

WISCONSIN PROPERTY INSURANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

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	15

SAMPLE

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

SAMPLE

- 1. The intermediary agent primarily represents which party?**
 - A. Insurance company and applicant for insurance
 - B. Applicant for insurance only
 - C. Insurance company only
 - D. Commissioner of Insurance
- 2. What is required for an insured to pursue coverage through subrogation?**
 - A. A signed contract with the insurer
 - B. Evidence of wrongdoing by another party
 - C. A court order
 - D. Verification of policy limits
- 3. What is the base deductible in a homeowners policy?**
 - A. \$300
 - B. \$250
 - C. \$200
 - D. \$150
- 4. What does the DP-3 Special Form cover?**
 - A. Only named perils
 - B. Open peril for dwelling and named peril for personal property
 - C. Named perils for both dwelling and personal property
 - D. Exclusively fire and lightning
- 5. What is the coverage limit for theft of jewelry under a homeowners policy?**
 - A. \$1,000
 - B. \$2,000
 - C. \$1,500
 - D. \$2,500
- 6. What is a warranty in insurance terms?**
 - A. The promise of future performance by the applicant
 - B. The absolute or literal truth of a statement by the applicant
 - C. An estimate of potential losses
 - D. A guarantee of premium refunds

7. Which of the following actions is considered a legitimate practice in the insurance industry?

- A. Offering gifts or incentives to influence policy purchases.
- B. Providing clear and accurate information to clients.
- C. Omitting relevant details from policy descriptions.
- D. Competing with other agents for customers through misleading claims.

8. What is the waiting period for Flood Insurance?

- A. 15 days.
- B. 30 days.
- C. 20 days.
- D. 60 days.

9. Which form of homeowners insurance is typically used for a seasonal home?

- A. HO-1
- B. HO-3
- C. HO-6
- D. HO-5

10. What is the license renewal fee for an intermediary?

- A. \$5.00.
- B. \$5.00 for each line of insurance the agent is licensed in.
- C. \$35.00.
- D. \$25.00 for each line of insurance the agent is licensed in.

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. The intermediary agent primarily represents which party?

- A. Insurance company and applicant for insurance
- B. Applicant for insurance only
- C. Insurance company only**
- D. Commissioner of Insurance

The intermediary agent primarily represents the insurance company in the context of property insurance. This role includes acting on behalf of the insurer to facilitate the sale of insurance products, ensuring that the policies issued align with the company's underwriting guidelines and regulatory requirements. The agent's responsibilities often include assessing risks, providing information about coverage options to prospective policyholders, and collecting premiums. The focus of the intermediary agent is to serve the interests of the insurance company, ensuring that it maintains profitability and manages risk effectively. While the agent may interact with applicants for insurance and provide valuable advice, their primary allegiance is to the insurer, making it essential for them to prioritize the company's interests throughout the insurance transaction process.

2. What is required for an insured to pursue coverage through subrogation?

- A. A signed contract with the insurer
- B. Evidence of wrongdoing by another party**
- C. A court order
- D. Verification of policy limits

The requirement for an insured to pursue coverage through subrogation hinges on the existence of evidence of wrongdoing by another party. Subrogation is a legal principle that enables an insurer to step into the shoes of the insured after compensation has been paid for a loss, allowing the insurer to seek reimbursement from the party responsible for the damage. When the insured suffers a loss due to the actions or negligence of another party, documenting that wrongdoing is crucial to establishing the basis for the claim. This evidence provides the foundation for the insurer's right to recover costs from the liable party after compensating the insured. Without this evidence, the case for subrogation lacks merit because there would be no grounds to pursue the claim against a third party. The other choices, while they might be related to the claims process or legal requirements in specific scenarios, do not directly pertain to the fundamental requirement for initiating subrogation. A signed contract with the insurer is standard for all coverage, but it does not specifically relate to the subrogation process. A court order may be necessary in certain legal contexts, but it is not a prerequisite for subrogation itself. Verification of policy limits is important for determining the extent of coverage but does not influence the right to pursue subrogation.

3. What is the base deductible in a homeowners policy?

- A. \$300
- B. \$250**
- C. \$200
- D. \$150

In a homeowners policy, the base deductible refers to the initial amount that the policyholder is responsible for paying out of pocket before the insurance coverage kicks in to cover losses for claims. The standard base deductible commonly found in homeowners insurance policies is \$250. This amount can vary by policy and insurer, as individuals may have the option to choose a higher deductible in exchange for lower premiums. However, the \$250 deductible is widely recognized and serves as a baseline in many standard homeowners policies. Understanding this concept is crucial, as it affects how much you will pay in the event of a claim and can influence overall policy costs.

4. What does the DP-3 Special Form cover?

- A. Only named perils
- B. Open peril for dwelling and named peril for personal property**
- C. Named perils for both dwelling and personal property
- D. Exclusively fire and lightning

The DP-3 Special Form provides comprehensive coverage by utilizing an open peril approach for the dwelling itself along with named perils for personal property. This means that the structure of the dwelling is protected against all risks except those specifically excluded in the policy, offering a broader safety net for homeowners. In contrast, personal property covered under this form is only safeguarded against certain risks that are explicitly listed in the policy, which allows for some specificity in the types of losses that are covered for personal belongings. This unique combination of coverage types enables a homeowner to have extensive protection for their dwelling while also clearly defining what risks their personal property is insured against. Thus, this form is particularly valuable to homeowners who want robust protection for their structures while still identifying the risks associated with personal items. Understanding the distinctions between the types of coverage is crucial for accurately assessing insurance needs and ensuring appropriate levels of protection.

