

WEST VIRGINIA PROPERTY AND CASUALTY LICENSING 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. Under personal auto coverage, what limit applies for coverages as supplementary payments?**
 - A. Automatic limit of \$500
 - B. Limit varies by policy level
 - C. Standard limit of \$250
 - D. No limit applies
- 2. What type of policy is HO2 classified as?**
 - A. Basic form
 - B. Special form
 - C. Broad form
 - D. Comprehensive form
- 3. How long does the commissioner have to respond to inquiries?**
 - A. 5 working days
 - B. 10 working days
 - C. 15 working days
 - D. 20 working days
- 4. In property insurance, the term "open peril" means what?**
 - A. Only specified perils are covered
 - B. All risks except those specifically excluded
 - C. Covers risks that are not physically examined
 - D. Only personal property is covered
- 5. The broad perils category includes which of the following?**
 - A. Fire damage
 - B. Burglary damage
 - C. Fair rental value
 - D. Personal liability

- 6. Which coverage could be ideal for loss of income during a civil authority shutdown?**
- A. Unemployment Insurance
 - B. Property Damage Coverage
 - C. Business Interruption Insurance
 - D. General Liability Coverage
- 7. Sue insures her home for \$100,000 under a dwelling property board form (DP-2). If a flood occurs and causes \$1,000 in damage to the home's contents, how much will her insurance company pay?**
- A. \$1,000
 - B. Half of the damage
 - C. \$0
 - D. Full amount minus deductible
- 8. What type of coverage would typically be excluded in a homeowner's policy without an endorsement?**
- A. Theft coverage
 - B. Watercraft liability coverage
 - C. Personal property coverage
 - D. Fire damage coverage
- 9. What broad classification does the special cause of loss form belong to?**
- A. Open peril form
 - B. Named peril form
 - C. Basic coverage form
 - D. Extended coverage form
- 10. What is the main difference between the basic cause of loss and the broad cause of loss forms?**
- A. Basic covers additional perils; broad covers named perils
 - B. Basic covers all risks; broad covers specific named perils
 - C. Basic covers specific named perils; broad covers additional perils
 - D. Basic is more comprehensive than broad

Answers

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

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Explanations

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1. Under personal auto coverage, what limit applies for coverages as supplementary payments?

- A. Automatic limit of \$500
- B. Limit varies by policy level
- C. Standard limit of \$250**
- D. No limit applies

In personal auto coverage, supplementary payments typically have a standard limit of \$250. This amount applies to various supplementary payments that the insurer provides in addition to the policy's liability limits. The supplementary payments can include expenses such as bail bonds, premium costs for appeal bonds, and other legal costs incurred in the defense of a claim. This standard limit is designed to ensure that insured individuals have access to necessary financial support while dealing with claims without having to exhaust their liability coverage. It is important for policyholders to be aware of these additional benefits, as they can help mitigate immediate out-of-pocket expenses in certain situations. Other mentioned limits or conditions, such as an automatic limit of \$500, a limit that varies by policy level, or the absence of any limits, do not align with the traditional structure of personal auto policies regarding supplementary payments.

2. What type of policy is HO2 classified as?

- A. Basic form
- B. Special form
- C. Broad form**
- D. Comprehensive form

The HO2 policy is classified as a broad form policy. This type of homeowners insurance provides coverage for a wide range of perils that can cause damage to a home and its contents. Specifically, the HO2 extends protection against a greater number of risks than a basic form policy, which typically covers only named perils, while it does not offer the extensive coverage provided by a special form policy that covers all risks except for those specifically excluded. Broad form policies like HO2 are advantageous for homeowners because they cover the dwelling itself against named perils, such as fire, theft, and certain types of water damage, while also providing specific coverage for personal property. This classification reflects the inclusion of more risks than what a basic form would entail, making it a popular choice for homeowners who desire a more comprehensive level of protection without advancing to the broader all-risk coverage associated with special form policies.

3. How long does the commissioner have to respond to inquiries?

- A. 5 working days
- B. 10 working days
- C. 15 working days**
- D. 20 working days

The commissioner is required to respond to inquiries within 15 working days. This time frame is established to ensure that inquiries, which may relate to regulatory issues or public concerns regarding insurance practices, are addressed in a timely manner. Prompt responses facilitate better communication between the insurance regulatory body and the public, maintaining transparency and trust in the insurance system. This regulation reflects the importance of accountability and efficient service within the state's insurance oversight role. In this context, the responses that fall outside of the 15 working days are not aligned with the regulatory framework, which emphasizes the necessity for the regulatory body to be accessible and responsive in its communication.

4. In property insurance, the term "open peril" means what?

- A. Only specified perils are covered
- B. All risks except those specifically excluded**
- C. Covers risks that are not physically examined
- D. Only personal property is covered

In property insurance, the term "open peril" refers to a coverage approach that protects against all risks except those that are specifically excluded in the policy. This broad scope means that if a loss occurs for a peril not listed as excluded, the insurance policy will typically provide coverage for that loss. This concept allows policyholders to have a greater sense of security, as many unforeseen risks are covered without needing to list each one individually. Instead, the policy will explicitly outline the exclusions—such as certain natural disasters or specific situations that are not eligible for coverage—leaving everything else covered under the policy. Understanding the implications of open peril coverage is crucial for policyholders, as it affects their decisions regarding risk management and insurance needs. This is in contrast to named peril policies, where only the specific perils listed in the policy are insured against, which can lead to gaps in coverage for various other risks that might arise.

