

VIRGINIA 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. All the following are exceptions to the contractual liability exclusion in a CGL, EXCEPT?**
 - A. Easement agreement
 - B. Tort liability
 - C. Liquor liability
 - D. Elevator maintenance agreement

- 2. The Comprehensive Personal Liability Coverage form is in line with which coverage type?**
 - A. Property coverage
 - B. Liability coverage
 - C. Business insurance
 - D. Automobile insurance

- 3. What must a licensed agent do to remain compliant with name change policies?**
 - A. Notify the customer
 - B. Update their personal records only
 - C. Report the change to the Commission
 - D. Wait until the next renewal period

- 4. Which of the following is NOT a part of a Commercial Package Policy (CPP)?**
 - A. Crime
 - B. Property
 - C. Inland marine
 - D. Ocean marine

- 5. How does a claims-made policy differ from an occurrence policy?**
 - A. A claims-made policy covers claims regardless of when reported
 - B. An occurrence policy covers claims based on the policy term
 - C. A claims-made policy covers claims only if reported during the policy term
 - D. An occurrence policy has a separate deductible

- 6. In a policy that includes liability coverage, what does "occurrence" mean?**
- A. A single event causing damage
 - B. Any continuous exposure leading to injury
 - C. An event that does not require a police report
 - D. A predictable situation leading to losses
- 7. Which statement about consultant licensing is CORRECT?**
- A. Consultant licenses can only be issued to individuals
 - B. A consultant's license expires every 3 years
 - C. A consultant is considered an independent contractor
 - D. Attorneys and CPAs must obtain a consultant's license
- 8. If information on consumer reports differs from an applicant's statements and causes the insurer to reject the application, the insurer has made a/an:**
- A. Adverse underwriting decision
 - B. Unfair decision
 - C. Unfair discriminatory decision
 - D. Negative underwriting decision
- 9. Which of the following is typically excluded from a standard homeowners insurance policy?**
- A. Fire damage
 - B. Theft of personal property
 - C. Flood damage
 - D. Vandalism
- 10. Which of the following is generally included in the Basic form of property insurance?**
- A. Fire damage
 - B. Vandalism
 - C. Personal property coverage
 - D. Earthquake coverage

Answers

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

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Explanations

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1. All the following are exceptions to the contractual liability exclusion in a CGL, EXCEPT?

- A. Easement agreement
- B. Tort liability
- C. Liquor liability**
- D. Elevator maintenance agreement

The contractual liability exclusion in a Commercial General Liability (CGL) policy is designed to limit coverage for liabilities that arise from contractual agreements. The exceptions to this exclusion typically include specific types of agreements or liabilities that the insurance policy intends to cover, even if they arise from a contract. In this context, easement agreements, tort liabilities, and elevator maintenance agreements are considered exceptions because they often involve responsibilities that can exist independently of a contract. For instance, an easement agreement involves the right to use someone else's property without transferring ownership, creating a liability that isn't purely contractual. Similarly, tort liability arises from civil wrongs that can occur regardless of any contractual obligations, making it inherently outside the scope of the contractual liability exclusion. Elevator maintenance agreements typically involve a maintenance service that may be subject to liability based on failures in service that go beyond mere contractual issues, focusing instead on safety and regulations. Liquor liability, on the other hand, is a specific type of liability that pertains to the selling or serving of alcoholic beverages. This liability often arises from actions associated with alcohol service, which may include incidents of negligence related to serving patrons rather than a contractual obligation. In many jurisdictions, this type of liability is firmly categorized and often does not fall under the exceptions

2. The Comprehensive Personal Liability Coverage form is in line with which coverage type?

- A. Property coverage
- B. Liability coverage**
- C. Business insurance
- D. Automobile insurance

The Comprehensive Personal Liability Coverage form specifically falls under the category of liability coverage. This type of insurance is designed to protect individuals from claims arising from injuries or damages that they may be liable for, which can occur in various circumstances. In the context of personal insurance, liability coverage allows policyholders to cover legal fees and potential settlements that might result from lawsuits claiming bodily injury or property damage suffered by others due to the insured's actions. The Comprehensive Personal Liability Coverage is an extension often included in homeowners or renters insurance policies, amplifying the protection offered beyond standard coverage. By focusing solely on bodily injury and property damage claims, this coverage distinguishes itself from other types such as property coverage, which protects the insured's own property from loss or damage. Business insurance pertains to risks associated with running a business, while automobile insurance specifically addresses risks related to driving and owning vehicles. Therefore, it's clear that the correct focus for the Comprehensive Personal Liability Coverage form is indeed liability coverage.