5. What is the coverage limit for theft of jewelry under a homeowners policy?

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

Under a homeowners policy, the coverage limit for theft of jewelry is typically set at \$1,500. This amount reflects the standard limit imposed by many insurers within a homeowners policy for specific categories of personal property, including jewelry, watches, and semi-precious stones. It is important for policyholders to understand that this limit may not cover the full value of high-end jewelry or collections, which is why supplemental coverage or a scheduled personal property endorsement may be recommended to provide additional protection. The specified limit helps maintain affordability in premiums while also managing the insurer's risk. Homeowners should always check the specific details of their policy, as limits can vary by insurer and based on the specifics of the coverage selected.

6. What is a warranty in insurance terms?

- A. The promise of future performance by the applicant
- B. The absolute or literal truth of a statement by the applicant**
- C. An estimate of potential losses
- D. A guarantee of premium refunds

In insurance, a warranty refers specifically to the absolute or literal truth of a statement made by the insured or applicant. This means that any statements or representations made during the application process must be entirely accurate, not just reasonable or believed to be true to the best of the applicant's knowledge. If a warranty is found to be false, it can allow the insurer to deny a claim or void the policy altogether. This concept is crucial because it establishes the expectation of accountability and truthfulness in the insurance agreement. The insurer relies on the accuracy of the information provided when assessing risk and underwriting the policy. Therefore, warranties hold significant weight in determining the validity of a policy and the insurer's obligations under it. Other options may reflect different concepts within the realm of insurance, such as performance promises or financial estimates, but they do not accurately capture the specific definition of a warranty as it is used in the insurance context.

7. Which of the following actions is considered a legitimate practice in the insurance industry?

- A. Offering gifts or incentives to influence policy purchases.
- B. Providing clear and accurate information to clients.**
- C. Omitting relevant details from policy descriptions.
- D. Competing with other agents for customers through misleading claims.

Providing clear and accurate information to clients is a legitimate practice in the insurance industry because it fosters transparency and trust between the insurer and the insured. Clear communication ensures that clients understand the terms, conditions, and risks associated with their policies. This practice not only helps clients make informed decisions but also complies with regulatory standards set forth by insurance authorities, promoting fair treatment and preventing fraudulent activities. In contrast, offering gifts or incentives to influence policy purchases compromises the integrity of the sales process and can lead to conflicts of interest. Omitting relevant details from policy descriptions misleads clients and can result in significant misunderstandings regarding coverage, which is unethical and often illegal. Competing through misleading claims undermines the credibility of the insurance industry and can potentially harm consumers, leading to unwarranted financial burdens or losses. Thus, transparency and accuracy in communication are crucial for maintaining a responsible and ethical approach in the insurance field.

8. What is the waiting period for Flood Insurance?

- A. 15 days.
- B. 30 days.**
- C. 20 days.
- D. 60 days.

The waiting period for flood insurance is typically 30 days. This means that once a policy is purchased, coverage will not take effect until 30 days have passed. This waiting period is in place to prevent individuals from acquiring flood insurance just before a flood event occurs and is intended to ensure that coverage is purchased well in advance of anticipated flood risks. The waiting period allows homeowners to assess their flood risk and provides time to consider various coverage options rather than making last-minute decisions. Therefore, policyholders should plan ahead and secure their flood insurance well in advance of potential flooding, especially in regions prone to such hazards. Understanding this waiting period is crucial for homeowners in flood-prone areas to ensure they have adequate protection when faced with flood-related damages.

9. Which form of homeowners insurance is typically used for a seasonal home?

- A. HO-1
- B. HO-3
- C. HO-6**
- D. HO-5

Homeowners insurance for a seasonal home is typically represented by the HO-6 form, commonly known as a Condominium Unit Owners policy. This policy is specifically designed to provide coverage for individual units within a condominium structure, which can include seasonal or vacation properties. The HO-6 form addresses the unique needs of condo owners by covering personal property and certain improvements made within the unit. Additionally, it often includes liability protection. For a seasonal home, where the property may be unoccupied for extended periods and could be at risk from perils such as theft or damage, this type of insurance offers essential coverage tailored for those circumstances. The other forms mentioned, such as HO-1 (basic perils), HO-3 (most homeowners' policies covering a broad range of perils), and HO-5 (which provides open perils coverage for both structure and personal property), are generally suited for primary residences rather than seasonal or vacation homes. Therefore, the HO-6 is the most appropriate choice for insuring a seasonal home.

10. What is the license renewal fee for an intermediary?

- A. \$5.00.
- B. \$5.00 for each line of insurance the agent is licensed in.
- C. \$35.00.**
- D. \$25.00 for each line of insurance the agent is licensed in.

The license renewal fee for an intermediary is set at \$35.00. This amount reflects the cost established by the regulatory authority overseeing insurance practices in Wisconsin. When an intermediary holds a valid license, it is essential for them to renew it periodically, and the fee is part of maintaining compliance with the state's insurance laws. The other options do not accurately represent the current fee structure and may suggest fees based on a per-line basis or lower amounts, which are not in line with the state's established fees for intermediary license renewals. Understanding the correct fee is crucial for intermediaries to plan for their licensing expenses and ensure uninterrupted compliance in their insurance practice.

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://wisconsinpropertyinsurance.examzify.com>

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

SAMPLE