

TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR (TIPIC) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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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 does "subrogation" refer to in title insurance?**
 - A. A process of reviewing insurance policies
 - B. A legal right to pursue recovery from third parties
 - C. A method for determining property value
 - D. A way to reduce insurance premiums
- 2. What does the "first in time, first in right" rule refer to?**
 - A. The process of acquiring property
 - B. The precedence of the first claim on a property
 - C. The method to evaluate property value
 - D. The legal requirements for property transfer
- 3. Which of the following is NOT a responsibility of the Insurance Commissioner?**
 - A. Supervising the financial health of insurers
 - B. Enforcing insurance laws
 - C. Creating new insurance products
 - D. Conducting hearings
- 4. Who prosecutes criminal or prohibited acts committed by insurance producers under Maryland Insurance law?**
 - A. The Maryland Insurance Commission
 - B. The Attorney General's Office
 - C. The State Prosecutor
 - D. The county prosecutor where the prohibited act occurs
- 5. What does "easement" refer to in property law?**
 - A. A right to sell a property in an estate
 - B. A legal right to use someone else's land for a specific purpose
 - C. A type of title insurance coverage
 - D. A restriction imposed on property use

- 6. When is a "trustee" typically appointed in real estate transactions?**
- A. During the tax assessment process
 - B. When there is a deed of trust involved
 - C. Before a property survey is conducted
 - D. After closing the sale
- 7. Which of the following is a key responsibility of a Title Insurance Underwriter?**
- A. Evaluating risks associated with title insurance
 - B. Preparing property listings for sale
 - C. Negotiating prices between buyers and sellers
 - D. Conducting home appraisals
- 8. Which of the following is required before a Title Insurance Agency/Title Insurer can be issued a certificate of authority?**
- A. They must be organized as a stock company or a mutual insurance company
 - B. If a stock company, they must have and maintained \$750,000 paid-in capital stock
 - C. Must receive an appointment from the commissioner
 - D. Both A and B
- 9. The method for verifying transactions in remote online notarization is primarily through?**
- A. Personal identification
 - B. Facial recognition technology
 - C. Electronic signatures
 - D. Video conferencing
- 10. What is the maximum penalty for insurance fraud in Maryland?**
- A. 10 years in prison and a \$10,000 fine
 - B. 10 years in prison and a \$50,000 fine
 - C. 5 years in prison and a \$10,000 fine
 - D. 5 years in prison and a \$50,000 fine

Answers

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

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Explanations

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1. What does "subrogation" refer to in title insurance?

- A. A process of reviewing insurance policies
- B. A legal right to pursue recovery from third parties**
- C. A method for determining property value
- D. A way to reduce insurance premiums

Subrogation in title insurance refers to a legal right that allows the insurer to pursue recovery from third parties who may be liable for a loss that the insurer has paid. When a claim is made and the insurer compensates the insured for a loss, they may obtain the right to "step into the shoes" of the insured and seek reimbursement from those responsible for the loss. This process helps insurance companies recover their costs and reinforces the principle that the insured should not profit from a loss but should instead be made whole after the loss has occurred. While the other options mention various insurance and property-related concepts, they do not accurately capture the essence of subrogation. Reviewing insurance policies, determining property value, and reducing premiums are separate processes that do not involve the recovery of costs from third parties after a claim has been paid. Thus, the choice reflecting the pursuit of recovery aptly describes the concept of subrogation within the context of title insurance.

2. What does the "first in time, first in right" rule refer to?

- A. The process of acquiring property
- B. The precedence of the first claim on a property**
- C. The method to evaluate property value
- D. The legal requirements for property transfer

The "first in time, first in right" rule refers to the precedence of the first claim on a property. This principle is fundamental in property law and essentially establishes that the first party to establish a legal interest in a property typically has the first claim to it over subsequent parties. When two or more parties assert rights to a property, the individual or entity that first filed a claim, such as a lien or mortgage, will have priority over others who file later. This concept is particularly important in real estate transactions, where various liens, mortgages, and encumbrances can be placed on a property. By following this rule, legal and financial systems can maintain order and clarity regarding ownership and claims on a particular property. It serves to protect the rights of those who take the initiative to assert their interests first, thus reinforcing the importance of timely and properly filing claims in property transactions.

