

MISSOURI PUBLIC ADJUSTER/ SOLICITORS 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. What does bad faith in the insurance industry refer to?**
 - A. Dishonest or unfair insurance practices
 - B. Legitimate claim denial based on policy terms
 - C. Legal requirements for policy enforcement
 - D. Timely payment of claims
- 2. What happens if a public adjuster fails to adhere to state regulations?**
 - A. They may lose their license
 - B. They will receive a warning
 - C. They will have to pay a fine
 - D. They can continue business without consequences
- 3. Which of the following is a common reason clients hire public adjusters?**
 - A. For ease of paperwork
 - B. To save money on premiums
 - C. For expertise in claim negotiations
 - D. To avoid all discussions with their insurer
- 4. Which activities are prohibited for public adjusters in Missouri?**
 - A. Offering insurance policy sales
 - B. Providing legal advice or services related to claims
 - C. Representing clients in court
 - D. Negotiating with insurance companies without consent
- 5. In what situations should a public adjuster consider having a legal professional involved?**
 - A. In cases of simple claims that are straightforward
 - B. In any case where a legal professional can reduce costs
 - C. In cases of litigation or when complex legal issues arise during the claims process
 - D. Only when the client requests legal assistance

- 6. What type of insurance is primarily handled by public adjusters in Missouri?**
- A. Health and life insurance claims
 - B. Auto and recreational vehicle insurance claims
 - C. Property, casualty, and liability insurance claims
 - D. Travel and homeowners insurance claims
- 7. What is the process if the insured and the company disagree on the actual cash value or amount of loss?**
- A. Each selects a competent and interested appraiser
 - B. They engage in mediation
 - C. Each selects a competent and disinterested appraiser
 - D. They refer the case to a regulatory body
- 8. What is the next step after the appraisers have selected an umpire?**
- A. They negotiate settlements
 - B. They conduct an independent investigation
 - C. They appraise the loss
 - D. They submit a report to the regulatory body
- 9. What is the consequence for a public adjuster found guilty of committing fraud?**
- A. They may lose their license, face fines, and potentially incur criminal charges
 - B. They will receive a warning and need to take additional training
 - C. They can appeal the decision but retain their license
 - D. They will be placed on probation for a year
- 10. Who is referred to as a Policyholder?**
- A. Person or entity with insurance coverage
 - B. Individual responsible for paying premiums
 - C. Insurer providing the coverage
 - D. Agent selling the policy

Answers

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

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Explanations

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1. What does bad faith in the insurance industry refer to?

- A. Dishonest or unfair insurance practices
- B. Legitimate claim denial based on policy terms
- C. Legal requirements for policy enforcement
- D. Timely payment of claims

In the insurance industry, bad faith refers to dishonest or unfair practices employed by an insurer when dealing with policyholders. This could involve a variety of actions, such as unreasonably delaying the payment of a claim, denying a claim without a valid reason, or failing to conduct a thorough and fair investigation of the claim. Such practices undermine the trust that policyholders place in their insurance companies and violate the duty of good faith and fair dealing that insurers owe to their clients. Understanding bad faith is crucial for public adjusters and solicitors, as it highlights the ethical obligations insurers have to act fairly towards their policyholders. When an insurer engages in bad faith practices, it can leave clients without the coverage they have paid for, resulting in significant financial loss or hardship. Being aware of these definitions helps guide professionals in identifying unethical behavior within the insurance industry and advocating effectively for their clients.

2. What happens if a public adjuster fails to adhere to state regulations?

- A. They may lose their license
- B. They will receive a warning
- C. They will have to pay a fine
- D. They can continue business without consequences

When a public adjuster fails to comply with state regulations, one of the primary consequences is the potential loss of their license. State regulations are designed to ensure that public adjusters operate ethically and responsibly while providing services to clients. Failing to adhere to these regulations jeopardizes the trust and safety that the regulatory framework aims to protect. Regulatory bodies have the authority to investigate complaints and violations. If a public adjuster is found in violation, the repercussions can include disciplinary actions such as suspension or revocation of their license. This serves not only to penalize the individual but also to uphold the integrity of the profession and protect consumers from unscrupulous practices. Other consequences, such as warnings or fines, may also exist but are typically considered lesser measures compared to the potential loss of the ability to legally practice in the industry. Continuing business without facing any consequences is not aligned with the enforcement of regulations designed to maintain ethical standards in the field.

