

# HAWAII INSURANCE ADJUSTER LICENSE PRACTICE EXAM (SAMPLE)

**STUDY GUIDE**



**SAMPLE STUDY GUIDE  
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

<https://hawaiiinsuranceadjusterlicense.examzify.com>



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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. How many hours of continuing education are required for insurance adjusters in Hawaii?**
  - A. 12 hours every year
  - B. 24 hours every two years
  - C. 36 hours every two years
  - D. 48 hours each year
- 2. What does "agency" refer to in the insurance industry?**
  - A. The relationship between auto repair shops and insurers
  - B. The relationship between insurance companies and claimants
  - C. The relationship between the insurer and its agents or adjusters
  - D. The relationship between policyholders and regulators
- 3. What does "mitigation of damages" require from the insured?**
  - A. Complete repair of the property
  - B. Taking reasonable steps to prevent further loss
  - C. Filing a lawsuit against the responsible party
  - D. Neglecting any further issues until adjuster review
- 4. Which of the following time periods is ordinary payroll coverage limited to in case of a business income loss under the BOP?**
  - A. 45 Days
  - B. 30 Days
  - C. 60 Days
  - D. 90 Days
- 5. Under the Hawaii Insurance Code, what type of actions could lead to monetary penalties?**
  - A. Ignoring renewal requirements
  - B. Providing false information
  - C. Both A and B
  - D. None of the above

- 6. What does the term "comparative negligence" imply in an insurance context?**
- A. It shifts all blame to the insurance company
  - B. It allocates fault among parties involved in an accident
  - C. It ensures equal payouts regardless of fault
  - D. It limits the amount of coverage available
- 7. How does an insurance adjuster determine liability in a claim?**
- A. By estimating the total cost of damages
  - B. By investigating the facts of the incident, reviewing evidence, and applying relevant laws
  - C. By consulting with legal experts on the case
  - D. By contacting witnesses for their statements
- 8. Which of the following best describes the role of an insurance adjuster?**
- A. To sell insurance policies to clients
  - B. To assess and manage claims made by policyholders
  - C. To advise clients on the best insurance options available
  - D. To execute marketing strategies for insurance products
- 9. Which of the following is NOT covered by standard medical payments coverage in a boatowners policy?**
- A. Medical expenses of the owner
  - B. Medical expenses of guests
  - C. Medical expenses of crew members
  - D. Property damages
- 10. What are coverage limits in an insurance policy?**
- A. The time period the insurance is active
  - B. The scope of coverage provided
  - C. The maximum payout for a covered loss
  - D. The total premium amount required



## **Answers**

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

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## **Explanations**

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**1. How many hours of continuing education are required for insurance adjusters in Hawaii?**

- A. 12 hours every year
- B. 24 hours every two years**
- C. 36 hours every two years
- D. 48 hours each year

*In Hawaii, insurance adjusters are required to complete 24 hours of continuing education every two years. This requirement is in place to ensure that adjusters remain up-to-date with industry changes, regulations, and best practices, which is essential for maintaining competency in their roles. Continuing education helps professionals enhance their knowledge and skills, providing better service to clients and adhering to state standards. The focus on a two-year cycle aligns with typical professional licensing requirements in many states, allowing adjusters sufficient time to fulfill their education obligations without being overly burdensome. This structured approach not only supports professional development but also promotes ethical practices within the insurance industry. The other options suggest different hour requirements that do not align with Hawaii's regulations. For instance, key elements like the frequency (annual versus biennial) and the total hours indicated differ from the established requirements, reinforcing that option B accurately captures the state's expectations for continuing education for insurance adjusters.*

**2. What does "agency" refer to in the insurance industry?**

- A. The relationship between auto repair shops and insurers
- B. The relationship between insurance companies and claimants
- C. The relationship between the insurer and its agents or adjusters**
- D. The relationship between policyholders and regulators

*In the insurance industry, "agency" specifically refers to the relationship between the insurer and its agents or adjusters. This relationship is foundational to how insurance products are marketed, sold, and serviced. Agents act on behalf of the insurer, representing their interests in the marketplace while also serving the needs of the policyholders. They help facilitate the sale of insurance policies, handle customer inquiries, and play a crucial role in adjusting claims when they occur. The dynamics of this relationship involve various legal and ethical responsibilities, including the duty of the agent to act in the best interests of the insurer while also fulfilling their obligations to policyholders. This dual role underscores the importance of transparency and trust in the agency relationship, which is vital for the effective functioning of the insurance ecosystem. Other options do not accurately capture this specific relationship. For instance, the relationship between auto repair shops and insurers, or between insurance companies and claimants, does not describe the agency model inherent in insurance practices. Similarly, while the relationship between policyholders and regulators is important, it pertains to compliance and oversight rather than the agency role that agents and adjusters have in relation to the insurer.*

