ARKANSAS INSURANCE ADJUSTER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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.

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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!

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Questions

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1. **Bill holds a hull policy for his cargo ship. For which voyages will his losses be covered if the ship was damaged by pirates, striking employees, and destroyed in a war zone respectively?**

   A. i & ii

   B. i only

   C. ii & iii

   D. iii only

2. **Melanie's home suffers $90,000 in damage. Given the depreciation and policy terms, how much further indemnification may she receive after initial payment if repairs total $79,500?**

   A. $0

   B. $10,500

   C. $12,000

   D. $22,500

3. **When would a default judgment occur?**

   A. When a defendant submits an answer

   B. In cases that involve an intentional tort

   C. When an insurer sends a reservation of rights

   D. When a defendant does not answer a complaint

4. **After a severe hailstorm totals her roof, how much will Marlene receive in the settlement, assuming the insurer imposes the standard coinsurance penalty?**

   A. $10,000

   B. $8,000

   C. $5,000

   D. $3,000

5. **The Severability of Interests condition states that:**

   A. an insurer has the right to cancel an insurance policy at any time

   B. when an insurer pays a total loss settlement, policy coverage may terminate and any unearned premiums will be refunded to the insured

   C. coverage applies to each insured separately, as if no other insured existed

   D. an insured has the right to cancel an insurance policy at any time

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6. An adjuster has a duty to provide which of the following to the claimant?

A. A settlement sufficient to offset the out-of-pocket burden of the deductible

B. An open line of communication

C. Periodic reports detailing the status of the claim

D. A recommendation of a reputable claims lawyer in the local area

7. What additional roles does the housekeeper fulfill besides cleaning?

A. Cooking and running errands

B. Providing medical care

C. Teaching the children

D. Security services

8. What has Emma committed by claiming her stolen art pieces were originals when they were not?

A. Hard fraud

B. Concealment

C. Tortfeasor

D. Soft fraud

9. Jason's auto policy states that the insurer may cancel coverage if a premium is more than 30 days late. What is likely to happen when Jason gets into an accident after being late on his payment more than 30 days for the fifth time in a year?

A. The insurer will pay the claim because of the express waiver they have made by not canceling Jason's policy the previous times he was late with his payments.

B. The insurer will pay the claim because of the implied waiver they have made by not canceling Jason's policy the previous times he was late with his payments.

C. The insurer will deny the claim and cancel Jason's policy because of the implied waiver they have made by not canceling his policy the previous times he was late with his payments.

D. The insurer will deny the claim and cancel Jason's policy because he is more than 30 days late.

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10. When Louise goes online and fills out phony applications with XYZ Auto Insurance to sell temporary insurance cards on the black market, she is:

A. committing hard fraud

B. using a regular business practice

C. committing soft fraud

D. using a Ponzi Scheme

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Answers

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

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Explanations

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1. Bill holds a hull policy for his cargo ship. For which voyages will his losses be covered if the ship was damaged by pirates, striking employees, and destroyed in a war zone respectively?

A. i & ii

B. i only

C. ii & iii

D. iii only

A This option is incorrect because it only covers voyages that were damaged by pirates and striking employees, but not destroyed in a war zone. C: This option is incorrect because it covers voyages that were damaged by striking employees and destroyed in a war zone, but not by pirates. D: This option is incorrect because it only covers voyages that were destroyed in a war zone, but not damaged by pirates or striking employees.

2. Melanie's home suffers $90,000 in damage. Given the depreciation and policy terms, how much further indemnification may she receive after initial payment if repairs total $79,500?

A. $0

B. $10,500

C. $12,000

D. $22,500

Even after the initial payment, Melanie is still entitled to a further indemnity of $22,500. This is because the total cost of the damage ($90,000) minus the depreciation ($10,500) equals $79,500, which is the amount of her final indemnification. Option A is incorrect because it assumes that the initial payment covers the full cost of repairs, which is not the case. Option B is incorrect because it only accounts for the depreciation, not the total cost of repairs. Option C is incorrect because it only accounts for the difference between the total cost of damage and the depreciation, not the total cost of repairs. Therefore, option D is the correct answer.

3. When would a default judgment occur?

A. When a defendant submits an answer

B. In cases that involve an intentional tort

C. When an insurer sends a reservation of rights

D. When a defendant does not answer a complaint

A default judgment occurs when a defendant fails to respond to a complaint within the designated timeframe. This means that the defendant is essentially giving up their right to defend themselves in the case. Option A is incorrect because a defendant submitting an answer shows that they are actively participating in the case. Option B may be a factor in some cases, but it is not the defining factor for a default judgment. Option C is referring to a reservation of rights, which is when an insurance company notifies the insured that they may not cover a certain claim. This is not directly related to a default judgment. Therefore, the correct option is D, when a defendant fails to respond to a complaint.

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4. After a severe hailstorm totals her roof, how much will Marlene receive in the settlement, assuming the insurer imposes the standard coinsurance penalty?

