

# Florida 2-20 Insurance Agent License Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**This is a sample study guide. To access the full version with hundreds of questions,**

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.**

## 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.**

## 7. Use Other Tools

**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!**

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## **Questions**

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- 1. Which form is not applicable to owner-occupants of 1-4 family dwellings?**
  - A. HO-3**
  - B. HO-6**
  - C. HO-8**
  - D. HO-4**
  
- 2. Which statement best describes the Causes of Loss - Special Form?**
  - A. The Special Form covers only specified types of loss.**
  - B. It provides coverage for any risk of loss not specifically excluded.**
  - C. Only fire damage is covered under this form.**
  - D. It primarily covers property damage from theft.**
  
- 3. How many parties are typically involved in a surety contract?**
  - A. Two**
  - B. Three**
  - C. Four**
  - D. One**
  
- 4. A small business owner worried about an accident preventing work should purchase?**
  - A. Health insurance**
  - B. Life insurance**
  - C. Disability insurance**
  - D. Property insurance**
  
- 5. In terms of underwriting, what does the Valuation—Settlement condition require?**
  - A. Claims must be submitted in writing within 30 days**
  - B. Property losses must be estimated by an independent appraiser**
  - C. Property is valued by its use rather than its replacement cost**
  - D. Damaged property is valued at replacement cost or the insurer can repair or replace the property**

**6. What is the insurer's likely response to a claim for loss due to an accounting omission under a Commercial Crime Coverage Form?**

- A. Loss is fully covered**
- B. Loss is payable after a waiting period**
- C. Loss due to accounting omission is excluded**
- D. Loss is subject to a co-insurance penalty**

**7. Under a CGL policy, when is mobile equipment covered?**

- A. While in storage**
- B. While on a covered automobile**
- C. During transportation**
- D. When used on private property**

**8. What should an insured do immediately after sustaining a covered loss?**

- A. Notify the insurance company**
- B. File a lawsuit against the insurer**
- C. Start repairs without consulting the insurer**
- D. Cancel the policy**

**9. The territorial limits for the Aviation policy includes all of the following EXCEPT:**

- A. Continental US**
- B. International waters**
- C. US Possessions**
- D. Alaska**

**10. Health Insurance does not cover which of the following?**

- A. Hospitalization Expenses**
- B. Workers Compensation**
- C. Accident Expenses**
- D. Surgical Fees**

## **Answers**

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

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## **Explanations**

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**1. Which form is not applicable to owner-occupants of 1-4 family dwellings?**

- A. HO-3**
- B. HO-6**
- C. HO-8**
- D. HO-4**

The reasoning behind identifying the correct form is based on the type of coverage each Homeowners (HO) policy offers, particularly regarding the ownership and occupancy of the dwelling. The HO-6 form is specifically designed for condominium units and is tailored to cover the interior structure and personal property of the unit owner, rather than single-family dwellings. Owner-occupants of 1-4 family dwellings would typically use forms such as HO-3 or HO-8, which provide comprehensive coverage for single-family homes. The HO-4 is intended for renters, covering personal property and liability for those who do not own the dwelling. Each of these options is directly applicable to owner-occupants or different living situations, but the HO-6 does not apply to owner-occupants of traditional single-family homes, confirming its distinct usage for condo owners instead.

**2. Which statement best describes the Causes of Loss - Special Form?**

- A. The Special Form covers only specified types of loss.**
- B. It provides coverage for any risk of loss not specifically excluded.**
- C. Only fire damage is covered under this form.**
- D. It primarily covers property damage from theft.**

The Causes of Loss - Special Form is best described by the statement that it provides coverage for any risk of loss not specifically excluded. This type of insurance coverage is comprehensive in nature, meaning it covers a wide array of risks, as long as those risks are not explicitly listed as exclusions within the policy. This is significant because it contrasts with other forms of coverage, such as the Basic Form or Broad Form, which tend to cover only specific types of losses named in the policy. The Special Form's approach allows for a broader interpretation of covered risks, giving policyholders greater protection against unforeseen incidents. To fully grasp this concept, it's important to understand that many exclusions exist within the policy, and knowing what is excluded is as crucial as understanding what is covered. For instance, common exclusions may include damage caused by floods or earthquakes, but as long as a loss does not fall under these exclusions, it may be covered under the Special Form. The other statements do not accurately reflect the nature of the Special Form. It does not limit coverage only to specified types of loss, nor does it restrict coverage to only fire damage or primarily cover theft-related property damage. This underscores why option B accurately captures the essence of the Special Form in providing extensive, inclusive

