

FLORIDA 2-20 INSURANCE AGENT LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. What type of insurance is designed to cover basic hospitalization expenses such as room and board?**
 - A. Accident Insurance
 - B. Hospitalization Expense Insurance
 - C. Surgical Expense Insurance
 - D. Hospital Indemnity Insurance
- 2. What is the minimum age requirement to qualify for a general lines insurance license?**
 - A. 16 years old
 - B. 18 years old
 - C. 21 years old
 - D. 25 years old
- 3. What is most likely true regarding coverage under the Computer Fraud insuring agreement for missing credit card transactions?**
 - A. All credit transactions are covered
 - B. There is coverage for certain excluded transactions
 - C. Coverage is excluded for credit or debit card transactions
 - D. Full coverage is available until the end of the policy term
- 4. What type of insurance coverage typically applies to loss exposures from a business's premises and operations?**
 - A. Professional liability insurance
 - B. Commercial general liability insurance
 - C. Workers' compensation insurance
 - D. Commercial auto insurance
- 5. What amount will the HO-3 insurer pay for the loss of Sam's boat and trailer valued at \$4,000?**
 - A. \$1,000
 - B. \$1,500
 - C. \$2,000
 - D. \$4,000

- 6. Is Kenneth covered under his Business Auto Coverage Form if he causes an accident while driving a rental car on a business trip?**
- A. Yes, because rental cars are included in the policy
 - B. No, because the rental car is not owned by Kenneth
 - C. Yes, because Kenneth is an insured for any auto
 - D. No, because he is driving a non-owned vehicle
- 7. Which of the following is a covered cause of loss under the Causes of Loss—Basic Form?**
- A. Windstorm damage
 - B. Volcanic action
 - C. Flooding
 - D. Earthquake damage
- 8. Which entities are not eligible for ISO Commercial Crime Forms?**
- A. Publicly traded companies
 - B. Financial institutions
 - C. Nonprofit organizations
 - D. Private equity firms
- 9. Which type of coverage would be activated for damages caused by a hit-and-run driver under a Florida business auto policy?**
- A. Comprehensive Coverage
 - B. Uninsured Motorists Coverage
 - C. Collision Coverage
 - D. Property Damage Liability Coverage
- 10. Joe has a Personal Auto Policy; what is the maximum he can collect from Underinsured Motorist coverage in this accident?**
- A. \$15,000
 - B. \$10,000
 - C. \$0
 - D. \$5,000

Answers

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

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Explanations

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1. What type of insurance is designed to cover basic hospitalization expenses such as room and board?

- A. Accident Insurance
- B. Hospitalization Expense Insurance**
- C. Surgical Expense Insurance
- D. Hospital Indemnity Insurance

Hospitalization Expense Insurance is specifically structured to cover the fundamental costs associated with hospitalization, including expenses such as room and board. This type of insurance provides financial assistance for the necessary accommodations and services incurred during a hospital stay, ensuring that individuals can afford essential healthcare without facing overwhelming out-of-pocket costs. This form of insurance is crucial for individuals who may require hospitalization due to medical conditions or emergencies, as it helps alleviate the financial burden that often accompanies such situations. It typically focuses on the costs that hospitals charge for the duration of a stay, making it distinct from other types of medical insurance that may cover broader health care expenses. In contrast, other options like Accident Insurance provide coverage specifically for injuries resulting from accidents, while Surgical Expense Insurance is tailored to cover the costs associated with surgical procedures rather than hospitalization itself. Hospital Indemnity Insurance, on the other hand, offers a fixed payment for each day spent in the hospital but is not focused on the comprehensive coverage of hospitalization expenses. This specificity of coverage makes Hospitalization Expense Insurance the most appropriate choice for those seeking financial help with basic hospitalization costs.

2. What is the minimum age requirement to qualify for a general lines insurance license?

- A. 16 years old
- B. 18 years old**
- C. 21 years old
- D. 25 years old

To qualify for a general lines insurance license in Florida, an individual must be at least 18 years old. The rationale behind this requirement is to ensure that licensees possess a certain level of maturity and understanding of the responsibilities associated with handling insurance products and interacting with clients. Age 18 also aligns with the age of majority in many states, where individuals gain legal rights, such as the ability to enter into contracts, which is critical in the insurance profession. Recognizing the age requirement helps emphasize the need for adequate knowledge and professional conduct in the insurance industry, ensuring that those licensed to sell insurance are capable of making informed decisions and providing sound advice to clients.

