USAA LICENSING PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://usaalicensing.examzify.com

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 16

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. When does a claim typically go to arbitration?

A. When there is an agreement between parties

B. Only after a payment has been processed

C. For all types of claims regardless of cause

D. When negotiation fails to resolve differences

2. What is a typical requirement for obtaining a Dwelling Insurance Policy?

A. Owner-occupied property

B. Rented or leased buildings

C. Commercial usage

D. Vacant properties

3. If an adjuster denies a claim without conducting a reasonable investigation, what type of violation does this represent?

A. An unfair claims settlement practice

B. A covered claim defense

C. Supplemental Coverages

D. A legal claim denial

4. Who may a public adjuster represent in an insurance claim?

A. Individuals seeking to dispute policy terms

B. Insurance companies in negotiations

C. Policyholders filing claims

D. The general public at large

5. What is the main goal of an appraisal process in insurance loss claims?

A. To determine fault in an accident

B. To accurately value the loss

C. To negotiate premiums

D. To approve insurance policies

6. How long does an adjuster's license remain valid?

A. One year from issue date

B. Until the licensee requests renewal

C. Two years on the licensee birthday

D. Three years after the issue date

SAMPLE

7. What type of coverage includes hazards such as Accidental Discharge and Freezing Plumbing?

A. Basic Named Peril

B. Special Named Peril

C. Named Peril Broad

D. Comprehensive Coverage

8. What does a performance bond guarantee?

A. That all employees will be hired for a project

B. That work will be completed in compliance with the contract specifications

C. Payment to all subcontractors

D. Insurance against natural disasters affecting a project

9. What is the role of the Texas Insurance Commissioner regarding temporary licenses?

A. To review all insurance policies

B. To issue licenses only during the summer months

C. To grant licenses during emergencies for training purposes

D. To oversee insurance fraud investigations

10. Which of the following best defines "unoccupied" in an insurance context?

A. No one is present in the property

B. All furnishings are removed

C. No persons are present, but furnishings remain

D. Property is only partially furnished

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. When does a claim typically go to arbitration?

A. When there is an agreement between parties

B. Only after a payment has been processed

C. For all types of claims regardless of cause

D. When negotiation fails to resolve differences

A claim typically goes to arbitration when negotiation has failed to resolve differences between the parties involved. Arbitration is often seen as a more formal process where an impartial third party reviews the evidence and makes a binding decision to settle the dispute. This step is usually considered after both parties have attempted to negotiate and reach a settlement on their own, but such efforts have not been successful. In this context, arbitration serves as a mechanism to streamline the resolution process, providing a structured environment to resolve disputes without the need for lengthy and costly litigation. The other options do not align with how arbitration generally operates. An agreement between parties is essential for arbitration to occur, but it is not a given that this will lead to arbitration, as negotiations could resolve the differences beforehand. Processing of payment does not directly correlate with the initiation of arbitration; it typically concerns whether a claim is valid and the amount due rather than conflict resolution. Lastly, arbitration is not universally applied to all types of claims, as different claims may follow distinct dispute resolution procedures based on nature or the parties involved.

2. What is a typical requirement for obtaining a Dwelling Insurance Policy?

A. Owner-occupied property

B. Rented or leased buildings

C. Commercial usage

D. Vacant properties

A Dwelling Insurance Policy is primarily designed to provide coverage for properties that are not owner-occupied but are rented or leased to tenants. This type of policy protects landlords from losses resulting from damages to the physical structure of the property, as well as potential liabilities that could arise from tenant interactions or events. In contrast, owner-occupied properties typically fall under a standard homeowners insurance policy, making option B the most apt choice for a Dwelling Insurance Policy. This type of policy can also cater to the unique needs of properties that are specifically used for rental purposes. Other options such as commercial usage or vacant properties generally do not align with the purpose of a Dwelling Insurance Policy. Commercial usage would likely require a commercial property insurance policy that addresses the different risks associated with business operations. Similarly, vacant properties could be subjected to different insurance terms or specific policies designed for unoccupied homes, primarily because vacant properties may present unique risks that a standard dwelling policy might not adequately cover.

SAMPLE

3. If an adjuster denies a claim without conducting a reasonable investigation, what type of violation does this represent?

A. An unfair claims settlement practice

B. A covered claim defense

C. Supplemental Coverages

D. A legal claim denial

The situation described represents an unfair claims settlement practice. When an adjuster denies a claim without conducting a reasonable investigation, it highlights a failure to adhere to the standards of fairness and due process expected in the claims handling process. Insurance law typically requires that all claims be examined thoroughly and fairly. By neglecting to investigate, the adjuster is not only violating the trust of the policyholder but also circumventing the procedures meant to ensure that decisions are based on factual, verified information. This lack of due diligence can be seen as an abuse of the claims handling process and can result in penalties against the insurer or the adjuster involved. In contrast, the other options do not apply to this scenario. A covered claim defense refers to situations where claims may be denied based on specific exclusions or limitations in a policy, not due to improper handling by an adjuster. Supplemental coverages relate to additional protections offered by an insurer, while a legal claim denial pertains to formal legal challenges that arise after a claim has been denied, which is separate from the conduct of the adjuster during the investigation phase.

4. Who may a public adjuster represent in an insurance claim?

A. Individuals seeking to dispute policy terms

B. Insurance companies in negotiations

C. Policyholders filing claims

D. The general public at large

A public adjuster is specifically trained to assist policyholders in filing insurance claims. Their primary role is to represent the interests of the policyholder, which means they work on behalf of individuals who are seeking to settle claims with their insurance company. This includes evaluating damages, preparing claim documentation, negotiating settlements, and ensuring that policyholders receive a fair evaluation based on the terms of their policy. In contrast, public adjusters do not work on behalf of insurance companies or the general public. Their expertise is tailored to help individuals navigate the often complex and challenging process of insurance claims while advocating specifically for the rights and needs of policyholders.