### 3. How many parties are typically involved in a surety contract?

- A. Two
- B. Three**
- C. Four
- D. One

In a surety contract, there are three essential parties involved: the principal, the obligee, and the surety. The principal is the party that requires a bond and is responsible for fulfilling an obligation, such as completing a contract or adhering to certain regulations. The obligee, on the other hand, is the party that requires the bond and is usually the entity requesting performance or adherence to terms, like a project owner or regulatory body. The surety is the party that provides the guarantee, assuring the obligee that the principal will fulfill their obligation. If the principal fails to meet their obligations, the surety is responsible for covering any losses, which might involve completing the work or compensating the obligee. This tripartite structure is essential in establishing the relationship and responsibilities among the parties involved, ensuring that there is a reliable means of recourse if the principal defaults.

### 4. A small business owner worried about an accident preventing work should purchase?

- A. Health insurance
- B. Life insurance
- C. Disability insurance**
- D. Property insurance

A small business owner concerned about the possibility of an accident preventing them from working should consider purchasing disability insurance. This type of insurance is designed specifically to provide income protection in the event that the policyholder is unable to work due to an accident or illness. Disability insurance can help cover essential expenses when a business owner is recovering and unable to earn an income, ensuring that they can maintain their personal and business obligations during a challenging time. It supports financial stability, allowing the individual to focus on recovery without the added stress of lost income. In contrast, while health insurance is important for covering medical expenses, it doesn't provide income replacement. Life insurance pays out a benefit upon the policyholder's death, which is not relevant to the concern of being unable to work temporarily. Property insurance protects against damage or loss of business property, but it does not address the issue of income loss due to the owner's inability to work following an accident.

## 5. In terms of underwriting, what does the Valuation—Settlement condition require?

- A. Claims must be submitted in writing within 30 days
- B. Property losses must be estimated by an independent appraiser
- C. Property is valued by its use rather than its replacement cost
- D. Damaged property is valued at replacement cost or the insurer can repair or replace the property**

The Valuation—Settlement condition is a crucial aspect of insurance policies that pertains to how damaged or lost property is assessed for claims. When this condition states that damaged property is valued at replacement cost, it means that the insurer will evaluate the claim based on the cost to repair or replace the property with new materials or equipment of like kind and quality, without deducting for depreciation. This condition is essential because it provides a basis for the insured to be fully compensated and allows them to restore their property to a condition similar to what it was before the loss occurred. If the insurer chooses the option to repair or replace the property, it also indicates a commitment on their part to provide the best outcome for the insured, ensuring the insured does not suffer a financial loss greater than the replacement cost. In terms of the other options, while submitting claims in writing and involving independent appraisers are important processes in claims management, they do not specifically address the core focus of how property is valued under the valuation-settlement condition. Additionally, valuing property by its use rather than its replacement cost would not provide adequate compensation for the insured to restore their property, which is why this does not align with the intent of the Valuation—Settlement condition.

## 6. What is the insurer's likely response to a claim for loss due to an accounting omission under a Commercial Crime Coverage Form?

- A. Loss is fully covered
- B. Loss is payable after a waiting period
- C. Loss due to accounting omission is excluded**
- D. Loss is subject to a co-insurance penalty

In the context of a Commercial Crime Coverage Form, the insurer typically excludes losses resulting from accounting omissions. This is because such omissions are considered errors or misstatements that arise from negligence or improper record-keeping rather than theft, fraud, or other covered perils. Accounting omissions imply that there was a failure to record or manage finances accurately, which does not align with the intent behind crime coverage, which focuses on insurable risks associated with dishonest acts. Therefore, an insurer would respond to a claim related to a loss due to an accounting omission by denying coverage under the policy, reinforcing the principle that the coverage is designed to protect against specific types of losses resulting from criminal activities.

