

OHIO PROPERTY AND CASUALTY PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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. If an auto policy has split limits of 30/50/25, what is the maximum amount the policy will pay for injuries to one person in a single accident?**
 - A. \$30,000
 - B. \$50,000
 - C. \$25,000
 - D. \$75,000

- 2. Under what condition can broad theft coverage be added to a dwelling policy?**
 - A. If the insured is a tenant of the dwelling
 - B. If the insured is the owner-occupant of the dwelling
 - C. If the dwelling has fewer than two units
 - D. If the dwelling is used for commercial purposes

- 3. What type of policy is a businessowners policy?**
 - A. A basic liability policy
 - B. A prepackaged, stand-alone policy
 - C. A modular coverage policy
 - D. A specialty coverage policy

- 4. Which of the following best describes the role of an agent in an insurance context?**
 - A. They act solely on behalf of the insurance company
 - B. They represent the insured's interests
 - C. They negotiate insurance premiums on behalf of the insurer
 - D. They are responsible for policy underwriting

- 5. What term describes the exchange of unequal values between parties in insurance contracts?**
 - A. Covenant
 - B. Aleatory
 - C. Conditional
 - D. Beneficial

- 6. Wagering on a sporting event is known as what type of risk?**
- A. Pure Risk
 - B. Speculative Risk
 - C. Dynamic Risk
 - D. Static Risk
- 7. What is the purpose of Coverage D - Loss of Use in dwelling policies?**
- A. To cover personal property damage
 - B. To insure additional structures on the property
 - C. To provide for additional living expenses if the dwelling is uninhabitable
 - D. To cover liability claims against the insured
- 8. What is it called when individuals in the same risk and age class are charged different rates?**
- A. Load balancing
 - B. Subsidization
 - C. Discrimination
 - D. Segmentation
- 9. When does Uninsured Motorist coverage apply?**
- A. When the vehicle is involved in a hit-and-run accident
 - B. When the other party is legally liable but has no insurance
 - C. When the insured has multiple vehicles registered
 - D. When the driver is intoxicated
- 10. What HO form covers a historic home with replacement cost more than the market value?**
- A. HO-3 special form
 - B. HO-1 basic form
 - C. HO-8 modified form
 - D. HO-4 contents form

Answers

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

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Explanations

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1. If an auto policy has split limits of 30/50/25, what is the maximum amount the policy will pay for injuries to one person in a single accident?

- A. \$30,000
- B. \$50,000
- C. \$25,000
- D. \$75,000

The split limits of an auto policy indicate the maximum amounts the insurer will pay for specific types of coverage. In a split limit of 30/50/25, the first figure, which is 30, represents the maximum amount that the policy will pay for injuries to one individual in a single accident. This means that if one person is injured in an accident, the insurance will cover up to \$30,000 for that individual's medical expenses and related costs. The second figure, 50, signifies the total amount the insurer will pay for all injuries sustained by all individuals involved in the accident, which is up to \$50,000. The third figure, 25, pertains to property damage coverage, indicating a maximum payout of \$25,000 for damage to the property of others. Thus, when assessing the maximum liability for an individual's injuries in a single accident under this policy, the correct answer is \$30,000.

2. Under what condition can broad theft coverage be added to a dwelling policy?

- A. If the insured is a tenant of the dwelling
- B. If the insured is the owner-occupant of the dwelling
- C. If the dwelling has fewer than two units
- D. If the dwelling is used for commercial purposes

Broad theft coverage can be added to a dwelling policy when the insured is the owner-occupant of the dwelling. This is because broad theft coverage is specifically designed to protect the personal property of the insured within their residence, reflecting the relationship between ownership and occupancy. It provides coverage for personal belongings against theft and is a benefit to those who live in the home they own, as they are most vulnerable to such risks. In contrast, tenants typically cannot add broad theft coverage to a dwelling policy as it specifically caters to homeowners. If the dwelling had fewer than two units, the primary focus would generally be on residential coverage rather than theft. Similarly, a dwelling used for commercial purposes may not qualify because dwelling policies are typically designed for residential use and do not extend the same protections for commercial activities. Understanding this helps clarify why owning and occupying the dwelling is a key condition for adding broad theft coverage.

