

TEXAS ADJUSTER PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://texasadjuster.examzify.com>



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Table of Contents

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

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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. A licensee must complete continuing education hours to maintain their license. What is the consequence of not doing so?**
 - A. License suspension
 - B. Warning issued
 - C. No consequence
 - D. Increased fees
- 2. What steps should be taken if an insurance adjuster suspects fraud?**
 - A. Conceal findings to avoid conflict
 - B. Contact the insured for more information and verify details
 - C. Report the suspected fraud to the appropriate authorities and follow legal guidelines
 - D. Document the suspicion for internal records only
- 3. Which items are included in "Special Limits of Liability" under the HO-B policy?**
 - A. Furniture, Appliances, Electronics
 - B. Money, Bank Cards, Jewelry
 - C. Personal Documents, Clothing, Toys
 - D. Household Supplies, Food, Waste
- 4. If an adjuster identifies a potential liability issue during a claim investigation, what should they do?**
 - A. Ignore it and continue with the claim
 - B. Discuss it with the policyholder
 - C. Document findings and discuss with their supervisor or legal team
 - D. Resolve the issue independently
- 5. In the context of insurance claims, what is the impact of fraud?**
 - A. It can lead to a faster claims process
 - B. It may result in a lower premium
 - C. It can inflate claims payments or cause wrongful payments
 - D. It does not have any impact on the claims process

- 6. In the context of the Flood Policy, what does ICC stand for?**
- A. Insurance Cost Calculation
 - B. Increased Cost of Compliance
 - C. Insured Coverage Compliance
 - D. Independent Claim Classification
- 7. What must an adjuster do after receiving a notice of claim?**
- A. Immediately investigate the claim
 - B. Notify the policyholder of termination
 - C. Notify the insurer within 10 business days
 - D. Begin the investigation
- 8. What effect does a "deductible" have on an insurance claim payout?**
- A. The deductible is added to the total claim amount
 - B. The deductible is subtracted from the claim amount before reimbursement
 - C. The deductible is disregarded in payouts
 - D. The deductible varies with the type of claim
- 9. What aspect is critical while handling an auto claim?**
- A. Timeliness
 - B. Casual communication
 - C. Offering frequent discounts
 - D. Advertising services
- 10. What generally happens to the deductible amount when multiple losses occur?**
- A. Only the highest deductible applies
 - B. Each loss has its own deductible applied
 - C. Deductibles are waived
 - D. Claim limits are shared among losses

Answers

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

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Explanations

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1. A licensee must complete continuing education hours to maintain their license. What is the consequence of not doing so?

- A. License suspension**
- B. Warning issued
- C. No consequence
- D. Increased fees

To maintain a professional license in the insurance industry, especially for adjusters in Texas, it is crucial for licensees to complete the required continuing education hours. Failing to fulfill these educational requirements can lead to serious repercussions, including suspension of the license. When a licensee does not complete the necessary continuing education, the regulatory body responsible for licensing can take action to ensure adherence to established standards. License suspension signifies that the individual can no longer legally practice until they meet the education mandates and rectify the situation. This maintains the integrity of the profession and ensures that all practitioners stay informed about current laws, regulations, and best practices vital for handling insurance claims effectively. The other choices do not carry the same level of consequence. A warning may alert a licensee to their deficiencies but does not directly impact their ability to work. No consequence would mean that there is no enforcement of the educational requirements, which undermines the purpose of such ongoing education. Increased fees would not specifically connect to the lack of education hours but rather to other potential administrative issues. Therefore, the most appropriate consequence for not completing the required continuing education hours is license suspension, as it enforces compliance and upholds professional standards within the industry.

2. What steps should be taken if an insurance adjuster suspects fraud?

- A. Conceal findings to avoid conflict
- B. Contact the insured for more information and verify details
- C. Report the suspected fraud to the appropriate authorities and follow legal guidelines**
- D. Document the suspicion for internal records only

When an insurance adjuster suspects fraud, it is crucial to report the suspected fraud to the appropriate authorities and follow legal guidelines. This step is vital because fraud undermines the integrity of the insurance industry, affecting not only the insurer but also policyholders and the overall trust in insurance systems. By reporting such suspicions, the adjuster helps to protect the company from potential losses and maintains compliance with laws and regulations that dictate how to handle fraudulent claims. Taking this action ensures that an investigation can be initiated by the proper authorities, who are equipped to examine the situation thoroughly. It is also important for the adjuster to follow established procedures and protocols set forth by the insurance company and state regulations regarding fraud reporting. Such adherence contributes to a consistent and systematic approach to handling suspected fraud, thereby reinforcing ethical standards within the industry.