3. What is most likely true regarding coverage under the Computer Fraud insuring agreement for missing credit card transactions?

- A. All credit transactions are covered
- B. There is coverage for certain excluded transactions
- C. Coverage is excluded for credit or debit card transactions**
- D. Full coverage is available until the end of the policy term

Coverage under the Computer Fraud insuring agreement typically does not extend to credit or debit card transactions. This is because such transactions are usually considered to fall under more specific fraud protection measures provided by payment networks and card issuers, not under general computer fraud policies. In the context of insurance, various exclusions are often set forth regarding specific types of fraud. Credit and debit card transactions often have their own provisions due to the nature of electronic payment systems and associated management of risks, meaning that losses incurred through these means are usually handled by different avenues than those covered under standard computer fraud agreements. Therefore, recognizing that these transactions are specifically excluded from general coverage provides clarity on the limitations of such insurance policies and reinforces understanding of the specific protections that exist around credit card and debit card transactions.

4. What type of insurance coverage typically applies to loss exposures from a business's premises and operations?

- A. Professional liability insurance
- B. Commercial general liability insurance**
- C. Workers' compensation insurance
- D. Commercial auto insurance

Commercial general liability insurance is specifically designed to cover loss exposures that arise from a business's premises and operations. This type of insurance protects against a variety of claims, including bodily injury, property damage, and personal injury that may occur as a result of the business's activities. It provides coverage for incidents that could happen on the business premises or as a result of operations conducted away from the premises. For instance, if a customer slips and falls in a store or if a product sold causes injury to someone, commercial general liability insurance would typically provide coverage for the legal costs and any settlements or judgments that arise from those incidents. This coverage is fundamental for businesses as it helps protect their financial resources from potential lawsuits and claims that can arise from everyday operations. Other types of insurance mentioned in the choices, such as professional liability insurance, focus on different areas like errors or omissions in professional services; workers' compensation insurance specifically covers employee injuries on the job; and commercial auto insurance pertains to vehicles used for business purposes. Each of these serves a different purpose and does not encompass the general liability exposures associated with premises and operations. Therefore, commercial general liability insurance is the most appropriate choice for the coverage of loss exposures from a business's premises and operations.

5. What amount will the HO-3 insurer pay for the loss of Sam's boat and trailer valued at \$4,000?

- A. \$1,000
- B. \$1,500**
- C. \$2,000
- D. \$4,000

In the context of homeowners insurance policies like the HO-3, the coverage for personal property typically extends to items like boats and trailers, but there are specific limits and conditions that apply. When evaluating the coverage provided for personal property under this type of policy, it's important to consider any applicable limits for specific categories of items. For personal property, the HO-3 policy generally covers items at their actual cash value, but certain items may have specific sub-limits. In this case, while Sam's boat and trailer are valued at \$4,000, the policy might impose a limit on the payout for personal property of this nature. If the policy has a specific limit for boats and trailers, it might only allow reimbursement up to that limit, which is the scenario where \$1,500 comes into play. Thus, an amount of \$1,500 could reflect the policy's specific limitation for boats and trailers, illustrating how the total coverage may not equate to the full market value of the property in question. This distinction helps insured individuals understand the limits of their coverage and the importance of reviewing their policy thoroughly to be aware of the conditions and limits that can affect claims.

6. Is Kenneth covered under his Business Auto Coverage Form if he causes an accident while driving a rental car on a business trip?

- A. Yes, because rental cars are included in the policy
- B. No, because the rental car is not owned by Kenneth
- C. Yes, because Kenneth is an insured for any auto**
- D. No, because he is driving a non-owned vehicle

The correct answer indicates that Kenneth is covered under his Business Auto Coverage Form when driving a rental car for business purposes because he is recognized as an insured for any auto. This coverage extends to various situations involving the use of vehicles, including rental cars. In the context of business auto policies, "any auto" typically includes vehicles that are not owned by the business, such as rental cars, provided they are being used for business-related activities. This means that as long as Kenneth is using the rental vehicle for business purposes, he is afforded protection under his existing policy. The underlying principle here is that most business auto policies are designed to cover business-related operations comprehensively, which includes driving rental vehicles. Therefore, the concept of being an "insured" extends beyond just vehicles owned by the insured to those being used in connection with business activities. Understanding this helps to clarify how business auto insurance operates in real-world scenarios, encompassing the use of various types of vehicles that may be integral to conducting business activities.

