

# Indiana Independent Adjuster Practice Exam (Sample)

## Study Guide



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

**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

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

# 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. What is the primary purpose of maritime coverage endorsement?**
  - A. To cover on-shore accidents**
  - B. To provide coverage for goods in transit**
  - C. To protect against injuries at sea**
  - D. To cover pollution from ships**
- 2. What is loss frequency in the context of insurance?**
  - A. The total dollar amount of claims in a specific period**
  - B. The number of claims that occur within a defined period**
  - C. The average payout per claim**
  - D. The number of claims submitted that are denied**
- 3. What does the term "non-admitted insurance company" mean?**
  - A. An insurance company that is licensed to operate in the state**
  - B. An insurance company that operates without state approval**
  - C. An insurance company that is approved for excess lines**
  - D. An insurance company that has a legal reserve**
- 4. DP 2 broad form covers the dwelling on which basis of valuation?**
  - A. Market value basis**
  - B. Replacement cost basis**
  - C. Actual cash value basis**
  - D. Fair value basis**
- 5. What kind of property is not classified as an insured location under a homeowners policy?**
  - A. A personal residence**
  - B. A vacation home**
  - C. Land purchased for a business office**
  - D. A rental property**

- 6. What is a declared value in insurance?**
- A. The market value of an item at the time of loss**
  - B. The amount the policyholder declares as the item's worth when purchasing coverage**
  - C. The maximum amount an insurance company will pay**
  - D. The estimated value after depreciation**
- 7. What type of professional service is typically not included in general liability insurance coverage?**
- A. Consulting services**
  - B. Legal services**
  - C. Medical services**
  - D. Engineering services**
- 8. If a crew member is injured while at sea, which policy applies to this situation?**
- A. General liability insurance**
  - B. Workers' compensation policy**
  - C. Maritime Coverage endorsement**
  - D. Standard health insurance**
- 9. Which of the following terms is considered a possible resolution outside of court?**
- A. Lawsuit**
  - B. Dispute resolution**
  - C. Court hearing**
  - D. Subpoena**
- 10. What legal concept refers to the obligation to act with care to avoid harm to others?**
- A. Liability**
  - B. Negligence**
  - C. Subrogation**
  - D. Underwriting**



## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. What is the primary purpose of maritime coverage endorsement?**

- A. To cover on-shore accidents**
- B. To provide coverage for goods in transit**
- C. To protect against injuries at sea**
- D. To cover pollution from ships**

The primary purpose of a maritime coverage endorsement is to protect against injuries at sea. This endorsement is especially relevant for policies that provide coverage for maritime risks, including personal injuries to crew members or passengers, as well as protection against liabilities that may arise from maritime operations. It addresses the unique risks associated with the marine environment, where standard liability policies may not provide adequate coverage. While goods in transit, on-shore accidents, and pollution issues are important considerations in certain types of insurance, they are not the primary focus of maritime coverage endorsements. Instead, this endorsement is tailored specifically to address the complexities and potential liabilities that arise when individuals or property are involved in maritime activities, ensuring that those engaged in such endeavors are sufficiently protected.

**2. What is loss frequency in the context of insurance?**

- A. The total dollar amount of claims in a specific period**
- B. The number of claims that occur within a defined period**
- C. The average payout per claim**
- D. The number of claims submitted that are denied**

Loss frequency refers specifically to the number of claims that occur within a defined period. It is an important metric in the insurance industry as it helps insurers assess the risk associated with a particular policy or insured group. By analyzing loss frequency, insurers can determine patterns in claims and adjust their underwriting practices, premiums, and reserves accordingly. Understanding loss frequency is crucial for assessing how often insured events occur, which in turn influences the overall cost of providing insurance coverage. When insurers notice a high frequency of claims within a specific timeframe, this may indicate a heightened risk factor that needs to be addressed, potentially leading to rate adjustments or changes in coverage terms. The other options address different aspects of claims handling. Total dollar amount of claims relates to loss severity, average payout per claim provides insight into the cost per incident, and denied claims gives information about the claims process and policyholder satisfaction. Each of these metrics plays a role in the overall understanding of an insurance portfolio but does not specifically define loss frequency.