3. What type of policy is a businessowners policy?

- A. A basic liability policy
- B. A prepackaged, stand-alone policy**
- C. A modular coverage policy
- D. A specialty coverage policy

A businessowners policy (BOP) is indeed a prepackaged, stand-alone policy designed specifically for small to medium-sized businesses. This type of insurance combines essential coverages into a single package, which typically includes property insurance, business liability insurance, and business interruption insurance. By offering these coverages in a bundled format, a BOP simplifies the purchasing process for business owners, providing them with comprehensive protection tailored to their needs at a more affordable price than if they were to buy each coverage separately. The design of a BOP meets the needs of many standard small businesses, providing the necessary coverage without requiring extensive customization. This prepackaged approach allows for easier understanding of policy terms and coverage limits, making it an efficient option for businesses that may not have the time or resources to navigate multiple individual policies. The other options describe insurance contexts that do not accurately capture the nature of a businessowners policy. A basic liability policy would only cover liability risks without addressing property protection or other business-specific needs. A modular coverage policy suggests a customizable approach where different coverages are selected to create a tailored package, which does not reflect the simplicity and convenience of a BOP. Lastly, a specialty coverage policy implies insurance designed for a specific niche or unique exposure, while

4. Which of the following best describes the role of an agent in an insurance context?

- A. They act solely on behalf of the insurance company
- B. They represent the insured's interests**
- C. They negotiate insurance premiums on behalf of the insurer
- D. They are responsible for policy underwriting

In the context of insurance, the role of an agent is primarily to represent the interests of the insured. An agent acts as an intermediary between the policyholder and the insurance company, helping clients understand their insurance needs, providing them with options, and ensuring they select the right coverage for their specific circumstances. This involves not just selling policies but also advocating for clients, assisting with claims, and providing ongoing support. The agent's relationship with the insured means that they often prioritize the insured's interests, guiding them through the complexities of insurance products and helping them make informed decisions. While agents do work with insurance companies, their primary focus is to serve the needs and interests of the clients they represent. This is critical in fostering trust and ensuring that policyholders feel secure and supported in their insurance choices. Understanding this dynamic highlights the importance of agents in the insurance ecosystem, as they balance the needs of the insurer and the insured while ultimately working to protect the client's interests.

5. What term describes the exchange of unequal values between parties in insurance contracts?

- A. Covenant
- B. Aleatory**
- C. Conditional
- D. Beneficial

The correct term that describes the exchange of unequal values between parties in insurance contracts is "aleatory." In the context of an insurance contract, aleatory refers to situations where the performance of one party is dependent on uncertain future events, which results in a situation where the values exchanged are not equivalent or predictable. For instance, when a policyholder pays a premium, they may or may not receive benefits depending on whether a covered event occurs. This uncertainty reflects the inherent risk-sharing nature of insurance, where one party (the insurer) may end up paying out significantly more in claims than the premiums collected if a loss occurs, while at other times, the insurer may keep all the premiums if no claims arise. Other terms mentioned do not capture the essence of the unequal exchange as effectively. A covenant pertains to a promise or an agreement between parties that doesn't necessarily involve the exchange of unequal values. Conditional refers to the stipulations that need to be met for a contract or insurance coverage to be valid, but it does not address the value exchange aspect. Beneficial simply implies something that adds value or an advantage but does not denote the unequal nature of exchanges in insurance contracts. Thus, "aleatory" aptly describes the fundamental aspect of insurance as an agreement that operates

6. Wagering on a sporting event is known as what type of risk?

- A. Pure Risk
- B. Speculative Risk**
- C. Dynamic Risk
- D. Static Risk

Wagering on a sporting event is categorized as speculative risk because it involves a situation where there is a chance of both gain and loss. In the context of gambling, individuals place bets with the possibility of winning money, but they also face the risk of losing the amount they wagered. Speculative risk is characterized by outcomes that can lead to profits or losses, distinguishing it from pure risk, which only involves the potential for loss with no opportunity for gain. Pure risk scenarios, such as natural disasters or accidents, do not offer the possibility of profit; they are situations that would result solely in loss. Dynamic risk, on the other hand, refers to risks that change over time due to societal developments, while static risk involves risks that remain constant regardless of time and circumstances. Wagering does not fit neatly into these categories since it directly involves the potential for financial gain or loss based on uncertain outcomes, solidifying its classification as speculative risk.

