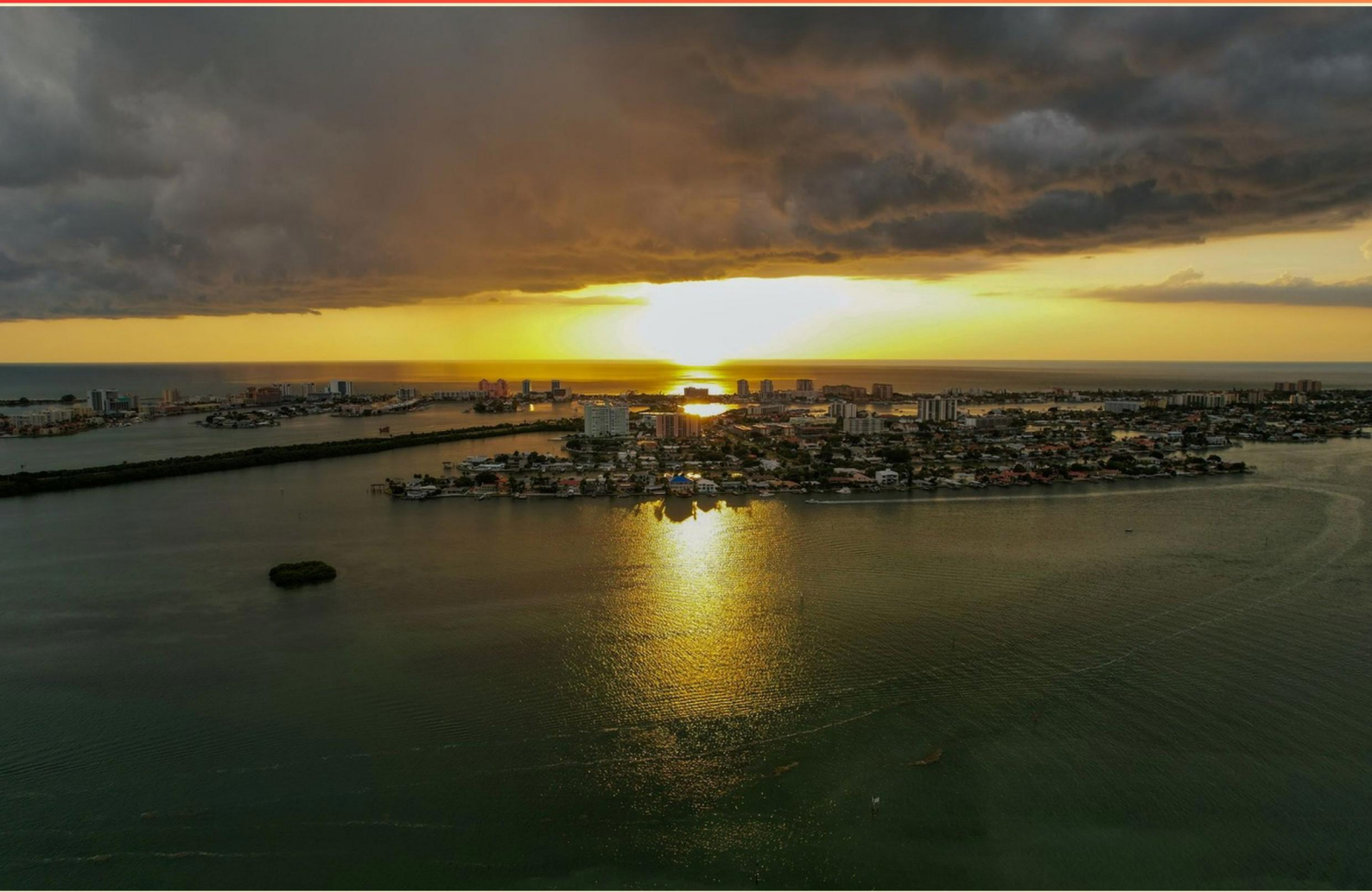


FLORIDA 3-20 PUBLIC ADJUSTERS STATE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://fl320publicadjusters.examzify.com>



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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 bond protects an employer from losses caused by employee actions?**
 - A. Performance Bond
 - B. Fidelity Bond
 - C. Surety Bond
 - D. Liability Bond
- 2. What is known as the act of misleading the insurance company regarding material facts?**
 - A. Fraud
 - B. Misrepresentation
 - C. Deceptive Practice
 - D. Omission
- 3. What type of bond ensures one party answers for the debt or default of another party?**
 - A. Performance bond
 - B. Surety bond
 - C. Credit bond
 - D. Contract bond
- 4. What is the minimum notice a public adjuster must give to an insured before an inspection?**
 - A. 24 hours
 - B. 48 hours
 - C. 60 hours
 - D. 72 hours
- 5. What is one prohibition placed on public adjusters regarding compensation?**
 - A. They are not permitted to charge the claimant
 - B. They cannot be compensated based on deductibles
 - C. They cannot accept contracts over a set amount
 - D. They may only work on a commission basis

