

NORTH CAROLINA LAWS AND RULES PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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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. An accident/health policyholder has how many days to return the policy for a full refund on premiums?**
 - A. 5
 - B. 10
 - C. 15
 - D. 30
- 2. What is the time frame for depositing earnest money in a North Carolina real estate transaction?**
 - A. Within two days of offer acceptance
 - B. Within five banking days of offer acceptance
 - C. Within three banking days of offer acceptance
 - D. Within one week of offer acceptance
- 3. What is the primary purpose of the North Carolina Wildlife Resources Commission?**
 - A. To enforce hunting regulations
 - B. To manage and conserve wildlife and habitats
 - C. To oversee national parks
 - D. To regulate fishing licenses
- 4. What action is required for land development in a zone with a different designation?**
 - A. Immediate construction approval
 - B. A submittal for a zoning change
 - C. Formation of a neighborhood association
 - D. Issuing a property appraisal
- 5. In North Carolina, what is the consequence for an insurer that fails to adhere to the timelines regarding proof of loss?**
 - A. They may lose their license
 - B. They must pay a penalty fee
 - C. They must begin paying interest on the proceeds
 - D. They must provide additional policy options

- 6. What is the time frame within which an insurer may contest a policy if an applicant fails to list a previous medical visit?**
- A. One year from the date of issue
 - B. Two years from the date of issue
 - C. Three years from the date of issue
 - D. Five years from the date of issue
- 7. Which entity is exempt from examination by the Commissioner of Insurance in North Carolina?**
- A. Health insurance companies
 - B. Life insurance master policy holders
 - C. Property and casualty insurers
 - D. Pension funds
- 8. What type of law addresses the conduct of public officials in North Carolina?**
- A. Criminal law
 - B. Administrative law
 - C. Constitutional law
 - D. Public law
- 9. When is a property defined as "unimproved"?**
- A. When it has no structures or significant improvements
 - B. When it is located in a rural area
 - C. When it is less than two acres
 - D. When it lacks electricity or water access
- 10. When must real estate agents provide a written agency disclosure to clients in North Carolina?**
- A. At the closing of the sale
 - B. At the first substantial contact with a prospective client
 - C. After the listing agreement is signed
 - D. Only upon request by the client

Answers

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

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Explanations

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1. An accident/health policyholder has how many days to return the policy for a full refund on premiums?

- A. 5
- B. 10**
- C. 15
- D. 30

In North Carolina, policyholders of accident and health insurance have a specific timeframe during which they can return their policy for a full refund of premiums. This duration is set at 10 days. The rationale behind this policy is to give consumers adequate time to review the terms and conditions of their insurance policy. This period allows them to ensure that the coverage provided meets their needs and expectations. Should they feel that the policy is not suitable for them, they can return it without financial penalty. This consumer protection measure is designed to encourage informed decisions regarding health and accident insurance. The other timeframes listed—5, 15, and 30 days—do not align with the regulations established for accident and health policies in North Carolina. Consequently, the correct answer reflects the specific statutory requirement.

2. What is the time frame for depositing earnest money in a North Carolina real estate transaction?

- A. Within two days of offer acceptance
- B. Within five banking days of offer acceptance
- C. Within three banking days of offer acceptance**
- D. Within one week of offer acceptance

In North Carolina, the established protocol for earnest money requires that it be deposited within three banking days of the offer being accepted. This timeframe ensures that the funds are secured promptly, which is vital for maintaining the integrity of the transaction and demonstrating the buyer's commitment to the purchase. Timely deposit of earnest money is a critical component of real estate transactions as it provides assurance to the seller that the buyer is serious about proceeding. The laws governing real estate transactions in North Carolina emphasize the importance of adhering to this three-day timeframe, as it helps streamline the process and allows the involved parties to move forward with confidence. A delay in this deposit could create uncertainty or complications in the transaction, making adherence to this guideline essential for a smooth real estate process.

