance or other sources, those benefits do not diminish the damages the defendant must pay in a lawsuit. This rule is designed to ensure that the injured party is fully compensated for their losses and does not benefit from a reduction in damages due to funds received from separate sources. It reinforces the principle that defendants are responsible for all the harm they cause, irrespective of any other compensatory support the plaintiff may have received. The focus on only insurance benefits or medical expenses, as noted in some other options, misrepresents the broader application of the rule, which encompasses all types of compensation unrelated to the defendant. Limiting compensation to actual losses also does not align with the intent behind the collateral source rule, as it allows for full recovery without deductions for outside compensation.

### 4. What does a Certificate of Insurance typically document?

- A. The types and amounts of insurance issued to the insured**
- B. The personal details of the insured**
- C. The history of claims made by the insured**
- D. The terms and conditions of the insurance policy**

A Certificate of Insurance primarily serves as a concise document that outlines the specific types of insurance coverage that have been issued to the insured, along with the associated coverage limits. This document is often utilized to provide proof of insurance to third parties and helps establish that the insured has the necessary coverage in place. It does not delve into the specific personal details of the insured, the history of claims made, or the detailed terms and conditions of the insurance policy itself. Instead, it acts as a summary that highlights the essential coverage information relevant to the parties that need confirmation of insurance.

**5. Which of the following is a requirement for obtaining workers' compensation in Nevada?**

- A. The employer must have a physical office in Nevada**
- B. The employer must provide proof of financial stability**
- C. The employer must be registered with the Secretary of State**
- D. The employer must report all employee injuries to OSHA**

In Nevada, one of the fundamental requirements for obtaining workers' compensation is that the employer must be registered with the Secretary of State. This registration ensures that the employer is a legally recognized entity operating within the state, which is essential for the administration and compliance of workers' compensation laws. If an employer is not registered, they cannot effectively meet the obligations of the workers' compensation system, including obtaining the necessary insurance or funding to cover claims made by injured employees. This registration serves as an important mechanism for ensuring that businesses adhere to state regulations, which protects both employees and employers in the event of workplace injuries. The requirements around registration are designed to maintain proper oversight and accountability within the workers' compensation framework, which is critical for ensuring timely and fair compensation and medical care for injured workers.

**6. What is "negligence per se"?**

- A. A type of negligence that requires intent**
- B. An act deemed negligent due to violation of a statute or regulation**
- C. A legal defense against negligence claims**
- D. A standard for evaluating moral wrongdoing**

Negligence per se refers to a situation where an act is considered negligent simply because it violates a statute or regulation. This legal concept is based on the idea that when a person breaks a law designed to protect public safety, that violation itself constitutes negligence without the need to demonstrate that the person acted unreasonably or failed to meet a standard of care. In this context, if an individual engages in conduct that is explicitly prohibited by a statute (such as failing to stop at a red light), this behavior can be classified as negligence per se. Therefore, the plaintiff does not need to prove that the defendant acted negligently in a traditional sense; the mere fact that the law was broken is sufficient to establish the negligence.

Understanding this principle is crucial because it streamlines some aspects of proving cases in civil litigation related to negligence. Rather than having to show that a defendant's behavior was unreasonable, a plaintiff can simply point to the violation of the statute to meet the burden of proof for negligence. This contrasts with other options, which do not accurately capture the nature of negligence per se. For instance, negligence does not necessarily require intent; it can occur without a person's intention to cause harm. Additionally, while there may be defenses against negligence claims, negligence

**7. The premium for a motor vehicle liability insurance policy can be reduced for a 55 year old who does all of the following EXCEPT:**

- A. Complete a defensive driving course**
- B. Have a clean driving record**
- C. Pass a written safety examination**
- D. Maintain continuous coverage**

The premium for a motor vehicle liability insurance policy is typically reduced based on certain safety and risk factors related to the insured driver. Completing a defensive driving course, having a clean driving record, and maintaining continuous coverage are all recognized as mitigating factors that can lower insurance premiums. These actions demonstrate the driver's commitment to safe driving practices and reduced risk, which insurers often reward with lower rates. However, passing a written safety examination is not commonly among the qualifying criteria for premium reductions. While it might reflect knowledge of safe driving practices, it does not directly demonstrate a driver's behavior on the road or their experience in driving. The other options are based on tangible actions that prove consistent responsible driving behavior, making them valuable to insurers for assessing risk and determining premium rates.

**8. What factor is commonly used to determine the premium of a Workers Compensation policy?**

- A. Location of the business**
- B. Employee turnover rate**
- C. Payroll amount**
- D. Type of industry**

The premium of a Workers Compensation policy is primarily influenced by the payroll amount because workers' compensation insurance is designed to cover a percentage of the payroll expenses in relation to the risks associated with the employees' work activities. The more employees a company has and the higher their salaries, the greater the potential liability for the insurer in the event of workplace injuries or illnesses. Understanding this relationship is essential for businesses, as payroll directly correlates with the insurance costs they will incur. Premium calculations typically involve multiplying the payroll by rates based on the classification of the work being performed, ensuring that the premium reflects the actual risk exposure associated with the workforce. While the other factors such as location, employee turnover, and industry type can influence premiums indirectly by affecting the risk level, payroll remains the most straightforward and significant factor in premium determination as it quantifies the potential financial exposure the insurer faces. This ensures that premiums are appropriately aligned with the company's size and associated risk levels.

**9. What did Jim do to reduce his premium for 3-year periods?**

- A. Completed an advanced driving course**
- B. Attended a traffic safety course**
- C. Changed his policy provider**
- D. Increased his deductible amount**

Attending a traffic safety course is an effective way for Jim to potentially reduce his insurance premiums over a three-year period. Many insurance companies offer discounts to policyholders who complete these types of courses, as they demonstrate a commitment to safe driving practices and an understanding of traffic laws. Such courses often educate drivers on defensive driving techniques, accident avoidance, and how to respond in emergencies, all of which contribute to lowering the risk profile from the insurer's perspective. While completing an advanced driving course can also lead to discounts, it is typically more specialized and may not universally apply to all insurance providers. Changing his policy provider might offer better rates but does not directly address reducing premiums through safe driving practices. Increasing the deductible amount could lower premiums but involves taking on greater financial risk in the event of a claim, which is a different approach to managing costs. Thus, attending a traffic safety course stands out as a proactive measure that can lead to premium reductions specifically tied to safe driving qualifications.

**10. How long does the employee theft crime policy cover employees temporarily outside the coverage territory?**

- A. 60 days**
- B. 90 days**
- C. 120 days**
- D. 180 days**

The correct answer indicates that the employee theft crime policy provides coverage for employees temporarily outside the designated coverage territory for a period of 90 days. This is significant because it reflects a common stipulation in crime policies, ensuring that businesses maintain protection against theft even if their employees are conducting activities outside the usual geographic limits of coverage for a limited time. Understanding this coverage is crucial for businesses that may have employees working on travel assignments, off-site projects, or other temporary duties beyond the primary location of operations. The 90-day period allows for a reasonable amount of time for business activities to take place outside the normal coverage area, while also mitigating the insurer's risk by imposing a time limitation. Recognizing the duration of this coverage is essential for ensuring that businesses can adequately protect themselves from potential losses due to employee theft, which could occur unexpectedly while their employees are in unfamiliar environments. It highlights the importance of carefully reviewing insurance policy terms to ensure that they align with the operational needs of a business.

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://nvcasualtylaw.examzify.com>**

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

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