**3. What does the term "non-admitted insurance company" mean?**

- A. An insurance company that is licensed to operate in the state**
- B. An insurance company that operates without state approval**
- C. An insurance company that is approved for excess lines**
- D. An insurance company that has a legal reserve**

The term "non-admitted insurance company" refers to an insurance company that operates without state approval or licensing in a particular state. This means that the company is not granted a license by the state's insurance regulatory authority to sell insurance products within that state. Non-admitted insurers are typically utilized for coverage that is not readily available in the admitted market, which is governed by more stringent regulations and requirements. These companies often provide specialized or high-risk insurance products that may not be available from admitted carriers. Since they are not licensed, they do not have the same obligations in terms of rates, forms, and consumer protections that admitted insurers have, enabling them greater flexibility in their operations and offerings. While the other options mention aspects of insurance licensing or reserves, they do not accurately define the status of a non-admitted insurance company. For example, an admitted company is one that is licensed and has regulatory oversight, while excess lines approval refers specifically to non-admitted insurers being eligible for certain types of specialized insurance, but does not fully capture the essence of what makes a company non-admitted.

**4. DP 2 broad form covers the dwelling on which basis of valuation?**

- A. Market value basis**
- B. Replacement cost basis**
- C. Actual cash value basis**
- D. Fair value basis**

The DP 2 broad form, commonly referred to as "broad form" dwelling policy, provides coverage on a replacement cost basis. This means that in the event of a covered loss, the insurance will pay for the repair or replacement of the dwelling without deducting for depreciation. This approach is advantageous for homeowners because it ensures that they can restore their home to its original condition or replace it with a new item of like kind and quality, rather than being subjected to the reduced value of the home due to wear and tear over time. This policy is designed to provide more comprehensive coverage compared to policies that offer actual cash value, which would only pay for the depreciated value at the time of the loss. Thus, when a loss occurs, the replacement cost basis allows for potentially higher payouts to adequately cover the cost of rebuilding or repairing the property.

**5. What kind of property is not classified as an insured location under a homeowners policy?**

- A. A personal residence**
- B. A vacation home**
- C. Land purchased for a business office**
- D. A rental property**

In the context of homeowners insurance policies, an insured location typically refers to properties that are covered for various risks, such as damage or liability. A personal residence, vacation home, and rental property are all types of properties where homeowners insurance provides coverage because they are used for personal living or rental purposes. However, land purchased for a business office does not fit within the insured locations typically defined by homeowners policies. These policies are designed to cover residential properties rather than commercial real estate or land intended for business use. Insurers usually require separate commercial property insurance for business-related real estate, which does not fall under the homeowners policy framework. Hence, such land would not be classified as an insured location under a homeowners policy.

**6. What is a declared value in insurance?**

- A. The market value of an item at the time of loss**
- B. The amount the policyholder declares as the item's worth when purchasing coverage**
- C. The maximum amount an insurance company will pay**
- D. The estimated value after depreciation**

The concept of a declared value in insurance is specifically tied to the amount the policyholder asserts as the worth of an item when acquiring coverage. This declaration is made at the time of purchasing the insurance policy and establishes the basis for coverage limits. When an insured declares a value, it provides both the insurer and the insured with a clear understanding of the value that is insured. This figure influences the premium the policyholder will pay and the coverage the insurer must provide in case of a loss. The declared value acts as a commitment from the policyholder regarding what they believe the item's worth is, facilitating a smooth claims process in the event of damage or loss. Understanding this definition is essential because it distinguishes the declared value from other concepts such as market value or depreciation, which involve different assessments and calculations that could change over time. In this context, focusing on the policyholder's declaration highlights the proactive role they take in determining the coverage they feel is appropriate for their assets.

