

# Rhode Island Property Producer 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 statement accurately describes a package policy in insurance?**
  - A. It offers multiple unrelated coverages.**
  - B. It is limited to auto and health insurance only.**
  - C. It combines different types of insurance coverage.**
  - D. It is primarily for commercial properties.**
  
- 2. Which statements are true regarding the causes of loss in a commercial policy?**
  - A. They are included on the declarations page**
  - B. They are documented separately from the declarations page**
  - C. They are optional for all policies**
  - D. They are standard across all insurance types**
  
- 3. Which peril is included in the commercial property Broad Causes of Loss Form but NOT in the Basic Causes of Loss Form?**
  - A. Fire**
  - B. Collapse**
  - C. Smoke**
  - D. Vandalism**
  
- 4. What kind of hazard is evidenced by someone disregarding the security of their property due to an over-reliance on insurance?**
  - A. Moral hazard**
  - B. Physical hazard**
  - C. Legal hazard**
  - D. Morale hazard**
  
- 5. What is the effective timing of an increased deductible if notice is given 15 business days prior to a policy renewal?**
  - A. The increase went into effect 15 days early**
  - B. The increase went into effect as scheduled**
  - C. The increase only became effective after 30 days notice of the material change**
  - D. The increase could not be made until the next policy renewal date**

**6. All of the following are considered unfair claims practices, EXCEPT:**

- A. Misrepresenting pertinent facts**
- B. Failing to acknowledge client communications**
- C. Paying claims without an investigation**
- D. Making claim payments without a coverage statement**

**7. Why is Victor not eligible for flood insurance?**

- A. His community didn't pay the required fee.**
- B. His community doesn't participate in the NFIP.**
- C. His community had too many prior floods.**
- D. His community has never flooded.**

**8. Who among the following is NOT protected by a property or casualty insurance policy without a special endorsement?**

- A. Secured creditors**
- B. Bailees**
- C. Mortgage holders**
- D. Loss payees**

**9. For comprehensive coverage of a valuable diamond ring, which option is best?**

- A. Unendorsed homeowners policy**
- B. Personal articles floater**
- C. Homeowners policy with replacement cost endorsement**
- D. Dwelling policy**

**10. How many continuing education credits must a licensed insurance agent in Rhode Island complete every 2 years?**

- A. 12 hours**
- B. 24 hours**
- C. 3 hours**
- D. 36 hours**

## **Answers**

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

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## **Explanations**

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**1. Which statement accurately describes a package policy in insurance?**

- A. It offers multiple unrelated coverages.**
- B. It is limited to auto and health insurance only.**
- C. It combines different types of insurance coverage.**
- D. It is primarily for commercial properties.**

A package policy in insurance is designed to combine different types of coverage into a single policy. This approach is beneficial for both insurers and policyholders, as it simplifies the purchasing process and can often provide cost savings through bundled pricing. Package policies typically include a range of coverages such as property, liability, and sometimes additional options tailored to the needs of the insured. For instance, in a commercial package policy, a business might combine general liability insurance, property coverage, and business interruption insurance into one streamlined policy. This not only provides comprehensive protection but also makes it easier for the policyholder to manage their insurance needs. By encompassing various types of coverages, a package policy serves as an effective risk management tool that addresses multiple exposures within a single agreement. This is why combining different types of insurance coverage accurately describes the nature of a package policy.

**2. Which statements are true regarding the causes of loss in a commercial policy?**

- A. They are included on the declarations page**
- B. They are documented separately from the declarations page**
- C. They are optional for all policies**
- D. They are standard across all insurance types**

The correct understanding regarding the causes of loss in a commercial policy is that they are documented separately from the declarations page. This is important because the declarations page typically outlines basic information about the policy, such as the insured parties, the coverage amounts, and other vital details. However, the causes of loss—specifically detailing what is covered and under what circumstances—are found in separate documents or forms known as the Causes of Loss forms. These forms outline the specific risks covered by the policy, such as theft, fire, or natural disasters. Therefore, it's crucial for policyholders to reference these separate documents to fully understand the extent of their coverage, as they provide detailed information that may not be found in the declarations. The other choices do not align correctly with how causes of loss are handled in commercial insurance policies. For instance, while coverage options can vary from policy to policy, they are not optional for all policies, as some levels of coverage are mandatory. Additionally, causes of loss are not standard across all insurance types, as different types of insurance cover different risks and may have unique causes of loss provisions.

