

# Arkansas Insurance Adjuster Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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

- 1. As a requirement for getting her New York adjuster license, Alice purchases a surety bond. PBJ Bonds, the company from which she purchases it, would be considered the:**
  - A. indemnitor**
  - B. principal**
  - C. obligee**
  - D. surety**
- 2. Under which Causes of Loss form(s) would the mowers consumed by a sinkhole be covered in Alan's commercial property policy?**
  - A. Basic, Broad, and Special Forms**
  - B. They will only be covered by endorsement**
  - C. Special Form only**
  - D. Broad, and Special Forms only**
- 3. When Sam's ship suffers \$75,000 in damage, how much indemnification can he expect to get from his insurer, given his Ocean Marine hull policy has a franchise deductible of \$50,000?**
  - A. \$75,000**
  - B. \$50,000**
  - C. \$25,000**
  - D. \$0**
- 4. If an insurer insists that Christopher's property is worth far less than appraisals show, making negotiations futile, Christopher should:**
  - A. issue a reservation of rights**
  - B. issue an answer for the policyholder**
  - C. issue a judgment**
  - D. issue a complaint against the policyholder**

- 5. Which item would NOT belong in an adjuster's initial report on a claim?**
- A. A list of all known circumstances surrounding the claim**
  - B. The date that the adjuster first contacts the claimant**
  - C. The final settlement amount**
  - D. A detailed list of the damages being claimed**
- 6. Within how many days must an insurer acknowledge receiving a claim in Arkansas?**
- A. 15 days**
  - B. one week**
  - C. 30 days**
  - D. 24 hours**
- 7. Which of the following statements about Crop-Hail insurance is FALSE?**
- A. It covers damage due to hail, but also fire, lightning, wind, and others.**
  - B. It is generally available from private insurers.**
  - C. It is subsidized by the FCIC.**
  - D. It is rated on an acreage basis.**
- 8. Why does the insurance company classify the conditions of Adam's drive as 'physical hazards'?**
- A. Adam is indifferent to any losses he may suffer.**
  - B. They take a toll on Adam physically, increasing the chance of a loss.**
  - C. Adam doesn't consciously choose to take this route.**
  - D. The roads present a physical condition that increases the chance of a loss.**
- 9. What type of occupation does Randy have when he takes on the possessions of others and transports them from one location to another in exchange for a fee?**
- A. Auto Body Repair Technician**
  - B. Trucker**
  - C. Lawyer**
  - D. Delivery Driver**



**10. Which insurance package covers a variety of hospital-related expenses?**

- A. Hospitalization Expense insurance**
- B. Hospital Indemnity insurance**
- C. Surgical Expense insurance**
- D. Accident insurance**

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## **Answers**

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

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## **Explanations**

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**1. As a requirement for getting her New York adjuster license, Alice purchases a surety bond. PBJ Bonds, the company from which she purchases it, would be considered the:**

- A. indemnitor**
- B. principal**
- C. obligee**
- D. surety**

A surety bond, in this case, is a type of insurance policy that guarantees Alice's performance as an adjuster. PBJ Bonds is the company that issues this bond, making them the surety. This bond is a contract between three parties the surety (PBJ Bonds), the principal (Alice), and the obligee (the state of New York). The principal is responsible for fulfilling the terms of the bond and the obligee is the party that can make a claim against the surety if the terms are not met. Therefore, PBJ Bonds, as the issuer of the bond, is the surety and all other options are incorrect.

**2. Under which Causes of Loss form(s) would the mowers consumed by a sinkhole be covered in Alan's commercial property policy?**

- A. Basic, Broad, and Special Forms**
- B. They will only be covered by endorsement**
- C. Special Form only**
- D. Broad, and Special Forms only**

The correct interpretation of the Causes of Loss forms in relation to mowers consumed by a sinkhole would affirm that under the Basic, Broad, and Special Forms, the damages caused by a sinkhole can indeed be covered. The Basic Form typically covers named perils, including some forms of damage from water, but may not explicitly cover sinkholes. However, the Broad and Special Forms provide more extensive coverage. The Broad Form extends coverage to additional perils, including sudden and accidental physical loss, which would encompass damage caused by a sinkhole. The Special Form, often referred to as "open perils," generally covers all risks of physical loss or damage, unless specifically excluded. Therefore, both Broad and Special Forms would cover the loss from the sinkhole. This comprehensive coverage across all three forms underscores the importance of reviewing policy details, as the protections afforded can vary. The other choices do not provide the same level of coverage across all forms as specified in the question, which is why they would not be applicable in this scenario.

**3. When Sam's ship suffers \$75,000 in damage, how much indemnification can he expect to get from his insurer, given his Ocean Marine hull policy has a franchise deductible of \$50,000?**

**A. \$75,000**

**B. \$50,000**

**C. \$25,000**

**D. \$0**

The correct answer is A because when an insurance policy has a franchise deductible, the insurer only covers the excess amount above the deductible. In this scenario, Sam's ship suffered \$75,000 in damage, which exceeds the deductible of \$50,000, so he can expect to receive the full amount of \$75,000 as indemnification from his insurer. The other options, B, C, and D, are incorrect because they do not consider the deductible amount and suggest that Sam would receive less than \$75,000 in indemnification.