- 6. What is a characteristic of an independent adjuster?**
- A. Employed by an insurance company
 - B. Works directly with insured clients
 - C. Operates as a contractor for adjusting firms
 - D. Provides legal representation
- 7. What is the role of the insurance commissioner?**
- A. Oversees insurance company profits
 - B. Administers state insurance laws and regulations
 - C. Provides legal advice to policyholders
 - D. Sets insurance premiums for consumers
- 8. What term is also known as Absolute Liability, based on the theory of making something safe that is inherently dangerous?**
- A. Negligence
 - B. Strict Torts
 - C. Vicarious Liability
 - D. Product Liability
- 9. What is the term for the amount of loss that is paid by the policyholder in an insurance claim?**
- A. Premium
 - B. Deductible
 - C. Co-payment
 - D. Coverage limit
- 10. What is the primary purpose of representations in an insurance policy?**
- A. To protect the insurer's interests
 - B. To enhance the claims process
 - C. To limit coverage provided
 - D. To simplify policy language

Answers

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

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Explanations

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1. What type of bond protects an employer from losses caused by employee actions?

- A. Performance Bond
- B. Fidelity Bond**
- C. Surety Bond
- D. Liability Bond

A fidelity bond is specifically designed to protect an employer from losses that occur due to dishonest or fraudulent actions of their employees. This type of bond provides coverage for various forms of employee misconduct, such as theft, embezzlement, or fraud. In many cases, companies might require employees in positions that manage money or have access to sensitive information to be bonded, ensuring that if any financial misconduct happens, the employer can recover their losses through the bond. The other options, while they serve important roles in risk management and protection, do not focus specifically on employee actions. For example, a performance bond guarantees the completion of a project to the specifications set in a contract; a surety bond provides a guarantee that the principal will fulfill their obligations, with a focus on third-party obligations, while a liability bond typically covers bodily injury and property damage claims against a business, not employee dishonesty. Therefore, the fidelity bond is the correct choice for protecting employers against losses caused by employee actions.

2. What is known as the act of misleading the insurance company regarding material facts?

- A. Fraud
- B. Misrepresentation**
- C. Deceptive Practice
- D. Omission

The act of misleading an insurance company regarding material facts is best defined as misrepresentation. Misrepresentation occurs when an individual presents false information or omits important details that could influence the insurance company's decision to provide coverage or determine the terms of a policy. This can involve providing incorrect facts about a situation or failing to disclose relevant details that an insurer would consider necessary for making an underwriting decision. While fraud generally involves intentional deceit meant to secure undue benefits, it is a broader term that encompasses various dishonest acts, including misrepresentation. Deceptive practices refer to a wide range of actions that mislead someone, often in a business context, but the specific act of misleading an insurer about material facts is more accurately categorized under misrepresentation. Omission involves leaving out crucial information but does not inherently imply an intent to deceive, which is a key aspect of misrepresentation. Therefore, misrepresentation is the most precise term for the act described in this context.

3. What type of bond ensures one party answers for the debt or default of another party?

- A. Performance bond
- B. Surety bond**
- C. Credit bond
- D. Contract bond

A surety bond is a contractual agreement involving three parties: the principal, the obligee, and the surety. It ensures that the surety will fulfill the obligations of the principal if that principal defaults or fails to meet their contractual commitments. This type of bond is commonly used in various contexts, such as construction projects, where the contractor (the principal) must complete the work as per the contract terms. If they default, the surety will step in to cover the obligations, protecting the obligee from potential losses. This mechanism is crucial in providing assurance to the obligee that the obligation will be met even in the event that the principal fails to do so. Other types of bonds listed, such as performance bonds or contract bonds, typically are subsets of surety bonds but do not encompass the broader principle of ensuring that one party answers for the obligations of another in the same general manner. As the key function of a surety bond is to hold the surety responsible for the debt or default of the principal, it stands out as the correct choice.

4. What is the minimum notice a public adjuster must give to an insured before an inspection?

- A. 24 hours
- B. 48 hours**
- C. 60 hours
- D. 72 hours

The correct answer is 48 hours because Florida Statute 626.874 mandates that a public adjuster must provide a minimum of 48 hours' notice to an insured prior to conducting an inspection of the insured property. This requirement is in place to ensure that the insured has adequate time to prepare for the visit, which supports transparency and fosters a cooperative relationship between the adjuster and the insured. By giving notice, it also helps to protect the insured's rights and ensures that they can be present during the inspection, allowing them to ask questions and be informed about the process. Understanding this statutory requirement is crucial for public adjusters to adhere to state regulations and maintain ethical practices within their profession.

5. What is one prohibition placed on public adjusters regarding compensation?

- A. They are not permitted to charge the claimant
- B. They cannot be compensated based on deductibles**
- C. They cannot accept contracts over a set amount
- D. They may only work on a commission basis

Public adjusters are specifically prohibited from being compensated based on deductibles. This prohibition exists to ensure that public adjusters act impartially and in the best interests of their clients, the claimants. When compensation is tied to deductibles, it could create a conflict of interest where the adjuster might encourage claimants to settle for less than what they are entitled to in order to increase their own compensation. By restricting compensation models in this way, the regulations help maintain ethical standards in the industry and protect claimants from potentially exploitative practices. Understanding this prohibition is essential for public adjusters, as it reinforces the importance of transparent and fair compensation practices, ultimately fostering trust and credibility in the public adjusting profession.

