

North Dakota Property Practice Exam (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. Which role may temporarily take over the commissioner's duties during their absence?**
 - A. Principal Agent**
 - B. Deputy Commissioner**
 - C. Chief Inspector**
 - D. Operational Manager**
- 2. In the event of a house fire, how many days is an insured item covered at a new location under a standard fire policy?**
 - A. 3 days**
 - B. 5 days**
 - C. 7 days**
 - D. 10 days**
- 3. In which situation is arbitration most beneficial for resolving disputes?**
 - A. When both parties trust each other**
 - B. When a quick decision is needed**
 - C. When parties prefer to maintain a relationship**
 - D. When disputes are relatively minor**
- 4. What is the special per occurrence limit for loss or damage to precious metals, stones, and other specified items under commercial crime coverage?**
 - A. \$1,000**
 - B. \$5,000**
 - C. \$10,000**
 - D. \$15,000**
- 5. What term is used to describe the total amount of money that the insurer is liable to pay for a covered loss?**
 - A. Policy limit**
 - B. Deductible**
 - C. Premium**
 - D. Subrogation**

6. What does gap insurance in real estate cover?

- A. The insurance for natural disasters**
- B. The difference between a property value and the outstanding mortgage balance in case of loss**
- C. The mortgage payments in case of job loss**
- D. The costs associated with closing on a property**

7. What is an important factor that can affect the premium costs of property insurance?

- A. Building location**
- B. Insured's age**
- C. Policy duration**
- D. Amount of coverage required**

8. In North Dakota, who is responsible for conducting a title search?

- A. The local government office**
- B. The buyer's attorney or closing agent**
- C. The seller's real estate agent**
- D. The buyer personally**

9. Under homeowners insurance, which of the following would NOT be considered an insured?

- A. The 22-year-old niece of the insured who is visiting**
- B. The mother of the insured who is residing in the household**
- C. The legal representative of a deceased insured**
- D. A 15-year-old foster child residing in the premises**

10. When must insurable interest in a property policy be proven?

- A. At the time of policy issuance**
- B. At the time of claim submission**
- C. At the time of loss**
- D. At the time of renewal**

Answers

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

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Explanations

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1. Which role may temporarily take over the commissioner's duties during their absence?

- A. Principal Agent**
- B. Deputy Commissioner**
- C. Chief Inspector**
- D. Operational Manager**

The role that can temporarily take over the commissioner's duties during their absence is the Deputy Commissioner. This position is specifically designed as a secondary top-level role within the organization that supports the commissioner. The Deputy Commissioner typically has a deep understanding of the operations and responsibilities of the commissioner, allowing them to handle necessary duties seamlessly, ensuring that the commission continues to function effectively and operates without disruption. The Deputy Commissioner is often involved in the management of day-to-day operations, strategic planning, and implementing policies, making them the most qualified to step in when the commissioner is unavailable. This assurance of continuity in leadership is essential for maintaining stability and clarity within the agency. Positions like Principal Agent, Chief Inspector, and Operational Manager, while they may have important roles, typically do not possess the same level of authority or responsibilities associated with the commissioner's duties. Therefore, they would not be regarded as suitable or official replacements during the commissioner's absence.

2. In the event of a house fire, how many days is an insured item covered at a new location under a standard fire policy?

- A. 3 days**
- B. 5 days**
- C. 7 days**
- D. 10 days**

In a standard fire insurance policy, an insured item that is moved to a new location is typically covered for a limited duration. This coverage is established to protect policyholders in case they need to relocate items quickly after an event such as a house fire. Coverage for items at the new location is generally extended for a period of five days. This temporary extension allows the insured some coverage flexibility as they deal with the aftermath of a loss, ensuring that their possessions are still protected even if they are not at their original location. Understanding this timeframe is crucial for policyholders to know how to proceed with their insurance claims after a disaster.