**4. If an insurer insists that Christopher's property is worth far less than appraisals show, making negotiations futile, Christopher should:**

**A. issue a reservation of rights**

**B. issue an answer for the policyholder**

**C. issue a judgment**

**D. issue a complaint against the policyholder**

Christopher should not issue a reservation of rights as that implies the insurer may not provide coverage and is not the appropriate course of action when the insurer undervalues the property. Issuing an answer for the policyholder would not address the issue and would not result in a resolution. Issuing a judgment is the responsibility of a court and is not the appropriate step for Christopher to take. Therefore, issuing a complaint against the policyholder is the best course of action as it allows for legal action to be taken to hold the insurer accountable for undervaluing the property.

**5. Which item would NOT belong in an adjuster's initial report on a claim?**

**A. A list of all known circumstances surrounding the claim**

**B. The date that the adjuster first contacts the claimant**

**C. The final settlement amount**

**D. A detailed list of the damages being claimed**

A list of all known circumstances surrounding the claim would belong in an adjuster's initial report as it sets the foundation for the claim and provides necessary context. The date of first contact with the claimant is also important information to include in an initial report. A detailed list of damages being claimed is crucial in determining the severity of the claim and what compensation may be needed. However, the final settlement amount should not be included in the initial report as it is typically determined and agreed upon later in the claims process after thorough investigation and assessment.

**6. Within how many days must an insurer acknowledge receiving a claim in Arkansas?**

- A. 15 days**
- B. one week**
- C. 30 days**
- D. 24 hours**

An insurer in Arkansas must acknowledge receiving a claim within 15 days. This ensures that the claim is promptly reviewed and processed by the insurer. Options B and D are incorrect because they do not fall within the specified time frame. Option B, one week, is equivalent to 7 days, which is less than the required 15 days. Option D, 24 hours, is a significantly shorter time frame and may not give the insurer enough time to thoroughly review the claim. Option C, 30 days, is also incorrect because it exceeds the time limit set by the state of Arkansas. Therefore, the best answer is option A, 15 days.

**7. Which of the following statements about Crop-Hail insurance is FALSE?**

- A. It covers damage due to hail, but also fire, lightning, wind, and others.**
- B. It is generally available from private insurers.**
- C. It is subsidized by the FCIC.**
- D. It is rated on an acreage basis.**

Crop-Hail insurance is a type of insurance that covers damage to crops from various events such as hail, fire, lightning, wind, and others. It is generally available from private insurers, and is typically rated based on the amount of acreage covered. However, one statement that is false is that it is subsidized by the FCIC. Crop-Hail insurance is not subsidized by the FCIC, as this organization only provides subsidies for other types of crop insurance. Therefore, option C is incorrect.

**8. Why does the insurance company classify the conditions of Adam's drive as 'physical hazards'?**

- A. Adam is indifferent to any losses he may suffer.**
- B. They take a toll on Adam physically, increasing the chance of a loss.**
- C. Adam doesn't consciously choose to take this route.**
- D. The roads present a physical condition that increases the chance of a loss.**

The insurance company classifies the conditions of Adam's drive as 'physical hazards' because the roads present a physical condition that increases the chance of a loss. Options A, B, and C do not accurately explain the reason why the insurance company classifies the conditions as 'physical hazards.' Option A states that Adam is indifferent to any losses, but this does not relate to the physical conditions of the road. Option B mentions Adam's physical toll, but does not explain why this increases the chance of a loss. Option C mentions Adam's conscious choice, but this also does not relate to the physical conditions of the road. Therefore, option D is the best answer as it directly addresses the physical condition of the roads.

**9. What type of occupation does Randy have when he takes on the possessions of others and transports them from one location to another in exchange for a fee?**

**A. Auto Body Repair Technician**

**B. Trucker**

**C. Lawyer**

**D. Delivery Driver**

Randy's occupation falls under the job of a trucker, which is a professional driver hired to transport goods from one location to another. Option A, Auto Body Repair Technician, is incorrect because this job involves repairing and maintaining vehicles, not transporting goods. Option C, Lawyer, is incorrect because this job involves providing legal advice and representation, not transporting goods. Option D, Delivery Driver, is incorrect because while similar to a trucker in the aspect of transporting goods, a delivery driver typically operates on a smaller scale and delivers goods to specific locations, rather than long-distance transportation that is usually associated with being a trucker.

**10. Which insurance package covers a variety of hospital-related expenses?**

**A. Hospitalization Expense insurance**

**B. Hospital Indemnity insurance**

**C. Surgical Expense insurance**

**D. Accident insurance**

Hospitalization Expense insurance covers a variety of hospital-related expenses, such as room and board, surgery, and other medical services. Hospital Indemnity insurance only provides a fixed daily cash benefit for each day spent in a hospital, while Surgical Expense insurance only covers the cost of surgical procedures. Accident insurance only covers injuries resulting from accidents, not necessarily hospital-related expenses. Therefore, out of the options given, Hospitalization Expense insurance is the most comprehensive in terms of covering various hospital-related expenses.



## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://arkansasadjuster.examzify.com>**

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