## 7. Under a CGL policy, when is mobile equipment covered?

- A. While in storage
- B. While on a covered automobile**
- C. During transportation
- D. When used on private property

Mobile equipment is covered under a Commercial General Liability (CGL) policy primarily when it is being used in conjunction with a covered automobile. This means that when mobile equipment is being transported on a vehicle that is covered by the auto section of the CGL policy, it is insured against the risks typically covered in motor vehicle scenarios, such as accidents or damage that may occur during the transport.

Understanding the context of mobile equipment and its legal classification is crucial. Mobile equipment generally refers to vehicles or equipment that can be used for different purposes, typically not covered under standard automobile policies. The coverage extends to situations where the mobile equipment is actively involved in operations related to the auto, which is why option regarding being on a covered automobile is appropriate. In contrast, mobile equipment may have limitations that apply when it is in storage, during transportation without the linkage to a covered automobile, or when used exclusively on private property, as these scenarios may lead to differing risk assessments and coverage under liability insurance policies. The specific conditions of each situation can dictate whether coverage applies, thus emphasizing the importance of understanding the terms of a CGL policy fully.

## 8. What should an insured do immediately after sustaining a covered loss?

- A. Notify the insurance company**
- B. File a lawsuit against the insurer
- C. Start repairs without consulting the insurer
- D. Cancel the policy

The first step an insured should take after sustaining a covered loss is to notify the insurance company. This action is crucial because it initiates the claims process, allowing the insurer to assess the damage, verify coverage, and determine the next steps for handling the claim. Timely notification is often a requirement within insurance policies, and failing to report a loss quickly may lead to complications in processing the claim or even denial of the claim. By contacting the insurance company first, the insured ensures they are following proper protocol, which may include guidance on how to mitigate further damage, what documentation is needed, and instructions on how to proceed with filing a claim. This helps protect the insured's rights and interests under their policy. The other options typically do not align with proper procedures following a covered loss. Filing a lawsuit against the insurer would only be appropriate if there is a significant dispute after the claims process, starting repairs without consulting could jeopardize the claim, and canceling the policy does not address the claim at all. Therefore, notifying the insurance company is indeed the best course of action.

**9. The territorial limits for the Aviation policy includes all of the following EXCEPT:**

- A. Continental US**
- B. International waters**
- C. US Possessions**
- D. Alaska**

The territorial limits for an Aviation policy typically encompass a range of regions where the policy coverage applies. The correct answer indicates that US Possessions are not included in these territorial limits. The reason US Possessions do not fall under the specified territorial limits is due to how these areas are defined legally and geographically in insurance terms. While many insurance policies cover the continental United States and territories directly associated with it, US Possessions can often operate under different regulatory frameworks or unique risk profiles, prompting exclusions in coverage. In contrast, the other options listed—Continental US, International waters, and Alaska—are considered more conventional territories within aviation insurance policies. The coverage in these regions aligns more closely with aviation operations, standard flight paths, and regulatory compliance with the Federal Aviation Administration (FAA). Thus, they are generally included in the policy's territorial limits. Understanding this distinction can help insurance professionals comprehend the specific geographies that might require separate coverage or specialized policies due to different risk considerations.

**10. Health Insurance does not cover which of the following?**

- A. Hospitalization Expenses**
- B. Workers Compensation**
- C. Accident Expenses**
- D. Surgical Fees**

Health insurance typically does not cover workers' compensation because workers' compensation is a separate form of insurance specifically designed to provide benefits to employees who are injured on the job. This type of coverage addresses medical expenses and lost wages due to work-related injuries or illnesses, and it is usually provided by the employer as mandated by law. In contrast, hospitalization expenses, accident expenses, and surgical fees are common components of health insurance coverage. These are costs that health insurance plans are designed to address by covering medical treatments and associated expenses for covered services. Therefore, the distinction lies in the fact that workers' compensation is a separate insurance program, whereas the other options fall under the scope of health insurance benefits.

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://florida220insuranceagents.examzify.com>**

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

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