3. Which of the following is NOT a responsibility of the Insurance Commissioner?

- A. Supervising the financial health of insurers
- B. Enforcing insurance laws
- C. Creating new insurance products**
- D. Conducting hearings

The role of the Insurance Commissioner primarily involves regulatory duties to ensure the stability and integrity of the insurance industry within a state. This includes supervising the financial health of insurers to ensure they have the necessary resources to meet their policyholder obligations, enforcing insurance laws to maintain compliance among insurance providers, and conducting hearings to address disputes or regulatory issues. Creating new insurance products typically falls outside the purview of the Insurance Commissioner's responsibilities. The development of new insurance products is generally the responsibility of the insurance companies themselves, which conduct market research and product development to innovate and meet consumer demands. The Insurance Commissioner's role is to oversee and regulate these products once they are developed, ensuring they meet legal and regulatory standards rather than creating them directly. This distinction clarifies why the task of creating new insurance products is not considered a responsibility of the Insurance Commissioner.

4. Who prosecutes criminal or prohibited acts committed by insurance producers under Maryland Insurance law?

- A. The Maryland Insurance Commission
- B. The Attorney General's Office**
- C. The State Prosecutor
- D. The county prosecutor where the prohibited act occurs

The Attorney General's Office is responsible for prosecuting criminal or prohibited acts committed by insurance producers under Maryland Insurance law. This office has the authority to enforce state laws and take legal action against individuals or entities that violate insurance regulations. They possess the necessary resources and legal framework to handle such prosecutions effectively. In this context, it is essential to recognize that while other entities may have roles in regulatory oversight or administrative actions related to insurance, the Attorney General's Office directly engages in criminal prosecution, aligning with their broader mandate to uphold the law and ensure compliance within the state's legal framework. This includes handling cases that involve violations that could include fraud or misconduct by insurance producers.

5. What does "easement" refer to in property law?

- A. A right to sell a property in an estate
- B. A legal right to use someone else's land for a specific purpose**
- C. A type of title insurance coverage
- D. A restriction imposed on property use

An easement in property law is defined as a legal right that grants an individual or entity the ability to use a portion of someone else's land for a specific purpose. This may include rights of way for utilities, access roads, or pathways for pedestrian traffic. The easement does not transfer ownership of the land but allows for the designated usage that is typically agreed upon by both parties involved. For instance, if a utility company requires a pathway to install power lines, an easement would legally allow them to access the necessary land without owning it. This concept is crucial in property law as it balances the rights of landowners with the needs of others who may require access to their property for legitimate purposes. The other options represent concepts that do not accurately capture the essence of what an easement is. Selling a property entails different legal rights, title insurance coverage relates to protection against title defects, and restrictions on property use pertain to zoning laws or covenants, which are distinct from the rights granted by an easement.

6. When is a "trustee" typically appointed in real estate transactions?

- A. During the tax assessment process
- B. When there is a deed of trust involved**
- C. Before a property survey is conducted
- D. After closing the sale

A "trustee" is typically appointed in real estate transactions when there is a deed of trust involved. In a deed of trust arrangement, the borrower conveys legal title of the property to a third party, known as the trustee, to hold until the loan obligation is fulfilled. This ensures that the lender has a secured interest in the property and provides a recourse in the event of default. The trustee's role is crucial because they are responsible for reconciling the obligations between the borrower and the lender, and they are often tasked with the authority to initiate foreclosure proceedings if necessary. Understanding the need for a trustee in the context of a deed of trust offers insight into the financing and security aspects of real estate transactions. The other options do not pertain to the specific context of appointing a trustee: the tax assessment process relates to property tax evaluation, property surveys deal with the physical boundaries and condition of the property, and the closing of the sale refers to the finalization of the real estate transaction without direct involvement of a trustee's role regarding the deed.