3. What must a licensed agent do to remain compliant with name change policies?

- A. Notify the customer
- B. Update their personal records only
- C. Report the change to the Commission**
- D. Wait until the next renewal period

A licensed agent must report any changes to their name to the Commission to remain compliant with name change policies. This requirement is crucial because the Commission maintains official records of licensed professionals, and an accurate representation of the agent's name is necessary for legal and regulatory purposes. This allows for proper identification and ensures that all documentation aligns with the agent's current legal name. Updating personal records alone may not fulfill all compliance requirements, as those records could still be outdated in the Commission's database. Notifying customers may be part of good customer service but does not address the compliance issue with regulatory authorities. Waiting until the next renewal period would also be inappropriate, as name changes can affect business operations and must be reported promptly to avoid penalties or lapses in licensure.

4. Which of the following is NOT a part of a Commercial Package Policy (CPP)?

- A. Crime
- B. Property
- C. Inland marine
- D. Ocean marine**

In a Commercial Package Policy (CPP), various types of coverage can be included to provide comprehensive protection for businesses. A CPP typically consists of property and liability coverages, which may include options like crime, property insurance, and inland marine insurance, all tailored to meet the specific risks of the business. Ocean marine insurance, however, is not typically part of a CPP. This type of coverage specifically addresses risks associated with maritime activities, such as cargo insurance and hull coverage for ships, which are distinct from land-based risks that a CPP is designed to cover. Therefore, ocean marine coverage is considered separate and is usually packaged differently from the policies provided in a CPP, making it the correct answer to identify what is not included in a CPP. Understanding this distinction is crucial for anyone studying the structure of commercial insurance packages, as it helps clarify the specific risks that different types of insurance policies are designed to address.

5. How does a claims-made policy differ from an occurrence policy?

- A. A claims-made policy covers claims regardless of when reported
- B. An occurrence policy covers claims based on the policy term
- C. A claims-made policy covers claims only if reported during the policy term**
- D. An occurrence policy has a separate deductible

A claims-made policy is designed to cover claims that are made during the policy period, specifically those claims that are reported while the policy is in effect, regardless of when the incident that caused the claim occurred. This means that if an event happens prior to the policy period but the claim is reported after the policy has started, it will not be covered unless the incident occurs after the retroactive date specified in the policy. In contrast, an occurrence policy covers claims based on the date when the actual event causing the claim occurred, rather than when the claim is reported. This coverage is triggered as long as the incident happens during the coverage period, regardless of when the claim is filed. Understanding this distinction is crucial for policyholders because it affects when claims can be reported and how coverage operates in relation to the timing of incidents and claims. This differentiation also underscores the strategic importance of choosing the appropriate type of insurance based on risk management needs.

6. In a policy that includes liability coverage, what does "occurrence" mean?

- A. A single event causing damage**
- B. Any continuous exposure leading to injury
- C. An event that does not require a police report
- D. A predictable situation leading to losses

In the context of a policy with liability coverage, the term "occurrence" refers to a single event that causes damage or injury. This definition is fundamental to understanding liability coverage, as it establishes the basis for when an insurance claim can be initiated. The term "occurrence" encompasses not only one-time events—such as a car accident or a slip and fall—but can also include multiple related incidents that arise from the same set of circumstances. However, the essential characteristic is that there is a clear, identifiable event resulting in liability for which the insured may be liable. The other options fail to accurately capture the definition of "occurrence" in the context of liability coverage. Continuous exposures leading to injury describe a series of actions or conditions that could result in a claim, but do not specify a distinct event. Furthermore, the notion of requiring a police report relates more to the procedures following an occurrence than to the definition of the occurrence itself. Lastly, a predictable situation leading to losses lacks the necessary specificity of an identifiable event causing damage, which is central to the understanding of what constitutes an occurrence in liability insurance.