### 3. What does "mitigation of damages" require from the insured?

- A. Complete repair of the property
- B. Taking reasonable steps to prevent further loss**
- C. Filing a lawsuit against the responsible party
- D. Neglecting any further issues until adjuster review

Mitigation of damages is a legal and insurance concept that requires the insured to take reasonable steps to prevent additional loss after a covered event has occurred. This means that when damage results from an event such as a fire or flood, the insured is obligated to act in good faith to minimize further damage to the property. Taking reasonable steps could include actions like temporarily boarding up broken windows, covering a damaged roof with a tarp, or ensuring that a water leak is stopped. These efforts are crucial not only for the benefit of the property but also to limit the insurance company's potential exposure to larger claims. The other choices present options that do not align with this duty. For example, complete repair of the property may go beyond what is necessary or reasonable at the time and could involve costs that should be covered by the insurer, not the insured. Filing a lawsuit does not fall under the responsibility of mitigating damages, as it often pertains to seeking compensation rather than preventing further loss. Neglecting any further issues until review by the adjuster fails to demonstrate any proactive approach to minimizing damages, which is fundamental to the duty of mitigation.

### 4. Which of the following time periods is ordinary payroll coverage limited to in case of a business income loss under the BOP?

- A. 45 Days
- B. 30 Days
- C. 60 Days**
- D. 90 Days

Ordinary payroll coverage under the Businessowners Policy (BOP) is limited to a specific time period during which a business experiences a loss of income due to a covered event. In this case, the correct answer indicates that ordinary payroll coverage is limited to 60 days. This provision allows businesses to continue paying their employees during the recovery period following a loss, which is a crucial aspect of maintaining operations and ensuring that the business can resume normal functioning after the interruption. This time limitation is designed to balance the need for support during a critical recovery phase with the understanding that an extended payroll obligation may not be feasible or necessary. By specifying 60 days, the policy ensures that businesses have enough time to stabilize operations and plan for the future while also limiting exposure to prolonged claims that may complicate the adjustment process. The other options suggest shorter or longer periods, which do not align with the standard provisions typically found in BOP policies regarding ordinary payroll coverage. Hence, they do not reflect the structure and intent of the coverage offered under these policies.

**5. Under the Hawaii Insurance Code, what type of actions could lead to monetary penalties?**

- A. Ignoring renewal requirements
- B. Providing false information
- C. Both A and B**
- D. None of the above

*The correct choice, which indicates that both actions can lead to monetary penalties under the Hawaii Insurance Code, highlights the important principles of ethical conduct and compliance in the insurance industry. Ignoring renewal requirements can have significant implications for maintaining policy coverage and ensuring that clients are protected without interruption. When an insurance adjuster fails to adhere to these requirements, it not only compromises their licensure but can also disrupt services to clients, leading to penalties. Providing false information is considered a serious offense within the insurance field, as it undermines the integrity of the system and can lead to deceptive practices. This form of dishonesty can result in severe consequences, including significant financial penalties, suspension, or revocation of licensure. Both types of actions are critical to enforce compliance and ensure the protection of consumers, reflecting a zero-tolerance policy for unethical behavior in the insurance profession. Thus, both scenarios rightly fall under potential actions that could result in monetary penalties as per the regulations set forth in the Hawaii Insurance Code.*

**6. What does the term "comparative negligence" imply in an insurance context?**

- A. It shifts all blame to the insurance company
- B. It allocates fault among parties involved in an accident**
- C. It ensures equal payouts regardless of fault
- D. It limits the amount of coverage available

