

Florida 2-20 – Statutes Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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. With whom can a licensed agent share commissions?
 - A. A non-resident agent
 - B. A customer representative
 - C. A car dealer
 - D. A real estate agent

2. What type of form is attached to a property insurance policy to clarify which perils are covered?
 - A. Conditions
 - B. Coverage Form
 - C. Cause of Loss Form
 - D. Declarations

3. What endorsement is available with the standard homeowners forms used by Citizens Property Insurance Corporation?
 - A. Scheduled Personal Property
 - B. Home Daycare
 - C. Personal Injury
 - D. Replacement Cost on Personal Property

4. A General Lines Agent licensed for less than six years must complete how many hours of continuing education every two years?
 - A. 14
 - B. 20
 - C. 24
 - D. 30

5. Which of the following is NOT regulated by the Office of Financial Regulation?
 - A. Regulation of insurance rates and forms.
 - B. Regulation of banks.
 - C. Regulation of credit unions.
 - D. Regulation of the securities industry.

6. What part of an insurance policy summarizes the guarantees provided by the insurance company?
- A. Insuring Agreement
 - B. Conditions
 - C. Endorsements
 - D. Definitions
7. An insurance company established in Zurich, Switzerland is classified as:
- A. Foreign
 - B. Alien
 - C. Domestic
 - D. Captive
8. What is 'binding authority' in the context of insurance agents?
- A. The ability to sell any type of insurance
 - B. The power to commit an insurer to coverage
 - C. A requirement for all agents
 - D. The ability to negotiate premiums
9. Which of the following are grounds for compulsory refusal, suspension, or revocation of a license?
- A. Unlawfully rebating
 - B. Fraudulent submission of a Workers' Comp app
 - C. Lack of reasonably adequate knowledge
 - D. Soliciting insurance in other areas of the state
10. Which of the following is NOT a member of the Financial Service Commission of Florida?
- A. The Attorney General.
 - B. The Commissioner of Agriculture.
 - C. The Chief Financial Officer.
 - D. The Insurance Commissioner.

Answers

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

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Explanations

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1. With whom can a licensed agent share commissions?

- A. A non-resident agent
- B. A customer representative
- C. A car dealer
- D. A real estate agent

A licensed agent can share commissions with a non-resident agent because it aligns with the regulations governing commissions in the insurance industry. Commission sharing is permitted between agents who are properly licensed to conduct business in their respective jurisdictions. Non-resident agents are those who hold an active license in one state while operating in a different state. As long as both agents are complying with the insurance laws and regulations in their states and maintain appropriate licensing, sharing commissions is appropriate. The other options involve parties who do not typically have the licensing required to share commissions with insurance agents. A customer representative is not generally considered a licensed insurance agent and can't share in commissions legally. A car dealer might not hold the appropriate license to receive commissions from insurance transactions, and similarly, while real estate agents have their licensing, they are not licensed to receive commission splits from insurance transactions. Therefore, the correct answer reflects the appropriate and legal framework for commission sharing among licensed professionals.

2. What type of form is attached to a property insurance policy to clarify which perils are covered?

- A. Conditions
- B. Coverage Form
- C. Cause of Loss Form
- D. Declarations

The Cause of Loss Form is the correct choice because it specifically outlines and clarifies the perils that are covered under a property insurance policy. This form delineates the risks included in the policy such as fire, theft, or water damage, providing the policyholder with clear information on what is protected. The Declarations provide essential details about the policy, such as the insured property's address, the policyholder's name, and the limits of coverage, but do not specify which perils are covered. On the other hand, Coverage Forms, while somewhat related, outline the types of coverage (like liability or property coverage) but may not detail the specific perils as clearly as the Cause of Loss Form does. Lastly, Conditions refer to the duties and responsibilities of the insured and insurer within the contract, rather than the specific perils covered by the policy.