**3. Which peril is included in the commercial property Broad Causes of Loss Form but NOT in the Basic Causes of Loss Form?**

- A. Fire**
- B. Collapse**
- C. Smoke**
- D. Vandalism**

The Broad Causes of Loss Form in commercial property insurance covers a wider range of perils compared to the Basic Causes of Loss Form, which is more limited in scope. One of the significant perils included in the Broad Causes of Loss Form but excluded from the Basic form is collapse. Collapse can occur due to several reasons, including hidden decay, weight of the contents, or the use of improper construction materials. This peril is crucial for businesses as it can result in significant structural damage, affecting operations and safety. The inclusion of collapse in the Broad Causes of Loss Form provides greater protection for property owners, ensuring they are covered for more extensive and potentially catastrophic events. In contrast, the Basic Causes of Loss Form typically covers more fundamental perils, such as fire, smoke, and vandalism, but does not offer the same level of comprehensive coverage for structural issues like collapse. Understanding this distinction is essential for property owners seeking to adequately protect their investments against various risks.

**4. What kind of hazard is evidenced by someone disregarding the security of their property due to an over-reliance on insurance?**

- A. Moral hazard**
- B. Physical hazard**
- C. Legal hazard**
- D. Morale hazard**

The correct choice is categorized as a morale hazard, which refers to the potential for increased risk when a person or entity has insurance coverage and becomes careless or less vigilant in protecting their property because they rely on the insurance to cover any potential loss. In this case, the individual disregards the security of their property, demonstrating a lack of concern for safeguarding it, possibly because they believe that any loss will be compensated by their insurance policy. This behavior can lead to increased risks for both the insured individual and the insurance company since the expectation of reimbursement may diminish the insured's motivation to prevent losses. Morale hazards often arise when insured individuals feel more secure in taking risks or neglecting certain responsibilities since they know that their losses will be covered. The other types of hazards have different definitions and implications. A moral hazard typically involves unethical behavior or a change in a person's behavior that results from the presence of insurance, while a physical hazard refers to tangible conditions that affect the likelihood of a loss, and a legal hazard relates to potential legal liabilities that can affect insurance risks. Each of these other hazards illustrates different aspects of risk and insurance but does not align with the behavior of neglecting property security due to over-reliance on insurance.

**5. What is the effective timing of an increased deductible if notice is given 15 business days prior to a policy renewal?**

- A. The increase went into effect 15 days early**
- B. The increase went into effect as scheduled**
- C. The increase only became effective after 30 days notice of the material change**
- D. The increase could not be made until the next policy renewal date**

In the case of an increased deductible, proper notification is crucial to ensure that the insured understands the changes being made to their policy. In Rhode Island, when a material change such as an increased deductible is proposed, the insurer is required to provide at least 30 days' notice before the change takes effect. If the notice is given only 15 business days prior to a policy renewal, it does not meet the regulatory requirement of providing 30 days' notice. Therefore, the increase in the deductible would not take effect until the policyholder has received the full, required notice period. This means that the effective timing for the increased deductible occurs only after the stipulated 30 days, indicating that the change would not be applied until the next renewal period. The specific regulation in place protects policyholders from abrupt changes that could significantly impact their coverage and financial responsibilities. Thus, the correct interpretation is that the increase in the deductible could only become effective after a complete 30 days' notice has been provided, adhering to the legal requirements in place.

**6. All of the following are considered unfair claims practices, EXCEPT:**

- A. Misrepresenting pertinent facts**
- B. Failing to acknowledge client communications**
- C. Paying claims without an investigation**
- D. Making claim payments without a coverage statement**

Paying claims without an investigation is not typically classified as an unfair claims practice. In the context of insurance, when an insurer pays a claim, it is expected to conduct a reasonable investigation to ensure that the claim is valid and that it falls within the coverage parameters of the policy. However, there are instances where an insurer may determine that a claim is straightforward and warrants immediate payment, thus potentially bypassing extensive investigation. This can be a common practice in situations where the claim is clear-cut or minor. In contrast, misrepresenting pertinent facts, failing to acknowledge client communications, and making claim payments without a coverage statement are all actions that can undermine the rights of policyholders and are classified as unfair practices. These practices can lead to significant issues for policyholders in terms of trust and transparency in their dealings with insurers. Thus, the other options clearly reflect actions that violate ethical standards in insurance claims handling, while the selected choice recognizes a scenario where an insurer's actions may not necessarily be deemed unfair.