3. Which items are included in "Special Limits of Liability" under the HO-B policy?

- A. Furniture, Appliances, Electronics
- B. Money, Bank Cards, Jewelry**
- C. Personal Documents, Clothing, Toys
- D. Household Supplies, Food, Waste

The inclusion of money, bank cards, and jewelry in the "Special Limits of Liability" under the HO-B policy is rooted in the need to protect against the higher vulnerability and potential value of these personal items. Special Limits of Liability are designed to cap the coverage for specific types of property that are considered more susceptible to theft or loss, thereby limiting the insurer's exposure to significant claims for valuable items. Money and bank cards are often held to a lower limit due to their liquid nature and ease of theft. Jewelry, due to its high value and portability, is also subject to special limits since claims involving these items can be frequent and substantial. This specialized coverage reflects the insurance practice of identifying higher-risk items and establishing conditions under which coverage applies, thereby aiding in the management of risk for the insurer while still offering policyholders some degree of protection for valuable personal property. The other options represent categories of items not typically included under these special limits. Items such as furniture, appliances, electronics, personal documents, clothing, toys, household supplies, food, and waste are generally covered under broader provisions of the policy without those specific limitations, signifying their different risk profiles compared to high-value items like jewelry and money.

4. If an adjuster identifies a potential liability issue during a claim investigation, what should they do?

- A. Ignore it and continue with the claim
- B. Discuss it with the policyholder
- C. Document findings and discuss with their supervisor or legal team**
- D. Resolve the issue independently

When an adjuster encounters a potential liability issue during a claim investigation, the appropriate course of action is to document their findings and discuss the matter with their supervisor or legal team. This is crucial because potential liability issues can significantly impact the claim's outcome and could have legal ramifications for the insurance company and its policyholders. By thoroughly documenting the findings, the adjuster creates a record that can be referenced later, ensuring that all relevant details are noted. Discussing the issue with a supervisor or legal team allows for a collective approach to assessing the potential liability, which helps in making informed decisions on how to proceed. This collaborative effort not only ensures compliance with legal and regulatory standards but also protects the interests of all parties involved in the claim process. Taking action such as ignoring the issue or attempting to resolve it independently could lead to oversight or mismanagement of the claim, putting the adjuster, the policyholder, and the insurance company at risk. Open communication and proper protocol are essential in managing potential liability issues effectively.

5. In the context of insurance claims, what is the impact of fraud?

- A. It can lead to a faster claims process
- B. It may result in a lower premium
- C. It can inflate claims payments or cause wrongful payments**
- D. It does not have any impact on the claims process

Fraud in the context of insurance claims can significantly manipulate the claims process and financial outcomes for insurers and policyholders. When fraud occurs, it often leads to inflated claims payments; this means that the fraudulent action can cause insurers to pay out amounts that are significantly higher than what is legitimately owed. This can happen through various tactics, such as exaggerating the extent of damages, presenting false claims, or even staging events to trigger insurance benefits. Additionally, when fraud is prevalent, it can also result in wrongful payments where legitimate claims may be erroneously affected. Insurers may tighten their scrutiny on claims processes, leading to longer investigation times and potentially impacting honest policyholders who might face delays in receiving their rightful payments. This fraudulent activity can have broader implications for the insurance market, including increased premiums for all policyholders as insurance companies attempt to recover losses from fraudulent claims. Therefore, the impact of fraud in insurance claims is substantial, affecting not only financial outcomes but also the integrity and operational dynamics of the claims process.

6. In the context of the Flood Policy, what does ICC stand for?

- A. Insurance Cost Calculation
- B. Increased Cost of Compliance**
- C. Insured Coverage Compliance
- D. Independent Claim Classification

In the context of the Flood Policy, ICC stands for Increased Cost of Compliance. This term relates to the additional expenses that property owners might incur to bring their property into compliance with current floodplain management ordinances or laws following a flood. When a property suffers substantial damage and is subjected to flood insurance claims, there may be requirements to elevate, flood-proof, or otherwise modify the structure to meet current regulations. The Increased Cost of Compliance coverage helps reimburse the property owner for these necessary upgrades, which can be significant. This feature emphasizes the importance of adhering to updated safety standards in flood-prone areas and supports property owners during the recovery process after a flood incident. Other options like Insurance Cost Calculation, Insured Coverage Compliance, and Independent Claim Classification do not accurately reflect the specific benefits and provisions outlined in the flood insurance policy regarding compliance costs.