A. $10,000

B. $8,000

C. $5,000

D. $3,000

The standard coinsurance penalty requires the policyholder to carry a specific percentage of the property's total value in insurance coverage, typically 80% or higher. In this scenario, it is likely that Marlene did not have enough coverage to fully cover the cost of the damage, resulting in a coinsurance penalty. Based on the options provided, it is clear that the penalty is a percentage of the total settlement amount, with options A, B, and D being higher than the correct answer of C. This means that those options would not impose a coinsurance penalty and would result in Marlene receiving more than $5,000. Therefore, the correct answer is C, as it is the only option that accounts for a potential coinsurance penalty and is the most likely amount Marlene would receive in the settlement.

5. The Severability of Interests condition states that:

A. an insurer has the right to cancel an insurance policy at any time

B. when an insurer pays a total loss settlement, policy coverage may terminate and any unearned premiums will be refunded to the insured

C. coverage applies to each insured separately, as if no other insured existed

D. an insured has the right to cancel an insurance policy at any time

The Severability of Interests condition means that coverage applies to each insured separately, as if no other insured existed. This means that each person insured under the policy is treated as if they have their own separate policy, and any claims made by one person will not affect the coverage for the other insured individuals. Option A is incorrect because it refers to the insurer's right to cancel the policy, which is not related to the Severability of Interests condition. Option B is incorrect because it refers to termination of policy coverage after a total loss settlement, which is also not related to this condition. Option D is incorrect because it refers to the insured's right to cancel the policy, which again, is not related to the Severability of Interests condition.

6. An adjuster has a duty to provide which of the following to the claimant?

A. A settlement sufficient to offset the out-of-pocket burden of the deductible

B. An open line of communication

C. Periodic reports detailing the status of the claim

D. A recommendation of a reputable claims lawyer in the local area

Options A, C, and D are incorrect because they do not directly address the adjuster's duty to the claimant. While they may be helpful in the claims process, an adjuster's primary responsibility is to maintain an open line of communication with the claimant. This means keeping the claimant informed about the progress of their claim and addressing any concerns or questions they may have. While options A, C, and D may be useful in certain situations, they are not the primary duty of an adjuster to a claimant.

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7. What additional roles does the housekeeper fulfill besides cleaning?

A. Cooking and running errands

B. Providing medical care

C. Teaching the children

D. Security services

Option B is incorrect because providing medical care is not within the job duties of a housekeeper. Option C is incorrect because teaching the children is more aligned with the role of a nanny or a tutor, rather than a housekeeper. Option D is incorrect because security services are not typically part of a housekeeper's responsibilities. They are not trained or hired to provide protection or surveillance. The correct answer is A because many housekeepers are also responsible for preparing meals for the family and completing various errands such as grocery shopping or picking up dry cleaning. These tasks are often included in the job description for a housekeeper.

8. What has Emma committed by claiming her stolen art pieces were originals when they were not?

A. Hard fraud

B. Concealment

C. Tortfeasor

D. Soft fraud

Emma has committed soft fraud by claiming her stolen art pieces were originals when they were not. This is because soft fraud involves lying or misrepresenting information in order to obtain something of value, which is what Emma did by trying to pass off her stolen pieces as originals. This differs from hard fraud, which involves more serious, premeditated and deliberate acts of fraud such as organized crime or falsifying documents. Concealment is also incorrect because it refers to hiding or suppressing information, rather than actively misrepresenting it. Finally, tortfeasor is incorrect as it refers to a person who commits a tort or wrongful act in which they are responsible for causing injury or damages to another person.

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9. Jason's auto policy states that the insurer may cancel coverage if a premium is more than 30 days late. What is likely to happen when Jason gets into an accident after being late on his payment more than 30 days for the fifth time in a year?

A. The insurer will pay the claim because of the express waiver they have made by not canceling Jason's policy the previous times he was late with his payments.

B. The insurer will pay the claim because of the implied waiver they have made by not canceling Jason's policy the previous times he was late with his payments.

C. The insurer will deny the claim and cancel Jason's policy because of the implied waiver they have made by not canceling his policy the previous times he was late with his payments.

D. The insurer will deny the claim and cancel Jason's policy because he is more than 30 days late.

The likely outcome in this situation is that the insurer will pay the claim because of an implied waiver they have made by not canceling Jason's policy in the previous instances of late payments. This is because the insurer has a pattern of not enforcing the cancellation policy despite Jason's late payments, creating an implied understanding that they are willing to overlook the late payments. Option A is incorrect because it references an "express waiver" which is not mentioned in the question. Option C is incorrect because it states that the insurer will also cancel Jason's policy, which is not stated in the question. Option D is incorrect because it only addresses Jason being late and does not mention the insurer's actions. Therefore, option B is the best answer as it directly relates to the question and provides a reasonable explanation.

10. When Louise goes online and fills out phony applications with XYZ Auto Insurance to sell temporary insurance cards on the black market, she is:

A. committing hard fraud

B. using a regular business practice

C. committing soft fraud

D. using a Ponzi Scheme

Louise is committing hard fraud because she is intentionally deceiving the insurance company by providing false information in order to make a profit on the black market. Option B is incorrect because using a regular business practice involves legitimate sales and transactions. Option C is incorrect because soft fraud refers to exaggerating or falsifying information on a legitimate insurance claim. Option D is incorrect because a Ponzi Scheme is a type of investment fraud, not insurance fraud.

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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:

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

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