

OHIO PROPERTY AND CASUALTY 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. What is the actual cash value in property insurance?**
 - A. Original purchase price of the property
 - B. Replacement cost minus depreciation
 - C. Market value at the time of loss
 - D. Replacement cost plus appreciation
- 2. Which type of coverage is most likely required by lenders for financed vehicles?**
 - A. Liability Insurance
 - B. Comprehensive and Collision Coverage
 - C. Uninsured Motorist Coverage
 - D. Personal Injury Protection
- 3. What is liability coverage primarily designed to protect against?**
 - A. Injuries of the vehicle owner
 - B. Injuries to third parties and their property
 - C. Damage to the insured vehicle
 - D. Theft of the insured vehicle
- 4. Which components are included in a standard Commercial Policy?**
 - A. Policy cover and endorsements only
 - B. Declarations, insurance coverage forms, and conditions
 - C. Premiums and claims reports
 - D. Declarations, lines of insurance, and agent information
- 5. What is the primary responsibility of the Commissioner when examining insurers?**
 - A. Approve new insurance policies
 - B. Conduct financial evaluations
 - C. Set production quotas
 - D. Oversee policyholder claims

- 6. How does the medical payments coverage function in a personal auto policy?**
- A. It covers damage to the insured vehicle
 - B. It reimburses for medical expenses regardless of fault
 - C. It only covers passengers in the vehicle
 - D. It requires a deductible to be paid out of pocket
- 7. If an agent offers clients free tickets to a sporting event in exchange for purchasing an insurance policy, what is the agent guilty of?**
- A. Rebating
 - B. Fraud
 - C. Conflict of interest
 - D. Bribery
- 8. Which of the following is NOT covered under the liability section of the Personal Auto Policy?**
- A. Injuries caused by the insured
 - B. Property damage from actions of the insured
 - C. Intentional Injury or damage
 - D. Legal defense costs associated with liability claims
- 9. What is the minimum amount of additional coverage that umbrella policies provide?**
- A. \$500,000
 - B. \$1 million
 - C. \$2 million
 - D. \$5 million
- 10. What is the role of endorsements in a Commercial Policy?**
- A. To limit coverage
 - B. To expand or modify coverage
 - C. To increase the deductible
 - D. To reduce the premium

Answers

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

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Explanations

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1. What is the actual cash value in property insurance?

- A. Original purchase price of the property
- B. Replacement cost minus depreciation**
- C. Market value at the time of loss
- D. Replacement cost plus appreciation

The concept of actual cash value (ACV) in property insurance refers to the method of valuing property that accounts for both the replacement cost of the item and its depreciation over time. The correct answer, which identifies actual cash value as "replacement cost minus depreciation," accurately reflects how insurers assess the value of property at the time of a loss. ACV recognizes that as property ages, its value diminishes due to wear and tear, obsolescence, or market factors. Therefore, when an insured property is damaged or lost, the insurance payout is based on the cost it would take to replace the property with a new one, less the amount of depreciation that has accumulated since the original purchase. This method helps ensure that the insured receives a fair settlement that considers the current value of the property rather than its original cost or its potential future value. Thus, ACV provides a more realistic picture of worth in the context of a claim, supporting the principle of indemnity, which aims to restore the insured party to their pre-loss financial position without allowing for profit from an insurance claim.

2. Which type of coverage is most likely required by lenders for financed vehicles?

- A. Liability Insurance
- B. Comprehensive and Collision Coverage**
- C. Uninsured Motorist Coverage
- D. Personal Injury Protection

Lenders typically require Comprehensive and Collision Coverage for financed vehicles because these types of insurance protect the lender's investment in the vehicle. When a borrower finances a vehicle, the lender has a financial stake in it until the loan is fully paid off. Comprehensive coverage protects against damage to the vehicle from non-collision incidents, such as theft, vandalism, or natural disasters. Collision coverage, on the other hand, covers damage to the vehicle resulting from a collision, regardless of fault. By requiring both Comprehensive and Collision Coverage, lenders ensure that the car is insured for a wide range of potential risks, which helps protect their financial interest. If a financed vehicle is damaged or totaled, having this coverage allows the lender to recover the loan amount, as the insurance payout can be used to pay off the remaining balance. Therefore, these coverages are essential in the context of financed vehicles. Other types of coverage, such as Liability Insurance, Uninsured Motorist Coverage, and Personal Injury Protection, while important for protecting the driver and others on the road, do not provide direct protection for the lender's interest in the vehicle itself. Thus, they are generally not mandated by lenders.