7. Which of the following is a key responsibility of a Title Insurance Underwriter?

- A. Evaluating risks associated with title insurance**
- B. Preparing property listings for sale
- C. Negotiating prices between buyers and sellers
- D. Conducting home appraisals

A key responsibility of a Title Insurance Underwriter is evaluating risks associated with title insurance. This involves reviewing property titles to identify any issues or claims that may affect the ownership or use of a property. Underwriters analyze public records, assess the legitimacy of claims against the title, and determine the insurability of the property. Their evaluations help protect against potential financial losses due to defects in property ownership or unresolved liens. The other choices are not within the primary scope of a Title Insurance Underwriter's responsibilities. Preparing property listings for sale typically falls under the purview of real estate agents, who are involved in marketing properties. Negotiating prices between buyers and sellers is also a task for real estate professionals, not underwriters. Conducting home appraisals is a specific role that appraisers fulfill, focusing on determining the market value of a property, rather than assessing title risks. Understanding the critical role of a Title Insurance Underwriter emphasizes the importance of risk management and legal review in the real estate transaction process.

8. Which of the following is required before a Title Insurance Agency/Title Insurer can be issued a certificate of authority?

- A. They must be organized as a stock company or a mutual insurance company
- B. If a stock company, they must have and maintained \$750,000 paid-in capital stock
- C. Must receive an appointment from the commissioner
- D. Both A and B**

The requirement for a Title Insurance Agency or Title Insurer to be issued a certificate of authority encompasses several foundational criteria vital to ensuring the organization's financial stability and regulatory compliance. Organizing as a stock company or mutual insurance company assures that the agency or insurer is structured and regulated under specific provisions that govern these types of entities, ensuring a level of baseline adherence to the laws that govern insurance businesses. This is crucial as it aligns the operations with standard practices in the insurance industry. Additionally, having and maintaining a \$750,000 paid-in capital stock, if organized as a stock company, demonstrates the financial strength necessary to underwrite title insurance policies. This amount of capital serves as a cushion for claims and operational costs, fostering confidence among consumers and regulatory bodies that the agency can meet its obligations. As such, both the structural requirement of being organized appropriately and the financial requirement of maintaining adequate capital are integral components required for a Title Insurance Agency or Title Insurer to obtain a certificate of authority. Thus, choosing the option that includes both criteria accurately reflects the necessary standards for certification.

9. The method for verifying transactions in remote online notarization is primarily through?

- A. Personal identification
- B. Facial recognition technology
- C. Electronic signatures
- D. Video conferencing**

The method for verifying transactions in remote online notarization is primarily through video conferencing. This approach allows notaries to visually confirm the identity of the signer in real-time, effectively ensuring that the person signing the documents is indeed the individual they claim to be. The use of video conferencing helps create a secure and interactive environment where notaries can witness the signing of documents while also performing additional verification checks. Video conferencing provides the necessary platform for notaries to communicate directly with the signer, allowing them to ask questions and verify the signer's understanding of the document. This interaction enhances the reliability of the notarization process, as notaries can observe body language and facial expressions, which are critical in confirming identity and intent. While other methods like personal identification, facial recognition technology, and electronic signatures may play supportive roles in the verification process, video conferencing is the cornerstone of remote online notarization because it ensures the presence of the signer, facilitating a more secure and compliant transaction.

10. What is the maximum penalty for insurance fraud in Maryland?

- A. 10 years in prison and a \$10,000 fine
- B. 10 years in prison and a \$50,000 fine**
- C. 5 years in prison and a \$10,000 fine
- D. 5 years in prison and a \$50,000 fine

The maximum penalty for insurance fraud in Maryland includes a prison sentence of 10 years and a fine of up to \$50,000. This level of punishment reflects the serious nature of insurance fraud, which can have significant repercussions for individuals and companies alike. The lengthy prison term serves as a deterrent against fraudulent activities that undermine the integrity of the insurance industry. The substantial fine complements this penalty and emphasizes the financial liabilities that individuals may face if they engage in deceptive practices. This regulatory framework is designed to protect consumers and uphold ethical standards within the insurance system. Understanding these penalties is crucial for anyone involved in the insurance sector in Maryland, as it reinforces the importance of maintaining honest transactions and the necessity of adhering to the laws governing insurance practices.

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://tipic.examzify.com>

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

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