

Florida 20-44 Resident Personal Lines Agent License 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

- 1. Why might a client need homeowners insurance?**
 - A. To cover only the physical structure of the home.**
 - B. To protect their property and finances from risks such as fire, theft, or liability claims.**
 - C. To comply with legal requirements for homeownership.**
 - D. To save money on property taxes.**
- 2. How will Jay's HO-2 respond after accidentally destroying Lisa's new television set valued at \$450?**
 - A. Not covered**
 - B. Covered in full by Section II under voluntary property damage**
 - C. Capped at \$300**
 - D. Partial payment based on depreciation**
- 3. What is the time frame for maintaining a rebating schedule with insurers?**
 - A. 1 year**
 - B. 3 years**
 - C. 5 years**
 - D. Indefinitely**
- 4. What is the maximum amount of liability for damages under Florida law unless otherwise specified?**
 - A. 20/10/10**
 - B. 30/20/10**
 - C. 10/20/10**
 - D. 25/15/5**
- 5. What type of coverage would you require for a vehicle used primarily for business purposes?**
 - A. Personal Auto Policy**
 - B. Business Auto Policy**
 - C. Motorcycle Liability Insurance**
 - D. Comprehensive Auto Insurance**

- 6. How much Coverage B does an insured get when purchasing an HO-2?**
- A. 5% of Coverage A**
 - B. 10% of Coverage A**
 - C. 15% of Coverage A**
 - D. 20% of Coverage A**
- 7. Which of the following is NOT a supplementary payment under the Personal Auto Policy?**
- A. Release of attachment bonds**
 - B. \$300 on bail bonds**
 - C. \$200 per day loss of income**
 - D. Interest on Judgments**
- 8. What factors should a Personal Lines Agent consider when advising clients on flood insurance?**
- A. The client's income and financial status**
 - B. The client's location and local flood zone classifications**
 - C. The client's age and family structure**
 - D. The client's previous insurance claims history**
- 9. How does a client's credit history typically affect their insurance premiums?**
- A. A poor credit history may result in higher premiums**
 - B. A positive credit history guarantees the lowest premiums**
 - C. Credit history has no impact on insurance premiums**
 - D. Credit history is only considered for life insurance**
- 10. UM coverage under the PAP primarily pays for what type of incident?**
- A. Bodily injury to the insured caused by a hit and run driver**
 - B. Property damage to the insured vehicle**
 - C. Bodily injury caused by a passenger in the vehicle**
 - D. Injury to pedestrians during an accident**

Answers

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

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Explanations

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1. Why might a client need homeowners insurance?

- A. To cover only the physical structure of the home.
- B. To protect their property and finances from risks such as fire, theft, or liability claims.**
- C. To comply with legal requirements for homeownership.
- D. To save money on property taxes.

Homeowners insurance is essential because it provides comprehensive protection for both the property and the financial assets of the homeowner. It covers risks associated with events such as fire, theft, vandalism, and liability claims, which could lead to significant out-of-pocket expenses for the homeowner if they were to occur without insurance. For instance, in the event of a fire, the cost to rebuild or repair the structure can be enormous, not to mention the loss of personal belongings inside the home. Without homeowners insurance, the homeowner would be solely responsible for these expenses. Additionally, liability coverage is key; it protects the homeowner against claims from injuries that occur on their property, which can lead to legal fees and settlements if a lawsuit arises. While homeowners insurance can indeed cover the physical structure of the home, its value lies in the broader protection it offers against various risks that can financially jeopardize a homeowner. Complying with legal requirements for homeownership is not a primary reason someone would obtain this type of insurance, nor is it a means of saving money on property taxes. Therefore, the most comprehensive reason for needing homeowners insurance is to safeguard both property and finances against various potential risks.

2. How will Jay's HO-2 respond after accidentally destroying Lisa's new television set valued at \$450?

- A. Not covered
- B. Covered in full by Section II under voluntary property damage**
- C. Capped at \$300
- D. Partial payment based on depreciation

For an HO-2 policy, which is a type of homeowners insurance known as a broad form policy, coverage includes a range of named perils for personal property. If Jay accidentally destroys Lisa's new television set, the action falls under the personal liability provisions and specific coverage for damage to property of others. Under Section II of the homeowners policy, there is coverage for voluntary property damage that allows for payment to cover accidental damage to someone else's property. In this case, since the television set is valued at \$450 and the damage was unintentional, Jay's homeowners insurance would respond by providing coverage for the full value of the damage, assuming the policy limits are sufficient to cover that amount. This is a key feature of the HO-2 policy, as it emphasizes the insurer's commitment to covering damages resulting from accidental actions of the policyholder that affect others' property. Therefore, the correct response indicates that this damage will be handled in full under the terms of the policy due to it being classified as a voluntary act of property damage, aligning with the provisions established in the policy.