*The term "comparative negligence" in an insurance context refers to the principle of allocating fault among the parties involved in an accident. This means that the degree of responsibility for the accident is assessed and attributed to each party involved, which can include the injured party as well as the defendant. Under this framework, if a claimant is found to have some level of fault in causing the accident, their recovery or damages awarded can be reduced by the percentage of their fault. For instance, if a court determines that a claimant was 30% responsible for their injuries, their compensation would be reduced by that 30%. This system allows for a more equitable distribution of liability and recognizes that multiple parties can share responsibility for an incident. Understanding this allows both insurers and policyholders to navigate claims and settlements more effectively, as it clarifies how damages will be calculated in accidents where degrees of fault are present. This is a fundamental concept in personal injury cases and liability disputes, emphasizing the importance of accurately assessing fault to determine compensation.*



## 7. How does an insurance adjuster determine liability in a claim?

- A. By estimating the total cost of damages
- B. By investigating the facts of the incident, reviewing evidence, and applying relevant laws**
- C. By consulting with legal experts on the case
- D. By contacting witnesses for their statements

*An insurance adjuster determines liability in a claim primarily by investigating the facts of the incident, reviewing relevant evidence, and applying applicable laws. This process involves gathering all pertinent information surrounding the incident, such as police reports, photographs, witness statements, and any other documentation that can illuminate what occurred. The adjuster analyzes this information to understand the circumstances of the claim and evaluate the responsibilities of the parties involved based on legal definitions of liability. This thorough investigation is crucial because it helps establish whether a party was negligent and to what extent, thereby allowing for an informed assessment of liability. While estimating the total cost of damages, consulting legal experts, or contacting witnesses may contribute to the claims process, they do not directly determine liability. Each of those actions has its specific role but does not inherently involve the systematic approach required to ascertain who is at fault in a claim.*

## 8. Which of the following best describes the role of an insurance adjuster?

- A. To sell insurance policies to clients
- B. To assess and manage claims made by policyholders**
- C. To advise clients on the best insurance options available
- D. To execute marketing strategies for insurance products

*The role of an insurance adjuster is best understood as someone who assesses and manages claims made by policyholders. This involves investigating the circumstances of a loss, determining the validity of claims, and calculating the appropriate compensation owed to the insured party. Adjusters play a crucial role in the claims process as they ensure that evaluations are fair and accurate, and they communicate with both the insured and the insurer to facilitate resolution. This role is distinct from the responsibilities of selling insurance policies, providing insurance advice, or executing marketing strategies, which are not part of an adjuster's duties. Instead, an adjuster's primary focus is on handling claims to maintain the integrity of the insurance process and to uphold the interests of both the insurer and the insured.*

## 9. Which of the following is NOT covered by standard medical payments coverage in a boatowners policy?

- A. Medical expenses of the owner
- B. Medical expenses of guests
- C. Medical expenses of crew members
- D. Property damages**

*Medical payments coverage in a boatowners policy is specifically designed to cover the medical expenses incurred by individuals who are injured while on the insured boat, regardless of fault. This includes medical expenses for the owner of the boat, their guests, and crew members who may be injured during the operation or use of the vessel. The correct choice highlights that property damages are not included in this coverage. Medical payments coverage focuses exclusively on personal injuries and related medical costs, and does not extend to cover damage to property. This demarcation is crucial in understanding the scope of this type of insurance. Property damages typically fall under different types of coverage, such as liability insurance, which addresses damage to other people's property caused by the insured.*

## 10. What are coverage limits in an insurance policy?

- A. The time period the insurance is active
- B. The scope of coverage provided
- C. The maximum payout for a covered loss**
- D. The total premium amount required

Coverage limits in an insurance policy refer to the maximum payout the insurer will provide for a covered loss. This means that when a policyholder files a claim, the insurance company will only pay up to a specified amount as outlined in the policy, regardless of the total damage incurred. For instance, if a homeowner's insurance policy has a coverage limit of \$250,000 for property damage, and the total loss amounts to \$300,000, the insurer will only compensate up to the limit of \$250,000. Understanding coverage limits is crucial for policyholders, as these limits determine the financial protection they have in the event of a loss. It is important for individuals to choose coverage limits that adequately reflect their needs and the value of their assets to avoid potential out-of-pocket expenses during claims. The other choices refer to different aspects of an insurance policy. While the time period the insurance is active describes the duration of coverage, the scope of coverage provided pertains to the types of risks or damages encompassed by the policy. The total premium amount required relates to the cost of maintaining the insurance policy but does not define the extent of the insurance coverage itself.

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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](mailto:hello@examzify.com).

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

<https://hawaiiinsuranceadjusterlicense.examzify.com>

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

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