3. What is the primary purpose of the North Carolina Wildlife Resources Commission?

- A. To enforce hunting regulations
- B. To manage and conserve wildlife and habitats**
- C. To oversee national parks
- D. To regulate fishing licenses

The primary purpose of the North Carolina Wildlife Resources Commission is to manage and conserve wildlife and habitats. This encompasses a broad range of activities aimed at ensuring the protection of native species and their natural environments, promoting biodiversity, and providing sustainable use of wildlife resources. The Commission is involved in habitat restoration, wildlife management, research, and public education efforts about conservation practices. While enforcing hunting regulations, overseeing national parks, and regulating fishing licenses are important functions, they serve as specific components of the broader goal of wildlife management and conservation. The emphasis on comprehensive wildlife management reflects the Commission's commitment to maintaining ecological balance and ensuring that both wildlife and human communities can thrive together.

4. What action is required for land development in a zone with a different designation?

- A. Immediate construction approval
- B. A submittal for a zoning change**
- C. Formation of a neighborhood association
- D. Issuing a property appraisal

In areas designated for specific zoning, any land development project that intends to use the property for purposes not aligned with the current zoning designation typically requires a formal process to change the zoning classification. This is essential to ensure that the proposed use complies with local planning and land use policies, which aim to promote orderly development and maintain the character of the area. Submitting a request for a zoning change provides an opportunity for the planning authorities to assess the implications of the proposed development. This process often includes public hearings, community input, and a thorough evaluation of how the new zoning might affect surrounding properties and services. It ensures transparency and aligns the development with community goals and regulations. The other options do not fulfill the necessary requirements for changing land use in a non-conforming zone. Immediate construction approval would bypass the necessary checks involved in complying with local zoning laws. Formation of a neighborhood association, while beneficial for community engagement, does not influence zoning regulations directly. Issuing a property appraisal may provide financial insights but does not address the legal requirement for a zoning change that is critical for land development to proceed in accordance with local laws.

5. In North Carolina, what is the consequence for an insurer that fails to adhere to the timelines regarding proof of loss?

- A. They may lose their license
- B. They must pay a penalty fee
- C. They must begin paying interest on the proceeds**
- D. They must provide additional policy options

In North Carolina, when an insurer does not adhere to the specified timelines for providing proof of loss, they are obligated to start paying interest on the insurance proceeds. This requirement serves as a form of protection for policyholders, ensuring they receive timely compensation without undue delays. The principle behind this provision is to encourage insurers to process claims more efficiently and to ensure that insured parties do not suffer financially due to the insurer's failure to act promptly. If an insurer delays claims processing beyond the established timelines, the imposition of interest underscores the contract's duty to timely address claims. This interest may apply from the point the insurer was required to pay until it ultimately fulfills its obligation, reinforcing the timeliness aspect within the regulatory framework of North Carolina's insurance laws. Other consequences, such as losing a license or paying penalty fees, are not directly tied to the specific issue of failing to meet timelines for proof of loss. These penalties would relate to broader violations of insurance laws but are not the immediate or specific consequence for delays in processing proof of loss directly. Similarly, providing additional policy options does not address the issue of timeliness regarding claims processing.

6. What is the time frame within which an insurer may contest a policy if an applicant fails to list a previous medical visit?

- A. One year from the date of issue
- B. Two years from the date of issue**
- C. Three years from the date of issue
- D. Five years from the date of issue

The correct answer is two years from the date of issue. This timeframe is significant in the context of insurance policies in North Carolina, as it aligns with the state's regulations regarding the contestability of life insurance policies. Under North Carolina law, insurers have a limited period (usually two years) to investigate and potentially contest claims based on misrepresentations or omissions in the application process. This provision is designed to balance the interests of both insurers and policyholders, providing some level of certainty to consumers that after two years, their policy cannot be easily contested on grounds that an applicant failed to disclose a previous medical visit, barring cases of fraud. This promotes transparency and encourages applicants to provide accurate information without the fear of being indefinitely exposed to contestation. The other options reflect longer timeframes which are not in line with the established regulatory periods for contestability in North Carolina.

