

INDIANA INDEPENDENT ADJUSTER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. Within how many days must you submit a change of address?**
 - A. 15 days
 - B. 30 days
 - C. 45 days
 - D. 60 days
- 2. How many stories can an office building under a business owners policy have?**
 - A. 4 stories
 - B. 5 stories
 - C. 6 stories
 - D. 7 stories
- 3. What types of buildings can qualify as residence premises under an insurance policy?**
 - A. Only single-unit buildings
 - B. Only multi-unit buildings
 - C. Both single and multi-unit buildings
 - D. Commercial buildings only
- 4. For a dwelling removed due to danger, how long does Coverage apply under DP 2 or DP 3?**
 - A. 15 days
 - B. 30 days
 - C. 45 days
 - D. 60 days
- 5. What should an insured person check before renting a vehicle regarding BAP coverage?**
 - A. Duration of the rental
 - B. Type of vehicle rented
 - C. Geographical location of rental
 - D. Age of the driver

- 6. What does the liquor liability exclusion apply to?**
- A. Firms that do not handle alcoholic beverages
 - B. Firms in the business of making, selling, or serving alcoholic beverages
 - C. All businesses serving any type of beverage
 - D. Only major corporations in the beverage industry
- 7. How are medical expenses categorized in relation to general damages?**
- A. They are considered general damages
 - B. They are categorized as special damages
 - C. They are categorized as punitive damages
 - D. They are not categorized as damages
- 8. Which is a key responsibility of an independent adjuster during a claims investigation?**
- A. Collecting evidence to support or deny a claim
 - B. Negotiating settlements with the claimant
 - C. Providing emotional support to claimants
 - D. Setting premiums for future policies
- 9. Which of the following is a form of alternative dispute resolution?**
- A. Lawsuit
 - B. Mediation
 - C. Litigation
 - D. Trial
- 10. What is the term for an insurance company that is not licensed in Indiana?**
- A. Admitted insurance company
 - B. Non-admitted insurance company
 - C. Surplus lines insurance company
 - D. Captive insurance company

Answers

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

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Explanations

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1. Within how many days must you submit a change of address?

- A. 15 days
- B. 30 days**
- C. 45 days
- D. 60 days

In Indiana, independent adjusters are required to submit a change of address within 30 days to ensure that their licensing information is current and that they can receive important communications from regulatory authorities. This helps maintain an accurate and up-to-date record for the state, which is essential for compliance with licensing laws. Timely submission of such changes helps to avoid any potential disruptions in an adjuster's ability to operate legally within the state. The intervals of 15, 45, and 60 days are not in alignment with the regulations set forth for independent adjusters, emphasizing the importance of the 30-day requirement to safeguard both the adjuster's professional standing and the integrity of the licensing process.

2. How many stories can an office building under a business owners policy have?

- A. 4 stories
- B. 5 stories
- C. 6 stories**
- D. 7 stories

In the context of a Business Owners Policy (BOP), the maximum number of stories that an office building can have is determined by underwriting guidelines, which typically base these limits on the construction characteristics of the buildings being insured. A BOP is designed primarily for smaller, low-risk businesses, and it often specifies eligibility criteria regarding the height of structures. The correct answer indicates that an office building can have up to six stories under such a policy. This limit ensures that businesses are covered while also managing the insurer's risk exposure. Buildings with more than six stories usually present heightened risks that may not fit within the standard terms of a BOP, leading to potential exclusions or the necessity for more specialized (and typically more expensive) coverage options tailored to higher-risk structures. This focus on maintaining a specific number of stories helps insurers effectively underwrite policies while offering competitive rates for small to medium-sized enterprises. Understanding these limits is crucial for anyone involved in independent adjusting or insurance underwriting, as it impacts client advice and coverage recommendations.