**7. What type of professional service is typically not included in general liability insurance coverage?**

- A. Consulting services**
- B. Legal services**
- C. Medical services**
- D. Engineering services**

In the context of general liability insurance coverage, medical services are typically not included because this type of insurance is designed to protect businesses against claims of bodily injury, property damage, and personal injury resulting from their business operations. However, medical services often fall under professional liability insurance, also known as errors and omissions insurance, which is specifically tailored for professionals who provide expert services, including healthcare providers. Consulting, legal, and engineering services involve a higher degree of professional judgment and skills, which is why they are also covered under professional liability insurance but typically not under general liability insurance. These types of services are recognized as offering a professional opinion or advice, where errors or omissions could lead to claims against the provider. In contrast, general liability is usually concerned with physical injuries or damages caused by the business's operations, facilities, or products, thereby excluding the specialized nature of medical service provisions.

**8. If a crew member is injured while at sea, which policy applies to this situation?**

- A. General liability insurance**
- B. Workers' compensation policy**
- C. Maritime Coverage endorsement**
- D. Standard health insurance**

In the situation where a crew member is injured while at sea, the most applicable policy is a maritime coverage endorsement. This type of coverage specifically addresses the unique risks and circumstances associated with maritime activities, including injuries that crew members may sustain while working on vessels. Maritime law governs the rights and responsibilities of seafarers, and maritime coverage ensures that crew members receive appropriate compensation for injuries that occur during the course of their employment at sea. This endorsement is designed to cater to the nuances of maritime work, which often falls outside the purview of standard workers' compensation policies or general liability insurance. While other options might provide some level of protection, they are not tailored to the maritime context. General liability insurance typically covers a business's liability for bodily injuries or property damage that occurs on land, and standard health insurance is not specifically designed for workplace injuries, particularly those occurring in maritime environments. A workers' compensation policy may cover injuries but does not always apply to workers engaged in maritime occupations due to specific exceptions in maritime law. Thus, the correct choice is the maritime coverage endorsement, as it directly addresses the legal and practical needs of injured crew members at sea.

**9. Which of the following terms is considered a possible resolution outside of court?**

**A. Lawsuit**

**B. Dispute resolution**

**C. Court hearing**

**D. Subpoena**

The term that represents a possible resolution outside of court is "dispute resolution." This encompasses various methods that parties may use to settle their disputes without resorting to litigation, which can be costly and time-consuming. Dispute resolution includes mechanisms such as mediation, arbitration, and negotiation, allowing both parties to reach an agreement with the assistance of a neutral third party or through direct communication. In contrast, the other options refer to processes that occur within the judicial system or involve formal legal actions. A lawsuit represents a legal action taken in court to resolve a dispute, a court hearing is a formal proceeding where evidence and arguments are presented in front of a judge or jury, and a subpoena is a legal document that compels a person to appear in court or produce evidence. Each of these choices is inherently linked to court proceedings, making them unsuitable as methods for resolving disputes outside of that context.

**10. What legal concept refers to the obligation to act with care to avoid harm to others?**

**A. Liability**

**B. Negligence**

**C. Subrogation**

**D. Underwriting**

The correct answer is that the legal concept referring to the obligation to act with care to avoid harm to others is negligence. In law, negligence involves a breach of a duty of care that one party owes to another, resulting in unintentional harm or damage. It is fundamentally about failing to take reasonable steps to prevent foreseeable risks that could injure others. For example, if a driver fails to stop at a red light and causes an accident, that driver may be considered negligent because they did not exercise the level of care expected while operating a vehicle, leading to harm to others on the road. This breach of duty is a central tenet in tort law, where the injured party can seek compensation for their damages resulting from the negligent act. The other given terms relate to different aspects of legal and insurance contexts. Liability refers to the legal responsibility for one's actions or the obligation to compensate another party for harm caused. Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured, allowing them to recover the amount paid to the insured. Underwriting involves the process of evaluating risk and deciding whether to insure a person or entity and under what terms. These concepts are significant in their own right but do



## 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://inindependentadjuster.examzify.com>**

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