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01	A	B	C	**D**	E	14	A	B	C	**D**	E	27	A	B	**C**	D	E
02	**A**	B	C	D	E	15	A	**B**	C	D	E	28	A	B	C	**D**	E
03	**A**	B	C	D	E	16	**A**	B	C	D	E	29	A	**B**	C	D	E
04	**A**	B	C	D	E	17	**A**	B	C	D	E	30	A	B	C	D	**E**
05	A	B	C	D	**E**	18	A	**B**	C	D	E	31	A	B	C	D	**E**
06	A	B	C	D	**E**	19	A	B	C	D	**E**	32	A	B	C	**D**	E
07	**A**	B	C	D	E	20	**A**	B	C	D	E	33	**A**	B	C	D	E
08	A	**B**	C	D	E	21	A	B	**C**	D	E	34	A	B	C	**D**	E
09	A	B	C	D	**E**	22	A	**B**	C	D	E	35	**A**	B	C	D	E
10	A	**B**	C	D	E	23	A	B	C	**D**	E	36	A	B	**C**	D	E
11	A	B	C	**D**	E	24	A	B	C	**D**	E	37	A	**B**	C	D	E
12	A	B	C	**D**	E	25	A	B	C	**D**	E	38	**A**	B	C	D	E
13	A	B	C	**D**	E	26	A	B	C	D	**E**	39	**A**	B	C	D	E

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

CAC2QWRS

CDI Site - Independent Insurance Adjuster Examination

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE `CAC2QWRS`, 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, `CAC2QWRS`
- the question number
- the email address on your order

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

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QUESTION 1 SINGLE CHOICE

Under the California Insurance Code, an independent insurance adjuster is defined as a person who adjusts claims on behalf of:

- **A** **An insurer**
- **B** An insurance broker
- **C** The insured
- **D** A self-insured employer only

ANSWER **A**

WHY Independent adjusters contract with and adjust claims on behalf of insurers (or other adjusters), as distinguished from public adjusters who work on behalf of the insured. This distinction is set out in the Insurance Code definitions governing adjuster licensing.

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QUESTION 2 SINGLE CHOICE

Before an independent insurance adjuster can lawfully solicit or adjust claims in California, the adjuster must obtain:

- **A** **An adjuster license issued by the California Department of Insurance**
- **B** A real estate broker license
- **C** A general business license from the county
- **D** Only a federal adjuster registration

ANSWER **A**

WHY California requires persons acting as independent insurance adjusters to be licensed by the California Department of Insurance (CDI). Working as an adjuster without the required CDI license is a violation of state law.

QUESTION 3 SINGLE CHOICE

Which of the following actions by an independent insurance adjuster would most clearly violate California insurance regulations?

A Maintaining accurate records of claim files

B **Misrepresenting the terms of an insurance policy to a claimant**

C Returning telephone calls to claimants promptly

D Cooperating with a CDI investigation

ANSWER **B**

WHY Misrepresentation of policy terms to a claimant constitutes fraudulent or dishonest practice and is prohibited conduct for licensees under California insurance law. The other options describe lawful, professional behavior expected of adjusters.

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QUESTION 4 SINGLE CHOICE

When investigating a property damage claim, the independent adjuster's primary responsibility is to:

A Negotiate a settlement as quickly as possible regardless of coverage

B **Determine the cause of loss and the amount of covered damage based on the policy**

C Decide whether the insured should drop the policy

D Sell additional insurance products to the claimant

ANSWER **B**

WHY An independent adjuster's core function is to investigate the loss, establish the cause of loss, and determine the amount of damage that is covered under the policy's terms. Selling insurance or pressuring settlements outside policy terms are not appropriate adjuster functions.

QUESTION 5 SINGLE CHOICE

After completing the investigation of a claim, the independent adjuster typically prepares a claim file that includes the adjuster's:

A Personal opinions about the insured

B **Estimate of damage and recommended settlement amount**

C Marketing plan for the insurer

D List of the insured's other insurance policies

ANSWER **B**

WHY A claim file documents the investigation and the adjuster's estimate of damage along with the recommended settlement. Personal opinions about the insured and unrelated marketing information are not part of a proper claim file.

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QUESTION 6 SINGLE CHOICE

An independent adjuster handling an automobile physical damage claim will typically evaluate:

A The driver's federal income tax liability

B **The vehicle's pre-loss value and cost of repairs**

C The insured's credit card balances

D The employer's payroll records

ANSWER **B**

WHY Auto physical damage claims involve valuation of the vehicle, typically measured by pre-loss actual cash value and the cost of repairs. Tax, credit, and payroll information are unrelated to the coverage determination.

QUESTION 7 SINGLE CHOICE

In a homeowners property claim, which item is generally NOT covered under the standard policy and would require separate coverage?

A Fire damage to the dwelling

B Theft of personal property

C **Damage from flood, which is excluded**

D Windstorm damage to the roof

ANSWER **C**

WHY Standard homeowners policies exclude flood damage; flood coverage must be obtained through a separate policy, typically the NFIP flood policy. Fire, theft, and windstorm losses are generally covered perils under a standard homeowners policy.

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QUESTION 8 SINGLE CHOICE

An independent adjuster who accepts a payment in exchange for influencing the outcome of a claim is engaged in:

A Standard claim negotiation

B **A conflict of interest or bribery**

C Routine settlement practice

D Normal cost containment

ANSWER **B**

WHY Accepting money or other consideration to influence a claim outcome is bribery and a serious violation of insurance regulations. It creates an unacceptable conflict of interest and is prohibited conduct for licensees.

QUESTION 9 MULTIPLE CHOICE

Which of the following are generally considered part of an independent adjuster's duties when handling a first-party property claim? (Choose two.)

- **A** **Investigating the cause and circumstances of the loss**
- **B** **Determining the amount of covered damage**
- **C** Issuing the policy itself to the insured
- **D** Setting the insurer's underwriting guidelines

ANSWER **A · B**

WHY Independent adjusters investigate the cause of loss and determine the amount of covered damage in support of the insurer's claim decision. Issuing policies and setting underwriting guidelines are functions of producers and insurer underwriting departments, not adjusters.

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