3. What is liability coverage primarily designed to protect against?

- A. Injuries of the vehicle owner
- B. Injuries to third parties and their property**
- C. Damage to the insured vehicle
- D. Theft of the insured vehicle

Liability coverage is primarily designed to protect against injuries to third parties and their property. This type of coverage comes into play when the insured individual is found to be at fault in an accident that causes harm or damage to another person or their belongings. It ensures that medical expenses, repair costs, and legal fees associated with these injuries or damages are covered, up to the policy limits. In the context of an automobile insurance policy, liability coverage typically includes two components: bodily injury liability and property damage liability. Bodily injury liability covers the medical costs for injuries sustained by others in an accident where the insured driver is at fault, while property damage liability addresses damage caused to someone else's property, such as their vehicle or other structures. This coverage plays a crucial role in protecting the insured from financial loss stemming from legal claims and lawsuits that may arise as a consequence of their actions on the road. It does not cover personal injuries sustained by the vehicle owner, nor does it provide protection for damages to the insured's own vehicle or the theft of that vehicle. Instead, specific coverage options would be needed to address those situations.

4. Which components are included in a standard Commercial Policy?

- A. Policy cover and endorsements only
- B. Declarations, insurance coverage forms, and conditions**
- C. Premiums and claims reports
- D. Declarations, lines of insurance, and agent information

A standard Commercial Policy is structured to provide comprehensive coverage for businesses and typically includes essential components that outline the specific terms of the insurance agreement. The correct answer indicates that the components consist of the declarations page, insurance coverage forms, and conditions. The declarations page serves as an overview of the policy, detailing critical information such as the name of the insured, the coverage limits, and the duration of the policy. Insurance coverage forms outline the specific types of coverage included in the policy, detailing what perils are covered and any exclusions that may apply. The conditions section specifies the responsibilities of both the insurer and the insured, outlining the rules regarding claims, payment of premiums, and other obligations. By combining these elements, the policy creates a clear framework defining the relationship between the insurer and the insured, ensuring both parties understand their rights and responsibilities, which is crucial for effective risk management in a commercial context.

5. What is the primary responsibility of the Commissioner when examining insurers?

- A. Approve new insurance policies
- B. Conduct financial evaluations**
- C. Set production quotas
- D. Oversee policyholder claims

The primary responsibility of the Commissioner when examining insurers revolves around conducting financial evaluations. This function is crucial because it ensures that insurance companies are operating in a financially sound manner. The Commissioner assesses the financial health of insurers to confirm that they have the necessary reserves and surplus to meet their future obligations to policyholders. This oversight helps protect the public interest and maintains stability within the insurance market. By performing regular examinations, the Commissioner can identify any potential solvency issues before they escalate, ensuring that consumers' claims will be paid when they arise. The other options do not align with the core responsibilities of the Commissioner. Approving new insurance policies relates to regulatory oversight but is not the primary function during examinations. Setting production quotas is not a responsibility tied to the examination process and does not pertain to financial evaluations. Lastly, overseeing policyholder claims is part of consumer protection efforts but is separate from the financial examination of insurers.

6. How does the medical payments coverage function in a personal auto policy?

- A. It covers damage to the insured vehicle
- B. It reimburses for medical expenses regardless of fault**
- C. It only covers passengers in the vehicle
- D. It requires a deductible to be paid out of pocket

Medical payments coverage in a personal auto policy is designed to help cover medical expenses resulting from injuries sustained in an accident, regardless of who is at fault. This means that if you, your passengers, or even a pedestrian are injured in an accident involving your vehicle, the medical payments coverage will reimburse for the necessary medical expenses. This aspect of coverage is particularly valuable because it provides a no-fault basis for expenses, allowing for quicker assistance without the need to determine liability first. It can cover various medical costs, including hospital bills, doctor visits, and other related healthcare expenses. This coverage is not limited only to passengers within the insured vehicle; it also extends to the insured driver and may include family members or others occupying the vehicle. This broad applicability is one of the key features that differentiate medical payments coverage from other types of coverage like bodily injury liability, which only applies if the insured is found at fault for an accident. By providing reimbursement for medical expenses without regard to fault, medical payments coverage serves as an important safety net for drivers and passengers alike, ensuring that necessary medical care can be accessed promptly after an accident.