SAMPLE

5. What is the main goal of an appraisal process in insurance loss claims?

A. To determine fault in an accident

B. To accurately value the loss

C. To negotiate premiums

D. To approve insurance policies

The primary purpose of the appraisal process in insurance loss claims is to accurately value the loss incurred by the policyholder. This process is critical because it establishes a fair and objective assessment of the financial impact of damages or losses, ensuring that the claimant receives an appropriate settlement based on the actual value of the covered loss. When an insurance claim is filed, the insurer and the insured may have different opinions about the extent of the damage or the value of the loss. The appraisal process involves both parties agreeing to appoint independent appraisers who assess the situation and report their findings. This helps to mitigate disputes over the value and streamlines the claims process, allowing for transparent and equitable resolution. Understanding the significance of this process is key in the insurance industry, as it maintains trust between the insurer and insured while also complying with contractual obligations outlined in the policy. Accurate valuation is foundational in determining the correct compensation amount, ensuring that the policyholder is not underpaid for their claim.

6. How long does an adjuster's license remain valid?

A. One year from issue date

B. Until the licensee requests renewal

C. Two years on the licensee birthday

D. Three years after the issue date

An adjuster's license is typically valid for two years, aligning with the common practice across many states that set renewal cycles based on the individual's birthday. This approach ensures that license renewals are streamlined and coincide with a specific time period each year, which can aid in planning and maintaining compliance with licensing laws. Licensing authorities often implement this system to facilitate organization and monitoring of license statuses, providing a clear timeline for both new and existing adjusters regarding when they need to complete any continuing education requirements or renewal applications. Therefore, the assertion that an adjuster's license remains valid for two years on the licensee's birthday accurately reflects these administrative practices in many jurisdictions.

7. What type of coverage includes hazards such as Accidental Discharge and Freezing Plumbing?

A. Basic Named Peril

B. Special Named Peril

C. Named Peril Broad

D. Comprehensive Coverage

The correct answer is named peril broad coverage. This type of insurance specifically includes coverage for certain risks that are explicitly named in the policy. Hazards like accidental discharge and freezing plumbing are typically included under broader named perils, which expand beyond basic coverage to include more nuanced risks that can significantly affect property. Named peril broad coverage offers more extensive protection than basic named peril policies, which may cover only a limited array of risks, like fire, windstorm, and theft. Comprehensive coverage, while it sounds extensive, usually implies a broader scope beyond simply named perils, often including coverage for a wide range of risks and issues that are not explicitly listed. However, it is not specifically focused on the particular hazards mentioned in your question. Therefore, named peril broad coverage is the type that directly addresses the specific shortages and damages referenced, providing vital protection for these potential issues in a property insurance context.

SAMPLE

8. What does a performance bond guarantee?

A. That all employees will be hired for a project

B. That work will be completed in compliance with the contract specifications

C. Payment to all subcontractors

D. Insurance against natural disasters affecting a project

A performance bond guarantees that work will be completed in compliance with the contract specifications. This type of bond is typically required by project owners to ensure that the contractor fulfills their obligations according to the terms of the contract. If the contractor fails to complete the work as specified, the performance bond can provide financial compensation to the project owner, allowing them to engage another contractor to finish the job. The other options do not accurately reflect the purpose of a performance bond. While a performance bond may indirectly support adherence to hiring practices (as in option A), it specifically focuses on the completion and quality of the work, not on hiring all employees. Regarding payment to all subcontractors (option C), that function is typically covered by a payment bond rather than a performance bond. Lastly, a performance bond does not offer insurance against natural disasters (option D); that would fall under a different type of insurance policy. Hence, the correct choice clearly defines the main responsibility that a performance bond covers.

9. What is the role of the Texas Insurance Commissioner regarding temporary licenses?

A. To review all insurance policies

B. To issue licenses only during the summer months

C. To grant licenses during emergencies for training purposes

D. To oversee insurance fraud investigations

The role of the Texas Insurance Commissioner in granting temporary licenses is primarily focused on providing a means for individuals to engage in insurance activities during emergencies. This provision is crucial when there is an urgent need for licensed professionals, such as during natural disasters or other significant events that disrupt the insurance market. The temporary license allows individuals to operate under specific conditions and facilitates the continuity of service to policyholders in critical times. In contrast, other options present roles or actions that do not align with the Commissioner's functions regarding temporary licenses. For example, reviewing all insurance policies is a standard regulatory practice but is not specifically related to the issuance of temporary licenses. Issuing licenses only during the summer months does not reflect the necessity for responsive measures during unforeseen circumstances, which is the essence of temporary licensing. Finally, overseeing insurance fraud investigations is an integral part of the Commissioner's duties but pertains to maintaining the integrity of the insurance industry rather than providing temporary licensing solutions during emergencies.

SAMPLE

10. Which of the following best defines "unoccupied" in an insurance context?

A. No one is present in the property

B. All furnishings are removed

C. No persons are present, but furnishings remain

D. Property is only partially furnished

In the context of insurance, "unoccupied" most accurately refers to a situation where no persons are present in a property, but furnishings remain. This definition distinguishes "unoccupied" from "vacant," where "vacant" means that a property is not only devoid of people but also lacks furnishings or personal belongings. In the case of unoccupied properties, while the inhabitants have temporarily left, the presence of furniture implies that the space is still intended for use and has not been abandoned. This distinction is significant for insurers, as unoccupied properties may still be covered under certain policies, whereas vacant properties might face different terms or exclusions.

SAMPLE

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://usaalicensing.examzify.com

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

SAMPLE