3. What endorsement is available with the standard homeowners forms used by Citizens Property Insurance Corporation?

- A. Scheduled Personal Property
- B. Home Daycare
- C. Personal Injury
- D. Replacement Cost on Personal Property

The endorsement that is available with the standard homeowners forms used by Citizens Property Insurance Corporation is Replacement Cost on Personal Property. This provision allows homeowners to receive the full replacement cost for personal property lost or damaged rather than just the actual cash value, which takes depreciation into account. This is particularly beneficial for homeowners because it ensures they can replace their belongings without incurring a financial loss due to depreciation. Replacement Cost coverage provides a higher level of protection for policyholders, as it helps them to restore their property to its original condition after a loss. In the context of a homeowners insurance policy, this endorsement is significant because personal property can depreciate in value over time. Therefore, having Replacement Cost coverage ensures that homeowners are adequately compensated for their losses in the event of theft, damage, or destruction of personal items. Other endorsements, such as Scheduled Personal Property, Home Daycare, and Personal Injury, offer additional coverage options but do not specifically address the replacement cost for personal belongings in the same way. Scheduled Personal Property pertains to insuring specific high-value items, Home Daycare covers liability for operating a daycare out of the home, and Personal Injury typically covers non-physical injuries, such as defamation or invasion of privacy. Hence, Replacement Cost on Personal Property stands out

4. A General Lines Agent licensed for less than six years must complete how many hours of continuing education every two years?

- A. 14
- B. 20
- C. 24
- D. 30

In Florida, a General Lines Agent who has been licensed for less than six years is required to complete 24 hours of continuing education every two years. This requirement is set to ensure that agents stay updated on industry standards, regulations, and practices, thereby maintaining their ability to serve clients effectively and ethically. The continuing education hours are part of the state's ongoing efforts to enhance professionalism and ensure that agents are well-informed about any changes in insurance laws, products, and market trends. This structured approach not only benefits the agents in their professional development but also protects consumers by ensuring that agents remain knowledgeable and competent in their responsibilities. Other options reflect incorrect hour requirements; the state mandates specifically 24 hours for those under six years of licensure, while different durations apply to other license statuses or disciplines.

5. Which of the following is NOT regulated by the Office of Financial Regulation?

A. Regulation of insurance rates and forms.

B. Regulation of banks.

C. Regulation of credit unions.

D. Regulation of the securities industry.

The correct answer is that the regulation of insurance rates and forms is not under the purview of the Office of Financial Regulation. In Florida, the regulation of insurance, including rates and forms, falls under the jurisdiction of the Florida Department of Financial Services, specifically the Office of Insurance Regulation. This office is responsible for overseeing the insurance industry and ensuring that insurance companies comply with state laws. In contrast, the regulation of banks, credit unions, and the securities industry is indeed within the scope of the Office of Financial Regulation in Florida. This office monitors, regulates, and ensures the stability and safety of financial institutions, including banks and credit unions, and oversees the securities industry to protect investors and maintain fair markets. Understanding this distinction is crucial for comprehending the roles of different regulatory bodies in Florida's financial landscape.

6. What part of an insurance policy summarizes the guarantees provided by the insurance company?

A. Insuring Agreement

B. Conditions

C. Endorsements

D. Definitions

The insuring agreement is a critical component of an insurance policy as it outlines the core promises made by the insurance company to the policyholder. It essentially summarizes the coverage provided under the policy, detailing what risks are insured and under what conditions the insurer will provide compensation in the event of a loss. This section clearly defines the scope of coverage, including what is and is not included, thus setting the foundation for the policy's obligations. In contrast, conditions specify the duties and responsibilities of both the insurer and the insured, but do not summarize the guarantees. Endorsements are modifications or additions to the policy that can change its terms or provide additional coverage, while definitions provide clarity on the terms used within the policy but do not summarize guarantees. Therefore, the insuring agreement distinctly fulfills the role of summarizing the guarantees provided by the insurance company, making it the correct answer.