3. In which situation is arbitration most beneficial for resolving disputes?

- A. When both parties trust each other**
- B. When a quick decision is needed**
- C. When parties prefer to maintain a relationship**
- D. When disputes are relatively minor**

Arbitration is particularly beneficial when a quick decision is essential for the parties involved in a dispute. The arbitration process typically occurs outside of the traditional court system and can be conducted much more swiftly. This expeditious nature is one of the primary reasons parties may choose arbitration over litigation, especially in time-sensitive situations where delays could lead to further complications or costs. While the other scenarios do present situations where arbitration might also be useful, they do not emphasize the time-sensitive aspect as strongly as the need for a quick decision does. Trusting each other (as in the first option) might ease communication but doesn't accelerate the process. Maintaining a relationship (as in the third option) is valuable, but there are other mechanisms that could also serve that need. Treating disputes as relatively minor (the last option) doesn't inherently necessitate a quick resolution, as it's more about the complexity and stakes involved in the situation. Thus, the emphasis on a rapid outcome solidifies why the focus on urgency makes arbitration particularly advantageous in such cases.

4. What is the special per occurrence limit for loss or damage to precious metals, stones, and other specified items under commercial crime coverage?

- A. \$1,000**
- B. \$5,000**
- C. \$10,000**
- D. \$15,000**

In commercial crime coverage, the special per occurrence limit for loss or damage to precious metals, stones, and other specified items is \$5,000. This amount reflects the insurance industry's approach to risk associated with high-value items typically targeted for theft or loss. This limit is designed to provide a balance between offering some coverage for these valuable items while also managing the insurer's risk exposure given the higher potential costs associated with claims for losses in this category. Understanding this limit is crucial for businesses as they assess their coverage needs and evaluate the adequacy of their insurance policies concerning valuable assets. By knowing the specific limit, businesses can make informed decisions about additional coverage or risk management strategies that might be necessary given the value of their precious items. The other amounts provided in the choices do not align with the standard limit for commercial crime coverage, which specifically sets the limit at \$5,000 for specified items like precious metals and stones.

5. What term is used to describe the total amount of money that the insurer is liable to pay for a covered loss?

- A. Policy limit**
- B. Deductible**
- C. Premium**
- D. Subrogation**

The term that describes the total amount of money that the insurer is liable to pay for a covered loss is known as the policy limit. This refers to the maximum amount that the insurance company will pay out in the event of a claim, which is stipulated in the insurance policy itself. Understanding policy limits is crucial for both insurers and policyholders, as it defines the extent of financial coverage provided under the terms of the agreement. In contrast, a deductible is the amount that a policyholder must pay out of pocket before the insurer begins to pay for a loss. Premium refers to the amount paid by the policyholder to maintain their insurance coverage, and subrogation is the legal right of an insurer to pursue a third party that caused a loss to recover the amount of the claim paid to the insured. Each of these terms plays a different role in the context of insurance policies, but the policy limit specifically identifies the insurer's maximum liability for covered losses.

6. What does gap insurance in real estate cover?

- A. The insurance for natural disasters**
- B. The difference between a property value and the outstanding mortgage balance in case of loss**
- C. The mortgage payments in case of job loss**
- D. The costs associated with closing on a property**

Gap insurance in real estate specifically provides coverage for the difference between the property's value and the outstanding mortgage balance in the event of a loss. This can be particularly important for homeowners who may find themselves in a situation where their property is severely damaged or lost entirely, leading to a situation where the insurance payout is less than what they owe on their mortgage. In such cases, the gap insurance helps protect homeowners from the financial burden of having to pay off a mortgage balance that exceeds the amount received from their insurance claim for the property's loss. This safety net is crucial for maintaining financial stability, as it allows homeowners to avoid being in a state of negative equity after a total loss. The other options focus on different types of coverage or financial assistance that do not specifically relate to this particular gap in insurance. For instance, natural disaster coverage pertains to specific events causing damage rather than loss relative to mortgage debt. Coverage for mortgage payments during job loss addresses employment-related financial support and is distinct from property value issues. Closing costs relate to the expenses associated with finalizing a property purchase and are not related to gap insurance at all.