3. What is the time frame for maintaining a rebating schedule with insurers?

- A. 1 year
- B. 3 years
- C. 5 years**
- D. Indefinitely

The correct answer is five years because this is the standard time frame for maintaining a rebating schedule with insurers in many jurisdictions, including Florida. A rebating schedule is a documented record that outlines any remittance or incentives offered to policyholders that directly relate to the insurance they purchase. Keeping records for five years ensures compliance with regulations and provides a clear audit trail in case questions arise regarding the practices of the insurer or agent. This time frame helps in monitoring and addressing any potential issues or disputes that may arise concerning rebating practices. Additionally, financial regulators often require this period for reviewing compliance with laws governing insurance transactions, including any promotional bonuses or incentives offered to customers. A shorter duration like one or three years would be inadequate, as it might not cover the complete cycle of policy renewals or customer interactions that could be relevant in regulatory investigations. Indefinitely would not be practical, as it could lead to unnecessary accumulation of records and challenges in data management. Thus, the five-year requirement is a balanced approach to ensure transparency and accountability in the insurance industry.

4. What is the maximum amount of liability for damages under Florida law unless otherwise specified?

- A. 20/10/10
- B. 30/20/10
- C. 10/20/10**
- D. 25/15/5

The maximum amount of liability for damages under Florida law is defined in terms of bodily injury liability (BIL) and property damage liability (PDL), which refers to the minimum insurance coverage limits required for vehicle owners. The correct choice is 10/20/10, which represents the limits for bodily injury and property damage. Specifically, the numbers can be broken down as follows: the first number indicates the maximum coverage limit for one individual injured in an accident, the second number specifies the total coverage limit for all individuals combined in a single accident, and the last number represents the maximum amount for property damage incurred in the accident. Therefore, under Florida law, the minimum required liability coverage would be \$10,000 for bodily injury per person, \$20,000 for total bodily injury per accident, and \$10,000 for property damage. Understanding these limits is crucial for both consumers and agents, as it allows for appropriate risk management and ensures compliance with state regulations. The other options listed represent different minimum coverage limits, which are not applicable unless specified by unique circumstances or policies.

5. What type of coverage would you require for a vehicle used primarily for business purposes?

- A. Personal Auto Policy**
- B. Business Auto Policy**
- C. Motorcycle Liability Insurance**
- D. Comprehensive Auto Insurance**

A Business Auto Policy is specifically designed to cover vehicles that are primarily used for business activities. This type of coverage provides liability protection and can also cover physical damage to the vehicles, medical payments, and other necessary endorsements that cater to business needs. For instance, if a company uses a vehicle for transporting goods, employees, or conducting business-related tasks, a Business Auto Policy will ensure that any incidents that occur while using that vehicle are adequately covered. It acknowledges the increased risk associated with business-related vehicle use compared to personal use, making it essential for business owners to obtain this specific coverage to protect their assets and limit financial liabilities. The other options, while relevant in their own contexts, do not offer the comprehensive protections needed for business purposes. For example, a Personal Auto Policy is suitable for individual use and may not extend coverage for business-related incidents, while Motorcycle Liability Insurance is exclusively for motorcycles and Comprehensive Auto Insurance typically refers to damage due to non-collision incidents, which would not address liability or specific business-related risks.

6. How much Coverage B does an insured get when purchasing an HO-2?

- A. 5% of Coverage A**
- B. 10% of Coverage A**
- C. 15% of Coverage A**
- D. 20% of Coverage A**

The amount of Coverage B, which covers other structures on the property that are not attached to the main dwelling, is indeed set at 10% of Coverage A when purchasing an HO-2 policy. This is a standard stipulation in most homeowners insurance policies, including HO-2, and provides a baseline level of coverage for structures such as fences, detached garages, or sheds. This specification is important for homeowners to understand, as it helps them assess whether the coverage amounts provided will be sufficient based on their individual property needs. Considering that Coverage A represents the primary dwelling, the 10% allocation for Coverage B reflects the insurer's approach to ensure adequate coverage for ancillary structures without requiring an individual evaluation for each policyholder's situation.