7. Which statement about consultant licensing is CORRECT?

- A. Consultant licenses can only be issued to individuals
- B. A consultant's license expires every 3 years
- C. A consultant is considered an independent contractor**
- D. Attorneys and CPAs must obtain a consultant's license

The statement that a consultant is considered an independent contractor is correct. In the context of consulting, individuals often work on a contractual basis rather than being employed full-time by a single organization. As independent contractors, consultants operate their own businesses and provide their expertise to clients based on specific projects or agreements. This independence is a key characteristic, allowing them flexibility in managing their clientele and responsibilities. Consultants typically enter into contracts with clients, outlining the scope of work, deliverables, payment terms, and other conditions, which is indicative of an independent contractor arrangement. This distinction is significant in terms of legal, tax, and insurance considerations, setting them apart from traditional employees who have different obligations and rights under employer-employee relationships. This status as independent contractors also often means that consultants are responsible for their own licensing if it applies to their field of expertise, thus highlighting the need for clarity about their work relationships in the industry.

8. If information on consumer reports differs from an applicant's statements and causes the insurer to reject the application, the insurer has made a/an:

- A. Adverse underwriting decision**
- B. Unfair decision
- C. Unfair discriminatory decision
- D. Negative underwriting decision

When an insurer makes a decision to reject an application based on information from consumer reports that contradicts what the applicant has stated, this action is classified as an adverse underwriting decision. Adverse underwriting decisions occur when an insurer decides not to approve an application, or to impose different terms or conditions (like higher premiums) based on the information discovered during the underwriting process, such as a consumer report. This is an important concept within the insurance industry, because it signifies that the insurer has determined the risk associated with the applicant is too great based on factual information that differs from the applicant's self-reported data. The other terms mentioned do not accurately describe this situation. An unfair decision may imply bias without valid reasoning, while an unfair discriminatory decision suggests that the rejection was based on a protected characteristic rather than the factual evidence presented in the consumer report. A negative underwriting decision conveys a similar sentiment but is not the standard terminology used in underwriting practices. Thus, the appropriate term for the insurer's actions is indeed an adverse underwriting decision, as it directly relates to the underwriting process and its impact on the applicant's status.

9. Which of the following is typically excluded from a standard homeowners insurance policy?

- A. A. Fire damage
- B. B. Theft of personal property
- C. C. Flood damage**
- D. D. Vandalism

Flood damage is typically excluded from a standard homeowners insurance policy because it is considered a significant risk and requires separate coverage. Homeowners insurance policies generally cover certain types of water damage, such as damage from burst pipes or internal leaks, but flooding—often defined as water rising from naturally occurring water sources—is specifically excluded due to its potential severity and the costs associated with widespread flood events. In order to be covered for flood damage, homeowners must purchase a separate flood insurance policy, usually provided through the National Flood Insurance Program (NFIP) or private insurers. This separation helps manage the financial risks associated with floods, which can cause extensive damage beyond what standard homeowners policies are designed to cover. The other options, such as fire damage, theft of personal property, and vandalism, are typically included under the coverage of a standard homeowners insurance policy, protecting the policyholder from various common risks associated with property ownership.

10. Which of the following is generally included in the Basic form of property insurance?

- A. Fire damage**
- B. Vandalism
- C. Personal property coverage
- D. Earthquake coverage

The Basic form of property insurance typically includes coverage for specific perils that are considered fundamental, with fire damage being one of the most widely recognized and essential risks covered. This coverage is fundamental because fire incidents are common causes of property loss, making it critical for any property insurance policy to address this risk. By its nature, the Basic form is designed to provide a foundational level of protection, covering perils such as fire, lightning, and explosions. It is often limited in scope, which is why additional perils like vandalism or earthquake coverage may require endorsements or different policy forms to be added to the policy for more comprehensive protection. Personal property coverage, while important, is usually part of broader coverage forms and may not be explicitly included in the basic coverage without additional endorsements or specific policy features. This comprehensive understanding of what constitutes "Basic" coverage highlights why fire damage is included, thereby affirming the significance of this peril within property insurance.

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://vapropertycasualty.examzify.com>

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

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