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38	A	B	C	D	E
39	A	B	C	D	E

PRACTICE QUESTIONS

Arkansas Insurance Department

LA9QHNMN

AR Property Adjuster

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for Arkansas Insurance Department **LA9QHNMN**, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, **LA9QHNMN**
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1

SINGLE CHOICE

An adjuster is measuring a roof that has two rectangular sections. The first section is 40 feet by 25 feet and the second section is 30 feet by 20 feet. What is the total roof area in square feet?

- ☐ A 1,400 square feet
- ☒ B 1,600 square feet
- ☐ C 1,800 square feet
- ☐ D 2,200 square feet

ANSWER B

WHY The first section is $40 \times 25 = 1,000$ sq ft. The second section is $30 \times 20 = 600$ sq ft. The total is $1,000 + 600 = 1,600$ sq ft. Option A (1,400) mistakenly drops 200 sq ft from the second section; option C (1,800) overstates by 200; option D (2,200) doubles one of the dimensions.

QUESTION 2

SINGLE CHOICE

A homeowner reports water damage to the living room ceiling. The adjuster discovers the damage was caused by water seepage from the ground through the foundation walls. Under a standard homeowners policy, how is this loss generally handled?

- ☐ A Covered as a sudden and accidental discharge of water
- ☐ B Covered under the 'collapse' peril
- ☒ C Excluded because seepage and leakage over time are not covered perils
- ☐ D Excluded only if the homeowner had prior knowledge of the condition

ANSWER C

WHY Standard homeowners policies treat seepage, leakage, and gradual water infiltration as excluded losses because they do not qualify as 'sudden and accidental' discharges. Option A is incorrect because seepage is not a sudden discharge. Option B is wrong because seepage is unrelated to the collapse peril. Option D is wrong; exclusion applies regardless of prior knowledge.

QUESTION 3

SINGLE CHOICE

A three-year-old roof with an expected service life of 25 years was destroyed by a covered peril. The replacement cost is \$25,000. Using the straight-line depreciation method, what is the actual cash value (ACV) of the loss?

- ☐ A \$3,000
- ☒ B \$22,000
- ☐ C \$25,000
- ☐ D \$18,000

ANSWER B

WHY Annual depreciation = $\$25,000 \div 25 \text{ years} = \$1,000$ per year. Three years of depreciation = $3 \times \$1,000 = \$3,000$. ACV = $\$25,000 - \$3,000 = \$22,000$. Option A inverts the calculation. Option C would apply only when depreciation is waived (RC) or coverage is on a replacement cost basis. Option D uses an incorrect depreciation rate.

QUESTION 4

SINGLE CHOICE

After a hailstorm, an adjuster inspects a single-family home and finds damage to the roof shingles, dented aluminum gutters, broken window screens, and a cracked plastic skylight. Which component is generally considered functional damage rather than cosmetic damage and therefore typically covered?

- ☐ A Dented aluminum gutters
- ☐ B Broken window screens
- ☐ C Cracked plastic skylight
- ☒ D Roof shingles with hail bruising that compromises shingle integrity

ANSWER D

WHY Functional damage impairs a component's intended use (for example, hail-bruised shingles that no longer shed water and have shortened service life), whereas cosmetic damage affects only appearance. Dented gutters, broken screens, and a cracked skylight raise separate coverage questions, but bruised shingles that compromise the roof's protective function are the clearest example of functional damage.

QUESTION 5

MULTIPLE CHOICE

Which of the following are personal property coverage features typically found in a standard homeowners policy? (Choose two.)

- ☐ A Coverage applies on an open-peril basis
- ☒ B Special limits of liability apply to categories such as jewelry, furs, and silverware
- ☒ C Personal property is always insured at replacement cost regardless of policy form
- ☐ D Coverage automatically includes loss of use up to the dwelling limit

ANSWER B - C

WHY Standard homeowners policies include special limits (sublimits) for categories like jewelry, furs, firearms, and silverware that cap payouts even within the broader personal property limit. Replacement cost on personal property is only available if the policy is endorsed or written on an HO 05 (Comprehensive) basis; a basic HO 02 (Broad) or HO 03 (Special) form provides replacement cost for the dwelling but personal property is commonly written at ACV unless specifically endorsed. Loss of use (Coverage D) is a separate, smaller percentage of the dwelling limit, not equal to it.

QUESTION 6

SINGLE CHOICE

After a covered loss, the policyholder asks the adjuster whether the insured is required to submit a signed, sworn proof of loss. Under a standard homeowners policy, when does this requirement typically apply?

- ☐ A Within 24 hours of the loss
- ☒ B Only when the insurer makes a written request, and within the time specified by the policy (commonly 60 days)
- ☐ C Only for losses exceeding the dwelling deductible
- ☐ D Only if the insured elected replacement cost coverage

ANSWER B

WHY Under standard homeowners policy conditions, the insured must submit a sworn proof of loss within a stated period (commonly 60 days), and only when the insurer requires one. There is no 24-hour rule, and the requirement is not tied to the deductible or to replacement cost election.

QUESTION 7

SINGLE CHOICE

A dwelling is rendered uninhabitable by a covered fire. The policy provides a 20% additional living expense limit on a \$300,000 dwelling. What is the maximum ALE available before extensions?

- ☐ A \$30,000
- ☒ B \$60,000
- ☐ C \$20,000
- ☐ D \$45,000

ANSWER B

WHY 20% of \$300,000 = \$60,000. Option A (\$30,000) reflects 10%. Option C (\$20,000) is a common but incorrect percentage. Option D (\$45,000) is 15%, which is also incorrect.

QUESTION 8

SINGLE CHOICE

An interior wall of a one-story home is being measured for drywall replacement after water damage. The wall is 12 feet long and 8 feet high, with no openings. Standard drywall sheets are 4 feet by 8 feet. How many full sheets are required?

- ☐ A 2 sheets
- ☒ B 3 sheets
- ☐ C 4 sheets
- ☐ D 6 sheets

ANSWER B

WHY Wall area = $12 \times 8 = 96$ sq ft. Each sheet = $4 \times 8 = 32$ sq ft. $96 \div 32 = 3$ full sheets with no remainder. Option A uses 24 sq ft sheets; option C uses 8 sq ft sheets; option D doubles the correct answer.

QUESTION 9

SINGLE CHOICE

A homeowner experiences damage to finished basement walls, a washer/dryer, and a furnace from rising floodwaters. Which coverage applies to this loss under a standard homeowners policy?

- ☐ A Coverage A – Dwelling
- ☐ B Coverage B – Other Structures
- ☒ C Coverage C – Personal Property, subject to policy exclusions
- ☐ D Coverage D – Loss of Use

ANSWER C

WHY Flood damage is excluded under the standard homeowners policy (it requires a separate NFIP flood policy). However, the question asks where such a loss would be categorized if it were covered. Personal property exposures (clothes, appliances, furnace components that are not part of the dwelling) sit under Coverage C and are subject to the flood exclusion, while the structural elements would fall under Coverage A. Of the choices given, Coverage C is the only option that addresses the personal property exposure and is where flood exclusions on personal property are specifically enforced.