7. An insurance company established in Zurich, Switzerland is classified as:

- A. Foreign
- B. Alien
- C. Domestic
- D. Captive

An insurance company established in Zurich, Switzerland is classified as "Alien" because it is incorporated outside of the jurisdiction in which it operates. In the context of U.S. insurance regulation, entities are categorized based on their location of incorporation: domestic companies are those incorporated within a specific state, foreign companies are those incorporated in another U.S. state, and alien companies are those incorporated outside the United States. Since Switzerland is not a part of the United States, an insurance company formed there fits the definition of an alien insurer within the U.S. insurance regulatory framework. This classification is important for understanding the regulatory requirements that such companies must adhere to when doing business in the U.S.

8. What is 'binding authority' in the context of insurance agents?

- A. The ability to sell any type of insurance
- B. The power to commit an insurer to coverage
- C. A requirement for all agents
- D. The ability to negotiate premiums

Binding authority refers to the power of an insurance agent to commit an insurance company to coverage for a specific risk. This authority enables the agent to make decisions on behalf of the insurer, such as issuing policies and accepting risks without needing additional approval from the insurance company. When an agent has binding authority, it means they have the discretion to enter into contracts directly, thereby affecting the terms and conditions of the insurance coverage. This is a critical aspect of an agent's role because it allows for immediate action to secure coverage for clients without delays that could arise from soliciting approval from higher-ups within the insurer. The other options do not accurately describe what binding authority entails. The ability to sell any type of insurance refers to the range of products an agent can offer but not the specific power to bind coverage. A requirement for all agents suggests that every agent has this authority, which is not true as it typically depends on the agent's appointment and level of experience. Lastly, the ability to negotiate premiums is a separate function and does not directly relate to the commitment of an insurer to coverage. Therefore, binding authority is specifically about the agent's capability to contractually bind the insurer to an agreement.

9. Which of the following are grounds for compulsory refusal, suspension, or revocation of a license?

- A. Unlawfully rebating
- B. Fraudulent submission of a Workers' Comp app
- C. Lack of reasonably adequate knowledge
- D. Soliciting insurance in other areas of the state

The correct answer highlights a key aspect of regulatory compliance for insurance professionals. Soliciting insurance in areas where a license is not held can lead to serious repercussions, such as compulsory refusal, suspension, or revocation of a license. This is fundamentally about ensuring that insurance agents operate within the confines of their legal jurisdiction, thereby protecting consumers and maintaining the integrity of the insurance marketplace. When an insurance agent solicits in areas or states for which they do not have the proper licensure, they violate regulatory provisions designed to govern where and how insurance services can be offered. Such misconduct can attract enforcement actions by state insurance regulators, who are tasked with upholding laws that ensure agents are qualified and authorized to practice in specific regions. Other factors mentioned in the question also indicate serious infractions that could lead to disciplinary actions. Unlawfully rebating and fraudulent submission of a Workers' Comp application both contribute to unfair practices and deception within the insurance industry. While these could certainly result in disciplinary measures, the specific phrasing of the question points more uniquely to the unauthorized solicitation of insurance as a ground leading to compulsory actions against the license. Lack of reasonably adequate knowledge pertains to competency but may not directly trigger compulsory actions in the same immediate manner as unauthorized solicitation, which is a clear

10. Which of the following is NOT a member of the Financial Service Commission of Florida?

- A. The Attorney General.
- B. The Commissioner of Agriculture.
- C. The Chief Financial Officer.
- D. The Insurance Commissioner.

The Insurance Commissioner is not an official title within the structure of the Financial Services Commission in Florida. Instead, the Commission includes members such as the Chief Financial Officer, the Attorney General, and the Commissioner of Agriculture as part of its governing body. The Financial Services Commission is responsible for overseeing various financial sectors, including banking and insurance, but it does not designate an individual as the Insurance Commissioner. Instead, the role of overseeing insurance matters falls under the Chief Financial Officer in Florida. This is why identifying the Insurance Commissioner as a member of the Commission is incorrect, while the other choices correctly reflect actual members of the Financial Services Commission.

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:

<https://fl220statutes.examzify.com>

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

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