7. What is an important factor that can affect the premium costs of property insurance?

- A. Building location**
- B. Insured's age**
- C. Policy duration**
- D. Amount of coverage required**

Building location is a significant factor influencing property insurance premiums because it directly affects the level of risk associated with insuring a property. Insurers assess various elements linked to the property's location, such as susceptibility to natural disasters, crime rates, and proximity to fire services. For example, properties in flood-prone areas or regions with high incidences of vandalism may incur higher premiums due to the increased risk of claims. Furthermore, certain locations might benefit from lower premiums due to their perceived safety or lower likelihood of catastrophic events. Insurers take a comprehensive view of geographic risks, which can lead to notable differences in premiums based solely on where the property is situated. The other factors, such as the insured's age, policy duration, and the amount of coverage required, do influence insurance costs but are generally secondary to the risk associated with the property's location itself.

8. In North Dakota, who is responsible for conducting a title search?

- A. The local government office**
- B. The buyer's attorney or closing agent**
- C. The seller's real estate agent**
- D. The buyer personally**

In North Dakota, the responsibility for conducting a title search primarily falls to the buyer's attorney or closing agent. This is because it is crucial for the buyer to ensure that the property being purchased is free of liens, claims, or any other issues that could affect ownership. The title search involves reviewing public records and other documents to confirm the legal ownership of the property and to identify any encumbrances that may exist. The buyer's attorney or closing agent is typically skilled in performing these searches and can interpret the findings appropriately, ensuring that the buyer is well-informed before completing the transaction. This function protects the buyer's interests by providing clarity and assurance regarding the title's validity and any potential title defects. Other participants in the transaction, such as the seller's real estate agent or the local government, do not have the same obligation to perform the title search, as their roles are more focused on facilitating the sale from the seller's side rather than ensuring the buyer's legal protections. The buyer conducting the search personally may not have the necessary expertise to perform this task effectively, which is why relying on a professional is the standard practice.

9. Under homeowners insurance, which of the following would NOT be considered an insured?

- A. The 22-year-old niece of the insured who is visiting**
- B. The mother of the insured who is residing in the household**
- C. The legal representative of a deceased insured**
- D. A 15-year-old foster child residing in the premises**

In homeowners insurance policies, coverage is typically extended to certain individuals based on their relationship to the named insured and their living situation. The correct answer here is that the 22-year-old niece visiting is not considered an insured under the homeowners insurance. This stems from the general understanding that homeowners policies generally cover those who are residents of the household. While family members living in the home, such as the mother and a foster child, are explicitly covered, unattached minors or adult relatives not residing in the home are not included as insureds. The mother of the insured is covered because she is part of the household, and the legal representative of a deceased insured is also included because they may need to settle claims pertinent to the insured's estate. The key distinction is residency; an individual who is simply visiting, even if they are a family member, does not receive coverage under the policy unless they are officially classified as a resident. Therefore, in the context of homeowners insurance, the niece does not meet the criteria, making her the correct answer for who would NOT be considered an insured.

10. When must insurable interest in a property policy be proven?

- A. At the time of policy issuance**
- B. At the time of claim submission**
- C. At the time of loss**
- D. At the time of renewal**

Insurable interest in a property policy must be proven at the time of loss. This is because, in order to claim benefits from an insurance policy, the policyholder must demonstrate that they have a valid financial interest in the property at the moment the loss occurs. This requirement helps ensure that insurance policies are used for legitimate purposes, preventing fraud by ensuring that individuals are not able to claim benefits for property they do not have a financial stake in. Establishing insurable interest at the time of loss aligns with the principle of indemnity, which is fundamental in insurance law. It ensures that the party making the claim has a valid reason for receiving compensation, thus protecting the integrity of the insurance model. While it might be critical to have insurable interest when a policy is issued or renewed, the key moment for proving this interest in the context of making a claim is indeed at the time of loss. The other moments, such as at policy issuance or renewal, emphasize the need for insurable interest but do not provide the definitive proof required for claims processing.

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://ndproperty.examzify.com>

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

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