7. What must an adjuster do after receiving a notice of claim?

- A. Immediately investigate the claim
- B. Notify the policyholder of termination
- C. Notify the insurer within 10 business days
- D. Begin the investigation**

After receiving a notice of claim, an adjuster must begin the investigation to assess the details and merits of the claim. This step is critical because it lays the groundwork for evaluating the validity of the claim, gathering facts, and ultimately determining the coverage that applies based on the insurance policy. Beginning the investigation involves contacting the claimant to gather necessary information, reviewing the policy terms, and collecting documentation related to the claim incident. It is an integral part of the claims process that allows the adjuster to fulfill their responsibilities efficiently and effectively. By initiating this process promptly, the adjuster can work towards a timely resolution. In contrast, while notifying the insurer of the claim is important, it typically occurs after the investigation has started, allowing for a well-prepared overview of the claim to be communicated. Immediately investigating or prioritizing notification of termination is not standard protocol upon receipt of the claim, making them less suitable choices in this scenario.

8. What effect does a "deductible" have on an insurance claim payout?

- A. The deductible is added to the total claim amount
- B. The deductible is subtracted from the claim amount before reimbursement**
- C. The deductible is disregarded in payouts
- D. The deductible varies with the type of claim

The correct response highlights that a deductible is subtracted from the claim amount before reimbursement. This means that when a policyholder files a claim for a loss, the insurance company will deduct this predetermined amount from the total damage cost when calculating the payout. For example, if the total damage is assessed at \$5,000 and there is a deductible of \$1,000, the insurance company would reimburse the policyholder \$4,000 after subtracting the deductible from the claim amount. This mechanism serves to encourage policyholders to maintain their properties and mitigate smaller or less significant claims, as they bear part of the loss directly. Although other choices may relate to different aspects of insurance policies, they don't accurately describe the function of a deductible in the context of claims. Thus, the correct understanding of a deductible is crucial for anyone involved in insurance adjusting or management.

9. What aspect is critical while handling an auto claim?

- A. Timeliness**
- B. Casual communication
- C. Offering frequent discounts
- D. Advertising services

Timeliness is a crucial aspect when handling an auto claim because the process involves multiple stakeholders, including the insured, insurance adjusters, and repair shops. A prompt response can significantly influence the customer experience, ensuring that the policyholder feels valued and reassured during a potentially stressful time. Quick processing of claims can lead to faster resolution of issues, allowing for repairs to be completed sooner and minimizing the disruption in the policyholder's daily life. Additionally, being timely in communication and documentation helps to build trust and enhances the credibility of the adjuster. It enables the adjuster to gather relevant information while it's still fresh, which can aid in accurate claim evaluation and settlement. In the competitive insurance sector, delivering timely service can also serve as a differentiating factor that enhances customer satisfaction and loyalty. Other aspects, such as casual communication, offering frequent discounts, or advertising services, are less critical when it comes to the immediate needs of claim processing. While they may play a role in customer relations or marketing strategies, they do not address the essential requirement of efficiently managing claims to ensure quick resolutions and uphold the insurer's reputation.

10. What generally happens to the deductible amount when multiple losses occur?

- A. Only the highest deductible applies
- B. Each loss has its own deductible applied**
- C. Deductibles are waived
- D. Claim limits are shared among losses

The correct answer addresses the standard practice in insurance regarding deductibles in multiple loss scenarios. When multiple losses occur under a single policy, each loss typically has its own deductible that applies separately. This means that for each claim filed as a result of different incidents, the insured must meet the deductible amount specified in their policy for each individual loss. This approach ensures that the insurer's exposure is managed effectively, as the insured shares in the costs of each loss before the insurer begins to cover additional expenses. It reflects the principle of insurance where deductibles help control moral hazard and keep insurance premiums viable. Each claim is treated independently, maintaining the contractual obligations stipulated in the policy. In contrast, other approaches, such as applying only the highest deductible or waiving deductibles altogether, do not align with common insurance practices and could lead to increased risk and potential financial strain on the insurance provider. Additionally, shared claim limits could complicate the payout process and disrupt the equitable handling of individual losses.

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://texasadjuster.examzify.com>

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

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