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PRACTICE QUESTIONS

Arkansas Insurance Department

DLPT2VCB

AR Workers Compensation Adjuster

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

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Before you begin

What this is

9 practice questions for Arkansas Insurance Department `DLPT2VCB`, 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, `DLPT2VCB`
- the question number
- the email address on your order

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

QUESTION 1 MULTIPLE CHOICE

Which of the following workers are generally considered covered employees under the Arkansas Workers' Compensation Act? (Choose two.)

- **A** **A full-time clerk employed by a private-sector retail business with five or more employees**
- B A direct seller licensed under Arkansas insurance statutes who is paid solely by commission
- C A part-time agricultural laborer employed by a farm operator with fewer than the statutory threshold of regular employees
- **D** **An hourly employee of a private-sector manufacturing company with three regular employees**

ANSWER **A · D**

WHY Under the Arkansas Workers' Compensation Act, most private-sector employers with three or more full-time, regular employees (or whose annual payroll exceeds a statutory minimum) are required to provide workers' compensation coverage, and their rank-and-file employees are covered. Option A is correct because a private retail business with five or more employees clearly exceeds the statutory threshold and its clerks are covered. Option D is correct because a manufacturing company with three regular employees meets the minimum threshold and its hourly employees are covered. Option B is incorrect because direct sellers paid solely by commission are generally not considered employees under the Act. Option C is incorrect because small agricultural employers below the statutory threshold are typically exempt from mandatory coverage.

QUESTION 2 MULTIPLE CHOICE

Which of the following statements accurately describe how the Arkansas workers' compensation average weekly wage (AWW) is determined for a partially disabled employee? (Choose two.)

A **It is calculated using the gross earnings of the employee during the 26 weeks immediately preceding the injury**

B **It includes the reasonable value of housing, lodging, meals, and other benefits received from the employer as part of the wage**

C It is always set at the Arkansas state minimum wage regardless of actual earnings

D It excludes any overtime, shift differentials, or bonuses from the calculation

ANSWER **A · B**

WHY Arkansas law defines average weekly wage using the employee's gross earnings over the 26 weeks preceding the date of injury, making A accurate. The reasonable value of board, lodging, meals, and other in-kind compensation furnished by the employer is included in the wage calculation, making B accurate. Option C is incorrect because AWW is based on actual earnings, not the state minimum wage. Option D is incorrect because wages earned in the customary manner, including overtime and shift differentials when regularly paid, are not categorically excluded from the AWW calculation.

QUESTION 3 SINGLE CHOICE

Under Arkansas workers' compensation law, what is the standard initial deadline for an injured employee to notify the employer of a work-related injury in order to preserve full claim rights?

A Immediately upon injury, with no exception

B Within 7 days of the injury

C Within 30 days of the injury

D Within 90 days of the injury

ANSWER **C**

WHY The Arkansas Workers' Compensation Act requires an injured employee to give notice of the injury to the employer, supervisor, or person in charge within 30 days of the injury in order to preserve full claim rights. Failure to give timely notice may jeopardize benefits unless the employer had actual knowledge or the failure is excused for good cause. Options A, B, and D misstate the statutory notice period.

QUESTION 4 SINGLE CHOICE

An Arkansas adjuster is reviewing a claim in which an employee was injured in a car accident while driving from a hotel to a remote job site during a multi-day out-of-town work assignment. Which of the following best describes how Arkansas law generally treats such 'going and coming' cases for traveling employees?

A Injuries during travel to and from work are never compensable under Arkansas law

B Injuries during travel are compensable only if the employee was using a personal vehicle

C Injuries during travel that is part of the employer's business or required as a condition of employment may be compensable

D Injuries during travel are compensable only on the employer's premises

ANSWER C

WHY Under the Arkansas Workers' Compensation Act, the general 'going and coming' rule excludes from coverage injuries sustained in the ordinary commute to and from work. However, Arkansas recognizes exceptions, including for traveling employees or when the travel is itself part of the employer's business or a condition of employment. A remote, multi-day assignment typically brings the employee within an exception, so the injury may be compensable. Option A is incorrect because it is too absolute. Option B is incorrect because the vehicle ownership is not the controlling factor. Option D is incorrect because compensability can extend beyond the physical premises in qualifying travel situations.

QUESTION 5 SINGLE CHOICE

Which of the following correctly describes the Arkansas rule on the employee's initial choice of treating physician in a workers' compensation claim?