7. Which of the following is a covered cause of loss under the Causes of Loss—Basic Form?

- A. Windstorm damage
- B. Volcanic action**
- C. Flooding
- D. Earthquake damage

The statement regarding volcanic action being a covered cause of loss under the Causes of Loss—Basic Form is accurate. The Causes of Loss—Basic Form in property insurance typically includes a specific set of perils, and volcanic action is one of the disasters included within that coverage. This means that if an insured property suffers damage caused by volcanic eruptions, ash fall, or related activities, the insurance policy would offer coverage for those losses. The other causes listed, such as windstorm damage, flooding, and earthquake damage, are not included in the Causes of Loss—Basic Form. Windstorm damage may be covered under some specific policies or endorsements, but it is not part of the Basic Form. Flooding is generally excluded from standard property insurance coverage and requires separate flood insurance. Earthquake damage is also specifically excluded from the Basic Form and would require a distinct earthquake endorsement or policy. Understanding the distinctions among these perils is crucial for agents and policyholders alike, as it can significantly affect coverage decisions and claims management.

8. Which entities are not eligible for ISO Commercial Crime Forms?

- A. Publicly traded companies
- B. Financial institutions**
- C. Nonprofit organizations
- D. Private equity firms

Financial institutions are not eligible for ISO Commercial Crime Forms because they have specific coverage needs that may not be adequately addressed by standard ISO provisions. ISO (Insurance Services Office) develops standardized insurance products, including forms for crime coverage, which are designed primarily for industries outside of the banking and financial services sectors. Financial institutions operate under different regulatory frameworks and face unique risks that are directly tied to their financial operations, such as fraud, cyber threats, and other specialized exposures. Because of these unique risks, they typically require customized crime coverage forms or specialized policies that are tailored to their specific needs, rather than using the standard ISO forms that are applicable to other types of businesses. In contrast, publicly traded companies, nonprofit organizations, and private equity firms may not have the same specialized coverage requirements as financial institutions and can often use ISO forms to adequately cover their crime-related risks. This distinction highlights why financial institutions are ineligible for the standard ISO Commercial Crime Forms.

9. Which type of coverage would be activated for damages caused by a hit-and-run driver under a Florida business auto policy?

- A. Comprehensive Coverage
- B. Uninsured Motorists Coverage**
- C. Collision Coverage
- D. Property Damage Liability Coverage

Uninsured Motorists Coverage is the appropriate type of coverage that would be activated for damages caused by a hit-and-run driver under a Florida business auto policy. This coverage is designed to protect insured individuals in situations where they are involved in an accident with a driver who does not have insurance or cannot be identified, such as in the case of a hit-and-run. In Florida, hit-and-run incidents are treated similarly to accidents with uninsured motorists because the driver responsible for the damages is not available or cannot be covered under a liability policy. Therefore, when a policyholder suffers damages from an unknown driver, Uninsured Motorists Coverage allows them to recover those costs, similar to how they would if the other driver had been insured. Comprehensive Coverage generally covers losses due to non-collision incidents, such as theft or damage from fire and natural disasters, but would not apply to accidents involving other vehicles. Collision Coverage would be applicable when there is an identifiable vehicle that can be claimed against, but in a hit-and-run scenario, this option would not be helpful as the fleeing driver cannot be held liable. Property Damage Liability Coverage protects the insured from damage they cause to other people's property but wouldn't help someone who suffered damages due to another driver fleeing the scene.

10. Joe has a Personal Auto Policy; what is the maximum he can collect from Underinsured Motorist coverage in this accident?

- A. \$15,000
- B. \$10,000
- C. \$0**
- D. \$5,000

In this scenario, the maximum Joe can collect from Underinsured Motorist (UIM) coverage being \$0 indicates that there may not be sufficient underinsurance on the other driver's policy to trigger any payment from Joe's UIM coverage. Underinsured Motorist coverage is designed to protect an insured person when they are injured in an accident caused by a driver whose liability insurance limits are too low to cover the damages. However, if the at-fault driver's coverage limits are equal to or exceed the damages incurred by Joe, then Joe would not be entitled to any UIM benefits. In this case, the answer reflects that the at-fault driver has sufficient coverage to address the damages Joe sustained, making Joe's UIM claim effectively null, resulting in a potential payout of \$0 under his Personal Auto Policy's Underinsured Motorist coverage. This emphasizes the importance of understanding the limits of both the at-fault driver's liability coverage and one's own UIM coverage in determining potential payouts after an accident.

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:

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

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