7. If an agent offers clients free tickets to a sporting event in exchange for purchasing an insurance policy, what is the agent guilty of?

A. Rebating

B. Fraud

C. Conflict of interest

D. Bribery

Rebating occurs when an insurance agent offers an inducement, such as free tickets to a sporting event, to entice clients into purchasing an insurance policy. This practice is prohibited in many jurisdictions, including Ohio, as it undermines the integrity of the insurance profession and can lead to unfair competition. Rebating can create an environment where clients choose products based on entertainment incentives rather than on the merits of the policy itself, impacting the overall fairness of the insurance marketplace. In this scenario, the agent is using the tickets as a means to influence the client's decision, which constitutes a clear violation of ethical standards and regulations set forth in the insurance industry. This act can sometimes lead to legal repercussions for the agent, including the potential loss of their license. Understanding the implications of rebating helps maintain professional ethics within the insurance industry and ensures that consumers are making informed decisions based on the actual value of the policies offered, rather than on external incentives.

8. Which of the following is NOT covered under the liability section of the Personal Auto Policy?

A. Injuries caused by the insured

B. Property damage from actions of the insured

C. Intentional Injury or damage

D. Legal defense costs associated with liability claims

The choice that is not covered under the liability section of the Personal Auto Policy is intentional injury or damage. This is because personal auto policies, like many liability insurance policies, expressly exclude coverage for damages that arise from intentional acts. Liability insurance is designed to cover accidents and unintentional harms that occur as a result of the insured's actions while operating a vehicle. In contrast, injuries caused by the insured, property damage from actions of the insured, and legal defense costs associated with liability claims are all typically covered under this section of the policy. Liability coverage is meant to protect against claims from third parties for bodily injury or property damage that the insured is legally obligated to pay. It operates under the principle of indemnity, compensating for unintentional damages while excluding coverage for deliberate or malicious acts. Thus, when considering the parameters of liability coverage in the Personal Auto Policy, intentional acts fall outside these protections, making this choice the correct response to the question.

9. What is the minimum amount of additional coverage that umbrella policies provide?

- A. \$500,000
- B. \$1 million**
- C. \$2 million
- D. \$5 million

Umbrella policies are designed to provide additional liability coverage beyond what is available in standard underlying policies, such as auto or homeowners insurance. The typical minimum amount of coverage that these umbrella policies offer is \$1 million. This additional layer of protection helps individuals manage their exposure to significant liability claims, which could exceed the limits of their primary insurance. Having a minimum of \$1 million allows policyholders to better protect their assets and future earnings against large claims, potentially covering expenses such as legal fees, settlements, or judgments that could arise from serious incidents, such as accidents or personal injury lawsuits. This level of coverage is particularly important for individuals with substantial assets to safeguard, as it provides them with peace of mind in the event of unforeseen circumstances that could lead to liability claims exceeding their primary policy limits. The other amounts listed are common coverage options or maximums that may be available through various insurance providers, but they do not represent the standard minimum coverage that umbrella policies typically start from.

10. What is the role of endorsements in a Commercial Policy?

- A. To limit coverage
- B. To expand or modify coverage**
- C. To increase the deductible
- D. To reduce the premium

Endorsements in a Commercial Policy serve the purpose of expanding or modifying coverage. They are specific provisions that modify the terms of the original policy, allowing policyholders to tailor their insurance to better fit their needs. For instance, an endorsement might add coverage for certain risks that are not included in the standard policy, or it could alter existing coverage to include additional limits or exclusions. This flexibility is crucial for businesses, as their risk exposures can vary significantly based on their industry, operations, or changes in regulations. Endorsements ensure that businesses can adequately protect themselves without having to purchase an entirely new policy or rely solely on the standard coverage provided. In contrast to the other choices, while endorsements can sometimes lead to implications like increased deductibles or changes in premium, their primary function is to refine and adjust the coverage provided, making option B the most accurate reflection of their role.

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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