- A The employee may select any physician or hospital in the state at any time
- B **The employer or insurer may direct medical care for the first visit only if the employer has posted a list of approved physicians as required by Arkansas law**
- C The employer or insurer always has unlimited authority to select the treating physician
- D The employee must use only the physician designated by the employer for the entire course of treatment

ANSWER **B**

WHY Under the Arkansas Workers' Compensation Act, an employer may direct medical care, including the initial choice of physician, only if the employer has properly posted or otherwise provided a list of designated physicians or medical facilities as required by statute. If the employer has not met this obligation, the employee generally retains the right to select a treating physician. Option A is incorrect because the employer's posting can limit initial choice. Option C is incorrect because the employer's authority is not unlimited and is conditioned on proper notice. Option D is incorrect because a single initial designation does not bind the employee for the entire course of treatment.

QUESTION 6 SINGLE CHOICE

Under Arkansas workers' compensation law, which type of disability benefit compensates an employee who has sustained a permanent partial injury and, after reaching maximum medical improvement, retains a measurable physical or functional impairment?

A Temporary total disability (TTD)

B Permanent total disability (PTD)

C Permanent partial disability (PPD)

D Death benefits

ANSWER **C**

WHY Permanent partial disability (PPD) is payable when an employee reaches maximum medical improvement with a residual, measurable impairment but retains some work capacity. PPD in Arkansas is commonly calculated by applying a statutory percentage of disability to a defined number of weeks. TTD is paid during the healing period when the worker cannot work at all. PTD is paid when the worker is permanently and totally unable to earn wages. Death benefits are paid to dependents when a work-related injury results in death.

QUESTION 7 SINGLE CHOICE

In Arkansas workers' compensation, what is the legal significance of an employee being declared at maximum medical improvement (MMI)?

A The employee is automatically entitled to a lump-sum settlement

B The employee is no longer eligible for any further medical or indemnity benefits

C **The healing period ends, and the employee's status shifts from temporary to permanent disability for rating purposes**

D The employer is relieved of all obligations to provide medical care

ANSWER C

WHY Maximum medical improvement (MMI) is the point at which no further medical care is likely to materially improve the employee's condition. In Arkansas, reaching MMI ends the temporary disability healing period and triggers an evaluation of any permanent impairment. It does not automatically entitle the employee to a lump-sum settlement (A), nor does it terminate all benefits — permanent disability ratings and future medical treatment may still be owed (B). The employer is not relieved of all medical obligations, as the carrier remains responsible for treatment related to the compensable injury (D).

QUESTION 8 SINGLE CHOICE

Under Arkansas law, what is the primary consequence to an uninsured Arkansas employer who fails to carry required workers' compensation coverage and an employee is injured?

A The employer is automatically exempt from all civil liability

B **The employer may be subject to administrative penalties and may be directly liable to the injured employee for benefits as if the employer were the insurer**

C The employer is only required to file a late coverage application

D The employer can avoid liability by paying a flat $100 fine

ANSWER **B**

WHY Arkansas imposes significant consequences on employers who fail to secure required workers' compensation coverage. The Arkansas Workers' Compensation Commission may assess administrative penalties, and the uninsured employer is treated as the insurer, making the employer directly liable to the injured employee for compensation benefits that would otherwise be payable. Option A is incorrect because lack of coverage does not shield the employer from liability. Option C is incorrect because late filing alone does not cure the consequences of operating uninsured. Option D is incorrect because the penalty structure is not a flat $100 fine.

QUESTION 9 SINGLE CHOICE

Which of the following best describes a 'commutation' of workers' compensation benefits under Arkansas law?

A. A denial of the claim by the adjuster

B. A lump-sum payment of remaining indemnity benefits, with Commission approval, that closes out the employee's right to those benefits

C. An automatic reduction of benefits when the employee returns to work

D. A mandatory conversion of all medical benefits to wage benefits

ANSWER **B**

WHY A commutation is an agreement, approved by the Arkansas Workers' Compensation Commission, to pay all or a portion of the employee's remaining unpaid indemnity benefits in a lump sum in exchange for closing out the claim for those benefits. It is not a denial (A), it is not tied to return-to-work status (C), and it does not convert medical benefits to wage benefits (D). Commutations typically require Commission review to protect the interests of the employee and to ensure the settlement is fair and supported by the record.