7. Which of the following is NOT a supplementary payment under the Personal Auto Policy?

- A. Release of attachment bonds**
- B. \$300 on bail bonds**
- C. \$200 per day loss of income**
- D. Interest on Judgments**

In the context of a Personal Auto Policy, supplementary payments are additional benefits that help cover certain costs associated with a claim, without reducing the policy limits. These payments are designed to assist the insured beyond the basic coverage provided by the policy. The correct answer pertains to the specific supplementary payments defined within the policy. The amount of \$300 on bail bonds is indeed a specified supplementary payment under the Personal Auto Policy. It provides financial support for bail in case the insured is arrested for a covered incident, such as traffic violations related to the use of the insured vehicle. The payment for loss of income at \$200 per day is not part of the supplementary payments in this context. Instead, it is often seen in the context of additional coverage options that may be added to a policy but is not classified as a supplementary payment within the standard provisions of the Personal Auto Policy. Release of attachment bonds and interest on judgments are also supplementary payments. The former aids in securing release from a legal attachment, while the latter covers interest that accrues on a judgment rendered against the insured. Thus, while the other options provide valuable supplementary assistance during covered situations, the payment for loss of income does not fall under this category, highlighting the distinction between what constitutes supplementary benefits versus other types of

8. What factors should a Personal Lines Agent consider when advising clients on flood insurance?

- A. The client's income and financial status**
- B. The client's location and local flood zone classifications**
- C. The client's age and family structure**
- D. The client's previous insurance claims history**

When advising clients on flood insurance, it is crucial for a Personal Lines Agent to consider the client's location and local flood zone classifications. Flood zones are designated by the Federal Emergency Management Agency (FEMA) and indicate the level of flood risk in specific areas. Understanding these classifications can significantly impact the type and amount of flood insurance coverage that is recommended. Different flood zones have varying risks associated with flooding, which can affect not only the likelihood of a flood occurring but also the cost of premiums for flood insurance. For example, properties located in high-risk flood zones may require mandatory flood insurance if the property has a federally backed mortgage. By assessing the client's specific location in relation to flood zone maps, the agent can provide tailored advice that reflects the actual flood risk presented to the client's property. In contrast, while factors such as income, financial status, age, family structure, and previous insurance claims history are important in the broader insurance context, they do not directly determine the specific flood insurance needs based on environmental risk. Therefore, understanding local flood zone classifications is pivotal for making informed recommendations regarding flood protection and insurance coverage.

9. How does a client's credit history typically affect their insurance premiums?

- A. A poor credit history may result in higher premiums**
- B. A positive credit history guarantees the lowest premiums**
- C. Credit history has no impact on insurance premiums**
- D. Credit history is only considered for life insurance**

A client's credit history typically affects their insurance premiums because insurance companies often use credit scores as an indicator of risk. A poor credit history generally indicates a higher level of financial irresponsibility, which can correlate with a greater likelihood of filing claims. As a result, insurers may charge higher premiums for individuals with poor credit histories to offset the risk they present. Conversely, those with a positive credit history often demonstrate reliable financial behavior and responsibility, which may lead insurers to offer lower premiums. However, having a positive credit history does not guarantee the lowest premiums, as rates are determined by a combination of multiple factors including claims history, the type of coverage, and other personal information. Understanding the role of credit history helps clients to see its significance in the overall risk assessment process that insurers use to determine premium rates.

10. UM coverage under the PAP primarily pays for what type of incident?

- A. Bodily injury to the insured caused by a hit and run driver**
- B. Property damage to the insured vehicle**
- C. Bodily injury caused by a passenger in the vehicle**
- D. Injury to pedestrians during an accident**

Uninsured Motorist (UM) coverage under the Personal Auto Policy (PAP) is specifically designed to protect insured individuals from bodily injury caused by uninsured or underinsured drivers, including those who flee the scene of an accident (hit-and-run drivers). This coverage is essential in situations where the at-fault party does not have insurance, or their insurance is insufficient to cover the damages resulting from an accident. When a driver experiences bodily injury from a hit-and-run, they cannot pursue the at-fault party for compensation because the driver is not identifiable. UM coverage steps in to provide the financial support needed to cover medical expenses, lost wages, and other damages related to that injury. Thus, the primary purpose of UM coverage aligns perfectly with incidents where a hit-and-run driver is involved. The other options referenced do not fully align with the core purpose of UM coverage. For instance, property damage claims would typically be addressed under Uninsured Motorist Property Damage (UMPD) coverage or collision coverage, while bodily injury caused by passengers is generally covered under the liability or medical payments provisions. Similarly, injuries to pedestrians may involve different liability considerations that fall outside the scope of UM coverage.

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://fl2044agent.examzify.com>

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