3. What types of buildings can qualify as residence premises under an insurance policy?

- A. Only single-unit buildings
- B. Only multi-unit buildings
- C. Both single and multi-unit buildings**
- D. Commercial buildings only

Residence premises under an insurance policy can encompass a variety of residential structures, including both single-unit and multi-unit buildings. This means that whether a property consists of a standalone house or a unit within a larger building, such as a condominium or an apartment, it can qualify for coverage as a residence premise. The inclusion of both types of buildings is significant because it reflects the wide range of living situations that insurance policies aim to cover. Policies are designed to provide protection for property and liability associated with where individuals live, which is why flexibility in structure type is essential. By acknowledging both single-family homes and multi-family dwellings, the policy ensures that various housing situations are adequately protected under the terms of the insurance. Other options are limited because they either ignore one type of residence or specify commercial buildings, which generally would not qualify under residential insurance policies. This broad definition ultimately provides comprehensive coverage for a diverse set of living arrangements, reinforcing the importance of understanding what constitutes a residence premise in insurance contexts.

4. For a dwelling removed due to danger, how long does Coverage apply under DP 2 or DP 3?

- A. 15 days
- B. 30 days
- C. 45 days
- D. 60 days**

Coverage under the Dwelling Policy 2 (DP 2) or Dwelling Policy 3 (DP 3) for a dwelling that is removed due to danger applies for a period of 60 days. This provision is designed to protect policyholders in situations where immediate evacuation is necessary due to perilous conditions, ensuring that they retain some level of coverage during this transitional phase. The extended coverage period gives policyholders the necessary time to find alternative arrangements and to mitigate potential losses while ensuring they are not left financially vulnerable immediately after being displaced. It is crucial for policyholders to understand this timeframe to manage their expectations regarding the insurance coverage available during such emergencies.

5. What should an insured person check before renting a vehicle regarding BAP coverage?

- A. Duration of the rental**
- B. Type of vehicle rented
- C. Geographical location of rental
- D. Age of the driver

When renting a vehicle, it's essential for an insured person to check the duration of the rental in relation to their Business Auto Policy (BAP) coverage. The BAP typically covers vehicles that are owned, leased, or borrowed for a business purpose, but the length of time a vehicle is rented can impact coverage. If the rental period exceeds a certain threshold defined in the policy, coverage may not apply, or there may be limitations. Insureds need to ensure that their policy adequately covers them for the entire duration of the rental, or they may have to seek additional coverage options, like a rental car insurance policy or discussing the terms with their insurance provider. Other factors, such as the type of vehicle rented, geographical location, and age of the driver, may influence the overall rental experience or rental terms but do not directly affect the fundamental aspect of BAP coverage related to the duration of the rental. Thus, focusing on the rental period is crucial to avoid potential gaps in insurance protection.

6. What does the liquor liability exclusion apply to?

- A. Firms that do not handle alcoholic beverages
- B. Firms in the business of making, selling, or serving alcoholic beverages**
- C. All businesses serving any type of beverage
- D. Only major corporations in the beverage industry

The liquor liability exclusion specifically targets firms that are involved in the business of making, selling, or serving alcoholic beverages. This exclusion is intended to limit or avoid coverage for claims arising from incidents related to the distribution of alcohol, which can include injuries or damages caused by intoxicated patrons. For establishments like bars, restaurants, or breweries that serve alcohol as part of their operations, the exclusion acknowledges the inherent risks associated with alcohol consumption. These businesses may face higher liability exposures due to potential incidents such as drunk driving, fights, or other disturbances that can arise from intoxicated customers. Establishments that do not engage in the handling of alcoholic beverages, such as those that serve only non-alcoholic drinks or products, would not be subject to this exclusion and therefore would have different coverage considerations. Similarly, the exclusion does not extend to all businesses serving beverages, only those specifically in the alcohol industry. Additionally, the exclusion applies broadly and is not limited to major corporations, as smaller entities and independent establishments in the alcohol sector are also affected.