7. What is the purpose of Coverage D - Loss of Use in dwelling policies?

- A. To cover personal property damage
- B. To insure additional structures on the property
- C. To provide for additional living expenses if the dwelling is uninhabitable**
- D. To cover liability claims against the insured

The purpose of Coverage D - Loss of Use in dwelling policies is to provide for additional living expenses if the dwelling becomes uninhabitable due to a covered loss. This coverage is essential for policyholders, as it ensures they can maintain a semblance of normalcy during repairs or reconstruction. If a covered event, such as a fire or severe storm, renders the home unlivable, Coverage D helps pay for costs such as temporary housing, meals, and other necessary expenses that would not be incurred if the home were still habitable. This aspect of insurance is particularly important because it alleviates the financial burden on the insured during a stressful time, allowing them to focus on recovery and rebuilding their lives. Furthermore, while other coverages mentioned in the options serve their own purposes—like covering personal property, insuring additional structures, or addressing liability claims—none of these fulfill the specific need for assistance with living expenses when the insured property is compromised.

8. What is it called when individuals in the same risk and age class are charged different rates?

- A. Load balancing
- B. Subsidization
- C. Discrimination**
- D. Segmentation

The term used when individuals in the same risk and age class are charged different rates is called discrimination. In the context of insurance, discrimination refers to the practice of charging different premiums to individuals who are similarly situated in terms of risk characteristics, such as age, health, and other relevant factors. Charging different rates for the same risk class can occur due to various reasons, such as differences in personal history, credit scores, geographic location, or other criteria that the insurer believes will affect the likelihood of a claim being filed. The practice is regulated to ensure that it is applied fairly, preventing discriminatory pricing based on prohibited categories such as race, gender, or religion. In contrast, terms like load balancing and subsidization refer to different aspects of insurance pricing strategies, where load balancing typically involves managing risk across a pool of customers and subsidization means that one group's premiums may support the costs incurred by another group. Segmentation, on the other hand, involves dividing the market into distinct groups based on certain characteristics but does not inherently imply that different rates are applied unfairly within the same class. Thus, the concept of discrimination is the most accurate term for distinguishing between varying premium charges among individuals who are otherwise similar in risk and age.

9. When does Uninsured Motorist coverage apply?

- A. When the vehicle is involved in a hit-and-run accident
- B. When the other party is legally liable but has no insurance**
- C. When the insured has multiple vehicles registered
- D. When the driver is intoxicated

Uninsured Motorist coverage is designed to protect policyholders when they are involved in an accident with a driver who does not have insurance or lacks sufficient insurance coverage to fully compensate for the damages and injuries caused. This type of coverage is particularly crucial for situations where the insured is not at fault and would otherwise have no recourse for recovering costs due to the negligent actions of another driver. In cases where the other party is legally liable but has no insurance, Uninsured Motorist coverage enables the insured to file a claim with their own insurer to recover damages such as medical expenses, lost wages, and other costs associated with the accident. This provides a safety net for drivers who might otherwise face significant financial burdens due to another's lack of insurance. While hit-and-run situations can indeed fall under the umbrella of Uninsured Motorist coverage, the defining characteristic of the coverage relates primarily to uninsured drivers rather than the circumstances of the accident. Multiple vehicles registered does not influence the applicability of this coverage either, nor does the intoxication of a driver impact the insurance implications in the straightforward context of who holds insurance coverage. Thus, the focus on the other party's lack of insurance distinctly underscores the primary purpose of Uninsured Motorist coverage.

10. What HO form covers a historic home with replacement cost more than the market value?

- A. HO-3 special form
- B. HO-1 basic form
- C. HO-8 modified form**
- D. HO-4 contents form

The HO-8 modified form is specifically designed to provide coverage for historic homes whose replacement costs exceed their market value. This form allows homeowners to insure a property for its replacement cost without it being limited by the actual cash value or market value of the home. This is particularly significant for historic homes, which may have high replacement costs due to unique materials or craftsmanship that cannot be easily quantified in today's real estate market. Unlike the other forms, the HO-8 modified form accounts for the special needs of historic or older homes, allowing for more flexibility and appropriate coverage. For example, the standard HO-3 special form is a more comprehensive policy that covers a wide range of perils but does not specifically address the nuances of insuring homes with significant replacement costs compared to market value. The HO-1 basic form offers very limited coverage, primarily to cover named perils and would not be suitable for a historic home. The HO-4 contents form is designed for renters and does not cover structures at all, focusing only on contents. Therefore, the HO-8 is the only option that appropriately addresses the concerns associated with insuring a historic home under these circumstances.

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://ohpropertycasualty.examzify.com>

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

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