**7. Why is Victor not eligible for flood insurance?**

- A. His community didn't pay the required fee.**
- B. His community doesn't participate in the NFIP.**
- C. His community had too many prior floods.**
- D. His community has never flooded.**

Victor is not eligible for flood insurance because his community does not participate in the National Flood Insurance Program (NFIP). The NFIP is a federal program that provides flood insurance to property owners in participating communities. For a community to become part of the NFIP, it must adopt and enforce floodplain management regulations to minimize future flood damage. If a community is not part of this program, residents cannot access federally backed flood insurance, regardless of the flood risk in the area. The participation aspect is crucial since it ensures that the community has implemented necessary regulations and preparedness measures. Without this participation, even if other conditions appear favorable, flood insurance would be unavailable. Other factors like fee payments or prior flood history do not apply if the community is not officially part of the program.

**8. Who among the following is NOT protected by a property or casualty insurance policy without a special endorsement?**

- A. Secured creditors**
- B. Bailees**
- C. Mortgage holders**
- D. Loss payees**

Bailees are individuals or entities that temporarily take possession of someone else's property, often for storage, repair, or other services. In a typical property or casualty insurance policy, coverage usually protects the insured party (the property owner) and certain stakeholders, like mortgage holders and loss payees, through standard endorsements. Secured creditors, mortgage holders, and loss payees are typically protected under standard property insurance policies. They have distinct rights that ensure they are compensated in the event of a loss, as their financial interests in the property need protection. For example, mortgage holders are often included in the policy to ensure they receive payouts in claims, maintaining their financial interest in the property. Bailees, on the other hand, do not automatically receive coverage under a typical property policy unless a specific endorsement is added to include them. This is primarily because bailment involves a temporary transfer of possession and the liability for damage or loss may depend on the terms of the agreement between the bailor (property owner) and the bailee. Therefore, they are not covered without additional provisions in the insurance policy.

**9. For comprehensive coverage of a valuable diamond ring, which option is best?**

- A. Unendorsed homeowners policy**
- B. Personal articles floater**
- C. Homeowners policy with replacement cost endorsement**
- D. Dwelling policy**

Choosing a personal articles floater is the best option for comprehensive coverage of a valuable diamond ring because it specifically provides additional coverage for personal items that may not be fully covered under a standard homeowners policy. This type of policy is designed to protect high-value items like jewelry, art, and collectibles against various types of loss, including theft and accidental damage. Unlike a standard homeowners policy, which may have limits on the coverage for valuables and might require endorsements to increase those limits, the personal articles floater offers more robust and tailored coverage for individual pieces. This means that in the event of a loss, the diamond ring would be adequately insured based on its appraised value, without the common limitations that can apply to more general policies. In contrast, the unendorsed homeowners policy typically has lower coverage limits for personal property, particularly for valuables such as jewelry. While a homeowners policy with a replacement cost endorsement may provide better compensation for lost or damaged items, it still may not sufficiently cover high-value items without additional endorsements. Similarly, a dwelling policy primarily focuses on the structure itself and does not cater to the personal property coverage needed for items like a diamond ring.

**10. How many continuing education credits must a licensed insurance agent in Rhode Island complete every 2 years?**

- A. 12 hours**
- B. 24 hours**
- C. 3 hours**
- D. 36 hours**

Rhode Island requires licensed insurance agents to complete a total of 24 hours of continuing education credits every two years. This requirement is in place to ensure that insurance professionals stay up-to-date with the latest industry practices, laws, and regulations, which is crucial for maintaining competence in their field. The 24 hours can include various topics relevant to insurance, helping agents to enhance their knowledge and skills to better serve their clients. Meeting this requirement is essential for license renewal and professional development within the industry.

# 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://ripropertyproducer.examzify.com>**

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

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