6. What is a characteristic of an independent adjuster?

- A. Employed by an insurance company
- B. Works directly with insured clients
- C. Operates as a contractor for adjusting firms**
- D. Provides legal representation

An independent adjuster is characterized by operating as a contractor for adjusting firms rather than being employed directly by an insurance company. This means they are typically hired on a temporary or project basis to handle specific claims, allowing them to provide their services to multiple insurance companies and clients without being tied to one organization. This independence can lead to a perception of neutrality and impartiality as they are not on the payroll of the insurance carrier, allowing them to assess claims objectively. In contrast, the other options describe roles or characteristics that do not align with the independent status of an adjuster. For example, being employed by an insurance company indicates a company employee, while working directly with insured clients may suggest a different relationship than that of an independent contractor. Additionally, providing legal representation is not a function of an adjuster; rather, this role falls under the purview of attorneys who specialize in insurance claims or disputes.

7. What is the role of the insurance commissioner?

- A. Oversees insurance company profits
- B. Administers state insurance laws and regulations**
- C. Provides legal advice to policyholders
- D. Sets insurance premiums for consumers

The role of the insurance commissioner is primarily to administer state insurance laws and regulations. This involves ensuring that insurance companies comply with the applicable laws, overseeing their operations to maintain fairness and transparency in the marketplace, and protecting the interests of policyholders. The commissioner also plays a crucial role in monitoring the financial health of insurance companies to make sure they are solvent and capable of meeting their obligations to policyholders. This position is pivotal for maintaining order within the insurance industry, as it can also involve taking action against companies that engage in unfair practices or violate regulations. The commissioner may also handle consumer complaints and provide guidance on insurance-related issues, further emphasizing their role in regulatory enforcement and consumer protection.

8. What term is also known as Absolute Liability, based on the theory of making something safe that is inherently dangerous?

- A. Negligence
- B. Strict Torts**
- C. Vicarious Liability
- D. Product Liability

The term "Strict Torts" refers to a legal concept where a party can be held liable for their actions regardless of fault or intent, particularly in cases involving activities that are inherently dangerous. This principle is often applied in situations where the activity poses a significant risk of harm, and the law imposes a duty on the responsible parties to ensure that such activities are conducted safely. In essence, under strict torts, a person or entity can be liable for damages caused by hazardous activities or defective products even if they exercised reasonable care or did not intend to cause harm. This notion aligns with the principle of Absolute Liability, which holds defendants fully responsible for the consequences of their actions without the necessity of proving negligence or intent. By contrast, the other terms listed focus on different legal theories: Negligence involves proving that a party failed to act with reasonable care, Vicarious Liability involves a situation where one party is held liable for another's actions, and Product Liability pertains specifically to defective products causing harm. Understanding the distinction between these concepts clarifies why "Strict Torts" accurately captures the essence of being liable for inherently dangerous activities without regard for fault.

9. What is the term for the amount of loss that is paid by the policyholder in an insurance claim?

- A. Premium
- B. Deductible**
- C. Co-payment
- D. Coverage limit

The term that refers to the amount of loss that is paid by the policyholder in an insurance claim is known as the deductible. A deductible is essentially the portion of the claim that the insured party is responsible for before the insurance company starts to pay for the remaining costs. It serves as a form of risk-sharing between the policyholder and the insurer, helping to manage insurance costs. In most insurance policies, there is a specified deductible amount that must be met before the insurance coverage kicks in. For example, if a person has a \$1,000 deductible and files a claim for \$5,000 in damages, they would be responsible for the first \$1,000, and the insurance company would then cover the remaining \$4,000. Other terms mentioned do not describe this concept accurately. The premium refers to the payment made for the insurance policy itself, co-payment typically relates to health insurance and is the fixed amount paid by the insured at the time of a service, and coverage limit refers to the maximum amount an insurer will pay for a covered loss. Therefore, the deductible is the best term to describe the amount the policyholder must pay out of pocket for a claim.

10. What is the primary purpose of representations in an insurance policy?

A. To protect the insurer's interests

B. To enhance the claims process

C. To limit coverage provided

D. To simplify policy language

The primary purpose of representations in an insurance policy is to protect the insurer's interests. Representations refer to the statements and disclosures made by the policyholder when applying for insurance coverage. These representations are crucial because they help insurers assess the risk associated with insuring an applicant. When a policyholder provides accurate and complete representations, it enables the insurer to make informed decisions about underwriting the policy, including setting appropriate premiums and determining terms of coverage. If these representations are found to be misleading or false, it can lead to denial of coverage or cancellation of the policy. Understanding the importance of representations clarifies the insurer's need to rely on the information provided, ensuring that they are adequately protected against moral hazard or potential fraud. This foundational aspect of insurance law demonstrates the balance of trust and accountability between the insured and the insurer, emphasizing that accurate representations are essential for a fair insurance contract.

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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://fl320publicadjusters.examzify.com>

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

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