5. The broad perils category includes which of the following?

- A. Fire damage
- B. Burglary damage**
- C. Fair rental value
- D. Personal liability

The broad perils category specifically refers to a range of risks that are covered under certain property insurance policies. Among these, burglary damage is a recognized peril that can result in financial loss due to theft or forced entry into a property. This aligns with the scope of broad perils, which are usually noted for providing coverage for multiple types of risks that can affect property. Fire damage and personal liability, while significant aspects of property and casualty insurance, fall under different categories. Fire damage is typically included in basic or special coverage types, rather than being categorized strictly as a broad peril. Personal liability pertains to the legal responsibility one has for injuries or damages caused to others and is often covered under liability insurance rather than property insurance policies that focus on risks to the physical property itself. Fair rental value relates to the loss of income from rental properties due to incidents that may make the property uninhabitable, which is also not specifically categorized under broad perils. Therefore, burglary damage aligns with what is encompassed in the broad perils category, as it directly relates to the risk of loss or damage to property due to theft.

6. Which coverage could be ideal for loss of income during a civil authority shutdown?

- A. Unemployment Insurance
- B. Property Damage Coverage
- C. Business Interruption Insurance**
- D. General Liability Coverage

Business Interruption Insurance is specifically designed to provide coverage for loss of income that a business may experience as a result of a disruption in operations. This type of coverage is particularly useful during events such as a civil authority shutdown, where government action prohibits access to your business location, resulting in an inability to operate and generate revenue. This insurance typically covers losses due to a wide range of scenarios, including natural disasters, fires, or civil disturbances, as long as these events trigger a covered peril in the policy. What sets Business Interruption Insurance apart is its focus on lost income during the time it takes to restore operations, factoring in ongoing expenses and fixed costs that the business must continue to pay despite not generating revenue. In contrast, the other options do not specifically address the loss of income resulting from governmental restrictions or legal shutdowns. Unemployment Insurance pertains to support for individuals who lose their jobs and is not applicable to business income. Property Damage Coverage is focused on physical damage to the property itself, not on the income generated from business operations. General Liability Coverage protects against claims of bodily injury or property damage caused by the business, rather than losses from income disruptions.

7. Sue insures her home for \$100,000 under a dwelling property board form (DP-2). If a flood occurs and causes \$1,000 in damage to the home's contents, how much will her insurance company pay?

- A. \$1,000
- B. Half of the damage
- C. \$0**
- D. Full amount minus deductible

The coverage under a dwelling property board form (DP-2) typically does not include protection against flood damage. Flood exposure is generally not covered under standard homeowners or dwelling property policies, including the DP-2. Separate flood insurance policies are necessary to cover damages resulting from flooding events. In this scenario, since the damage caused by the flood falls outside the parameters of the DP-2 policy, the insurance company would not provide any compensation for the \$1,000 in damages to the home's contents. Thus, the amount that Sue's insurance company would pay in this situation is \$0, affirming the correctness of the chosen answer.

8. What type of coverage would typically be excluded in a homeowner's policy without an endorsement?

- A. Theft coverage
- B. Watercraft liability coverage**
- C. Personal property coverage
- D. Fire damage coverage

Watercraft liability coverage is typically excluded in a homeowner's policy without an endorsement because standard homeowner's insurance is primarily designed to protect the homeowner's residence and personal property within it. While some basic components of liability coverage may be included under a homeowner's policy, liability associated with watercraft is not automatically covered. Policyholders who own boats or other types of watercraft are often encouraged to purchase a separate watercraft insurance policy or an endorsement to their homeowner's policy that specifically addresses liabilities arising from water activities. This reflects the fact that watercraft can present unique risks and liabilities that differ significantly from those typically associated with homeownership. In contrast, theft coverage, personal property coverage, and fire damage coverage are fundamental parts of a standard homeowner's policy, as these address the common risks that homeowners face. These types of coverage are generally included to protect against losses and damages that can occur to a residence and its belongings.

9. What broad classification does the special cause of loss form belong to?

- A. Open peril form**
- B. Named peril form
- C. Basic coverage form
- D. Extended coverage form

The special cause of loss form belongs to the classification of an open peril form. This type of policy provides coverage for all perils except those specifically excluded in the policy wording. Essentially, it offers the most comprehensive level of protection, as it covers any potential risks unless they are explicitly named as not covered. This contrasts with named peril forms, which only cover specifically listed risks; thus, they are more limited in scope. In this context, recognizing the broad classification is crucial for understanding how insurance policies differ in terms of the scope of coverage. An open peril form allows for greater flexibility and security, making it a preferred choice for insured parties who want extensive protection for their assets.

10. What is the main difference between the basic cause of loss and the broad cause of loss forms?

- A. Basic covers additional perils; broad covers named perils
- B. Basic covers all risks; broad covers specific named perils
- C. Basic covers specific named perils; broad covers additional perils**
- D. Basic is more comprehensive than broad

The primary difference between the basic cause of loss and the broad cause of loss forms lies in the scope of coverage provided by each. The basic cause of loss form is designed to cover specific named perils, such as fire, lightning, explosion, windstorm, and theft. This means that only the perils explicitly listed in the policy are covered. On the other hand, the broad cause of loss form expands on this coverage by including additional perils that are not covered under the basic form. These additional perils might include risks such as falling objects, weight of snow, ice or sleet, and water damage from the plumbing system. Therefore, the broad form encompasses both the perils found in the basic form and additional ones, making it more comprehensive in terms of coverage. This distinction is important for policyholders when choosing an insurance plan suitable for their needs, as opting for the broad cause of loss can provide them with greater protection against unforeseen risks.

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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://wvpropertyandcasualty.examzify.com>

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

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