3. Which of the following is a common reason clients hire public adjusters?

- A. For ease of paperwork
- B. To save money on premiums
- C. For expertise in claim negotiations**
- D. To avoid all discussions with their insurer

Clients commonly hire public adjusters primarily for their expertise in claim negotiations. Public adjusters are professionals who have specialized knowledge and training in understanding insurance policies, assessing damages, and navigating the claims process. This expertise enables them to effectively advocate for their clients and negotiate fair settlements with insurance companies. Public adjusters understand the complexities of insurance claims and are skilled at maximizing the benefits that clients are entitled to under their policy. They can accurately document damages and present claims in a manner that aligns with insurance industry standards. This level of expertise is essential for ensuring that clients receive appropriate compensation for their losses, which can often be a challenging task when dealing directly with insurance companies. While ease of paperwork can be a factor in hiring a public adjuster, it is not the primary motivation. Clients may also be concerned about saving money on premiums or wanting to avoid discussions with their insurer, but these reasons do not encapsulate the primary role that public adjusters play in actively working on claims to ensure a client's interests are protected and fully realized. Thus, the expertise in claim negotiations stands out as the most significant reason clients seek the services of public adjusters.

4. Which activities are prohibited for public adjusters in Missouri?

- A. Offering insurance policy sales
- B. Providing legal advice or services related to claims**
- C. Representing clients in court
- D. Negotiating with insurance companies without consent

The correct answer highlights that providing legal advice or services related to claims is prohibited for public adjusters in Missouri. Public adjusters are professionals who assist policyholders in preparing, filing, and settling insurance claims. Their role is centered on evaluating claims and negotiating with insurance companies to ensure that clients receive a fair settlement. However, the practice of law is distinct and reserved for licensed attorneys. Public adjusters do not possess the legal qualifications required to offer legal advice or represent a client in legal proceedings related to an insurance claim. Engaging in activities that could be classified as legal advice or representation could lead to legal ramifications for public adjusters, as they may be overstepping the boundaries of their licensure and expertise. This distinction is important to maintain ethical standards in the insurance profession and to protect clients from receiving inadequate legal guidance. Public adjusters are expected to work within the confines of their regulatory framework, which prohibits them from offering services that fall under legal counsel.

5. In what situations should a public adjuster consider having a legal professional involved?

- A. In cases of simple claims that are straightforward
- B. In any case where a legal professional can reduce costs
- C. In cases of litigation or when complex legal issues arise during the claims process**
- D. Only when the client requests legal assistance

A public adjuster should consider involving a legal professional particularly in situations of litigation or when complex legal issues arise during the claims process. This is crucial because claims can often involve nuanced legal concepts that require specialized knowledge to navigate effectively. Legal professionals can provide support in interpreting policy language, assessing liability, and understanding statutory obligations, which are essential in ensuring that clients receive the compensation they deserve. In cases of litigation, having a legal expert can prove vital as it involves formal court procedures, rules of evidence, and potential counterclaims that must be managed accurately. Complex legal issues, such as disputes over policy interpretations, can arise; thus, a legal professional can help clarify such matters, advocate for the client's rights, and present the claim effectively. Situations involving straightforward claims typically do not require legal involvement since the issues are clear and can be resolved through normal negotiation processes. Additionally, while reducing costs is always an appealing consideration, it does not take precedence over the necessity of having professional legal advice when the complexities of the case demand it. Lastly, waiting solely for a client's request for legal assistance can lead to missed opportunities for optimal representation; proactive involvement is often the better approach for complicated cases.

6. What type of insurance is primarily handled by public adjusters in Missouri?

- A. Health and life insurance claims
- B. Auto and recreational vehicle insurance claims
- C. Property, casualty, and liability insurance claims**
- D. Travel and homeowners insurance claims

Public adjusters in Missouri primarily handle property, casualty, and liability insurance claims because their main role is to assist policyholders in navigating the claims process for damages to their property. This includes helping clients effectively document and value their losses, negotiate with insurance companies, and ensure they receive a fair settlement based on the terms of their insurance policy. Public adjusters specialize in claims related to real property, such as homes and commercial buildings, which fall under property and casualty insurance. This is a significant aspect of their practice since these types of claims often involve complex circumstances that require professional expertise to assess damages, interpret policy language, and understand insurance regulations. The other types of insurance mentioned, such as health, life, auto, recreational vehicle, travel, and homeowners insurance, do not align with the primary functions of public adjusters. While homeowners insurance is tangentially related (as it includes property coverage), public adjusters focus primarily on the claims that recognize substantial property damage and loss rather than other types of insurance coverage.