7. Which entity is exempt from examination by the Commissioner of Insurance in North Carolina?

- A. Health insurance companies
- B. Life insurance master policy holders**
- C. Property and casualty insurers
- D. Pension funds

In North Carolina, life insurance master policyholders are exempt from examination by the Commissioner of Insurance due to the specific nature of their operations and regulatory framework. These entities typically hold master policies that are developed for groups or organizations, which means the normal underwriting and operational scrutiny that applies to insurance carriers does not directly apply to these holders. Master policyholders function in a different capacity compared to regular insurance companies; they are not insurers themselves but rather organizations that maintain a master insurance policy that covers a group of individuals. Because they do not engage in the insurance business as defined by the regulations governing insurers, they do not face the same examination requirements that insurance companies must undergo. The other entities mentioned are involved directly in the insurance sector. Health insurance companies, property and casualty insurers, and pension funds are all subjected to regulatory reviews and examinations by the Commissioner to ensure compliance with laws, solvency standards, and proper conduct within the insurance market. This distinct regulatory treatment illustrates the emphasis on directly overseeing those who are actively engaged in the business of insurance, unlike the case for life insurance master policyholders.

8. What type of law addresses the conduct of public officials in North Carolina?

- A. Criminal law
- B. Administrative law
- C. Constitutional law
- D. Public law**

Public law encompasses the regulations and statutes that govern the relationships between individuals and the government, as well as the conduct of public officials. In North Carolina, this area of law is crucial as it sets the framework for how government entities operate and outlines the rights and responsibilities of officials and citizens. Public law includes various subcategories, such as constitutional law, which addresses the fundamental principles by which the government operates, including the rights of citizens and the limits of government power. While constitutional law is indeed related to the conduct of public officials, it is more specific in its focus on the foundational legal principles established in the state's constitution. Therefore, public law is the broader categorization that includes not only constitutional law but also statutes and regulations governing the actions of officials and governmental bodies. It ensures accountability, transparency, and the rule of law in the conduct of public affairs, thereby directly addressing how public officials are expected to behave in their roles.

9. When is a property defined as "unimproved"?

- A. When it has no structures or significant improvements**
- B. When it is located in a rural area
- C. When it is less than two acres
- D. When it lacks electricity or water access

A property is defined as "unimproved" when it has no structures or significant improvements. This definition is key in real estate as it distinguishes between land that is developed and land that is essentially in its natural state. Unimproved properties are those that have not undergone any construction, such as buildings, roads, or other enhancements that would typically be considered developments. Understanding this definition is crucial for a variety of real estate transactions, including assessments of property value, zoning regulations, and potential uses for the land. An unimproved property might be suitable for agricultural purposes, hunting, conservation, or even future development, but it is fundamentally characterized by the absence of man-made structures. The other options do not accurately define "unimproved." The location of the property or size does not inherently determine its status as unimproved; a small property could be fully developed, and a large property in an urban setting could be unimproved. Additionally, lack of utilities like electricity or water does not automatically classify a property as unimproved since it can still have structures on it. The core element of being unimproved is the absence of any structures or significant enhancements.

10. When must real estate agents provide a written agency disclosure to clients in North Carolina?

- A. At the closing of the sale
- B. At the first substantial contact with a prospective client**
- C. After the listing agreement is signed
- D. Only upon request by the client

In North Carolina, real estate agents are required to provide a written agency disclosure to clients at the first substantial contact with a prospective client. This requirement is in place to ensure that clients are fully informed about the nature of the agency relationship and the agent's role in the transaction. This means that as soon as an agent has meaningful interaction that goes beyond casual conversation—such as discussing the client's needs, preferences, or financial situation—the agent must provide this disclosure. The rationale behind this rule is to promote transparency and help clients make informed decisions about who they are working with in a real estate transaction. It establishes a clear understanding of the obligations and responsibilities of both the agent and the client from the outset of their relationship. Providing the agency disclosure at closing, after a listing agreement is signed, or only upon request does not align with North Carolina's intention to inform clients at the earliest possible stage of the agency relationship. Early disclosure helps prevent misunderstandings and builds trust between the client and the agent, which is fundamental in real estate transactions.

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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://nclawsandrules.examzify.com>

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

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