7. How are medical expenses categorized in relation to general damages?

- A. They are considered general damages
- B. They are categorized as special damages**
- C. They are categorized as punitive damages
- D. They are not categorized as damages

Medical expenses fall under the category of special damages in tort law and insurance claims. Special damages refer to quantifiable economic losses that can be specifically calculated and documented. Medical expenses, such as bills for hospital treatment, rehabilitation, and ongoing care, have clear and objective monetary values, making them distinct from general damages. General damages, on the other hand, encompass non-economic losses that are more subjective and may include pain and suffering, emotional distress, and loss of enjoyment of life. Since medical expenses can be clearly outlined and substantiated with receipts and invoices, they do not fit the criteria for general damages. Different categories of damages serve important roles in assessing claims and compensation. Special damages allow for tangible recovery based on documented financial loss, whereas general damages offer compensation for more intangible hardships a claimant may experience as a result of an injury.

8. Which is a key responsibility of an independent adjuster during a claims investigation?

- A. Collecting evidence to support or deny a claim**
- B. Negotiating settlements with the claimant
- C. Providing emotional support to claimants
- D. Setting premiums for future policies

An independent adjuster plays a critical role in the claims investigation process, and one of their primary responsibilities is to collect evidence to support or deny a claim. This involves gathering relevant information, such as statements from witnesses, photographs of the loss, and documentation related to the incident. By meticulously collecting and reviewing this evidence, the adjuster helps to assess the legitimacy of the claim and determine the appropriate outcome based on the policy's coverage and the circumstances surrounding the loss. Collecting evidence ensures that all aspects of the claim are thoroughly evaluated, allowing for an informed decision regarding the approval or denial of the claim. This responsibility is foundational because it directly impacts the fairness and accuracy of the claims process, helping both the claimant and the insurance company to arrive at a resolution based on factual information. Other responsibilities, such as negotiating settlements or providing emotional support, are also important but are secondary to the initial investigative duty of collecting and assessing evidence. Setting premiums, on the other hand, is generally the responsibility of underwriters rather than adjusters, making it unrelated to the claims investigation role of an independent adjuster.

9. Which of the following is a form of alternative dispute resolution?

- A. Lawsuit
- B. Mediation**
- C. Litigation
- D. Trial

Mediation is recognized as a form of alternative dispute resolution (ADR) because it provides a structured yet informal environment in which disputing parties can come together to resolve their conflicts with the help of a neutral third-party mediator. The mediator facilitates communication, helps clarify issues, and assists the parties in reaching a mutually satisfactory agreement without resorting to litigation or the court system. Alternative dispute resolution methods like mediation are often favored because they can save time and reduce costs compared to traditional legal processes, and they allow the parties greater control over the outcome. Unlike lawsuits, litigation, or trials—which take place in a formal court setting and typically involve a judge or jury making a binding decision—mediation focuses on collaboration rather than adversarial conflict. This emphasis on cooperation enables a more amicable resolution to disputes, which is one of the core benefits of ADR. In contrast, lawsuits, litigation, and trials represent formal judicial processes that require adherence to strict legal guidelines and often lead to binding decisions imposed by the court. These methods can be more time-consuming and expensive, which is why many individuals and businesses opt for alternatives like mediation when feasible.

10. What is the term for an insurance company that is not licensed in Indiana?

- A. Admitted insurance company
- B. Non-admitted insurance company**
- C. Surplus lines insurance company
- D. Captive insurance company

The term for an insurance company that is not licensed in Indiana is referred to as a non-admitted insurance company. Non-admitted insurers operate in states where they have not received approval from the state insurance department to provide coverage. These companies may offer unique or specialized coverage options that might not be readily available from admitted insurers. Non-admitted insurers play a crucial role in the insurance market, particularly in providing coverage for high-risk individuals or businesses. Because they are not bound by state regulations in the same way as admitted companies, they often have more flexibility in policy terms and pricing. However, they do not have the same level of consumer protections that admitted insurers provide, such as guarantee funds that protect policyholders in the event of an insurer insolvency. Other terms like admitted insurance company refer to those that are licensed and have met all requirements to operate in the state, while surplus lines insurance companies typically deal with non-admitted insurance by providing coverage when admitted policies are unavailable. Captive insurance companies are wholly-owned subsidiaries created to insure the risks of their parent company or group.

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://independentadjuster.examzify.com>

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

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