7. What is the process if the insured and the company disagree on the actual cash value or amount of loss?

- A. Each selects a competent and interested appraiser
- B. They engage in mediation
- C. Each selects a competent and disinterested appraiser**
- D. They refer the case to a regulatory body

When there is a disagreement between the insured and the insurance company regarding the actual cash value or the amount of loss, the process typically involves each party selecting a competent and disinterested appraiser. This procedure stems from a common practice in the insurance field, particularly in policies that contain an appraisal clause. In this context, a "competent" appraiser possesses the necessary skills and expertise to accurately assess the damages or loss, while being "disinterested" means the appraiser does not have any stake in the policy or financial outcome of the appraisal process. This neutrality ensures that the evaluation is fair and impartial, providing both parties with an objective assessment that can facilitate resolution of the dispute. Once both parties have appointed their appraisers, they will work to either agree on the value of the loss or, if they cannot find common ground, a third, independent appraiser may be selected to make a final determination. This approach minimizes conflict and provides a structured pathway for resolution without the need for more adversarial or legal proceedings. The other options offered in the question do not align with this typical process; mediation involves a facilitator who helps to negotiate a solution, which is not the direct appraisal focus needed here. The option of referring the case to

8. What is the next step after the appraisers have selected an umpire?

- A. They negotiate settlements
- B. They conduct an independent investigation
- C. They appraise the loss**
- D. They submit a report to the regulatory body

After the appraisers have selected an umpire, the correct next step is to appraise the loss. This process involves the appraisers – along with the umpire, who acts as a neutral third party – working together to evaluate the specifics of the loss in question. The appraisers will present their findings and opinions regarding the extent of the damages or losses incurred. This step is critical as it lays the foundation for any potential settlement negotiations that may follow based on the appraised value. In a claims process, appraising the loss is an essential phase where the details are objectively assessed before moving on to negotiations or reporting. Selecting an umpire signifies that there are disputes between the appraisers that need resolving through this appraisal process. It is crucial to accurately determine the extent of losses before any other actions, like negotiations or submitting reports, can successfully take place.

9. What is the consequence for a public adjuster found guilty of committing fraud?

- A. They may lose their license, face fines, and potentially incur criminal charges**
- B. They will receive a warning and need to take additional training
- C. They can appeal the decision but retain their license
- D. They will be placed on probation for a year

A public adjuster found guilty of committing fraud faces serious consequences that can include losing their license, incurring fines, and potentially facing criminal charges. This outcome is significant because it underscores the legal and ethical standards that public adjusters must uphold while representing clients in insurance claims. Fraud undermines trust in the profession and can result in substantial penalties, as authorities prioritize consumer protection and the integrity of the insurance process. The loss of a license reflects the regulatory measures in place designed to ensure that only trustworthy and compliant individuals can operate in this field. Fines serve as a financial punishment, and criminal charges indicate that the acts committed not only violate professional ethics but may also break the law, leading to more severe repercussions like imprisonment or additional legal penalties. This strict stance against fraudulent activities highlights the importance of ethics in the insurance industry and serves as a deterrent against such behavior among public adjusters. The other potential consequences listed in the options, such as warnings, additional training, appeals alongside license retention, or mere probation, do not effectively convey the gravity of the offense or align with the typical responses from regulatory bodies regarding fraud. Thus, the correct answer illustrates the consequences that genuinely reflect the serious nature of committing fraud within this profession.

10. Who is referred to as a Policyholder?

- A. Person or entity with insurance coverage**
- B. Individual responsible for paying premiums
- C. Insurer providing the coverage
- D. Agent selling the policy

A policyholder is defined as a person or entity that holds an insurance policy, which means they are covered by the insurance provided under that policy. This individual or organization has the rights and responsibilities associated with the insurance contract, including making claims when covered events occur. In this context, the term explicitly refers to those who have secured insurance coverage, distinguishing them from other parties involved in the insurance process. While it is true that an individual responsible for paying premiums is crucial to maintaining the insurance policy, this description does not encompass the entire definition of a policyholder. Similarly, an insurer, which provides the coverage, and an agent, who sells the policy, do not qualify as policyholders. The policyholder is the entity that benefits from the insurance protection and has a direct relationship with the insurer defined by the policy agreement.

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:

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

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