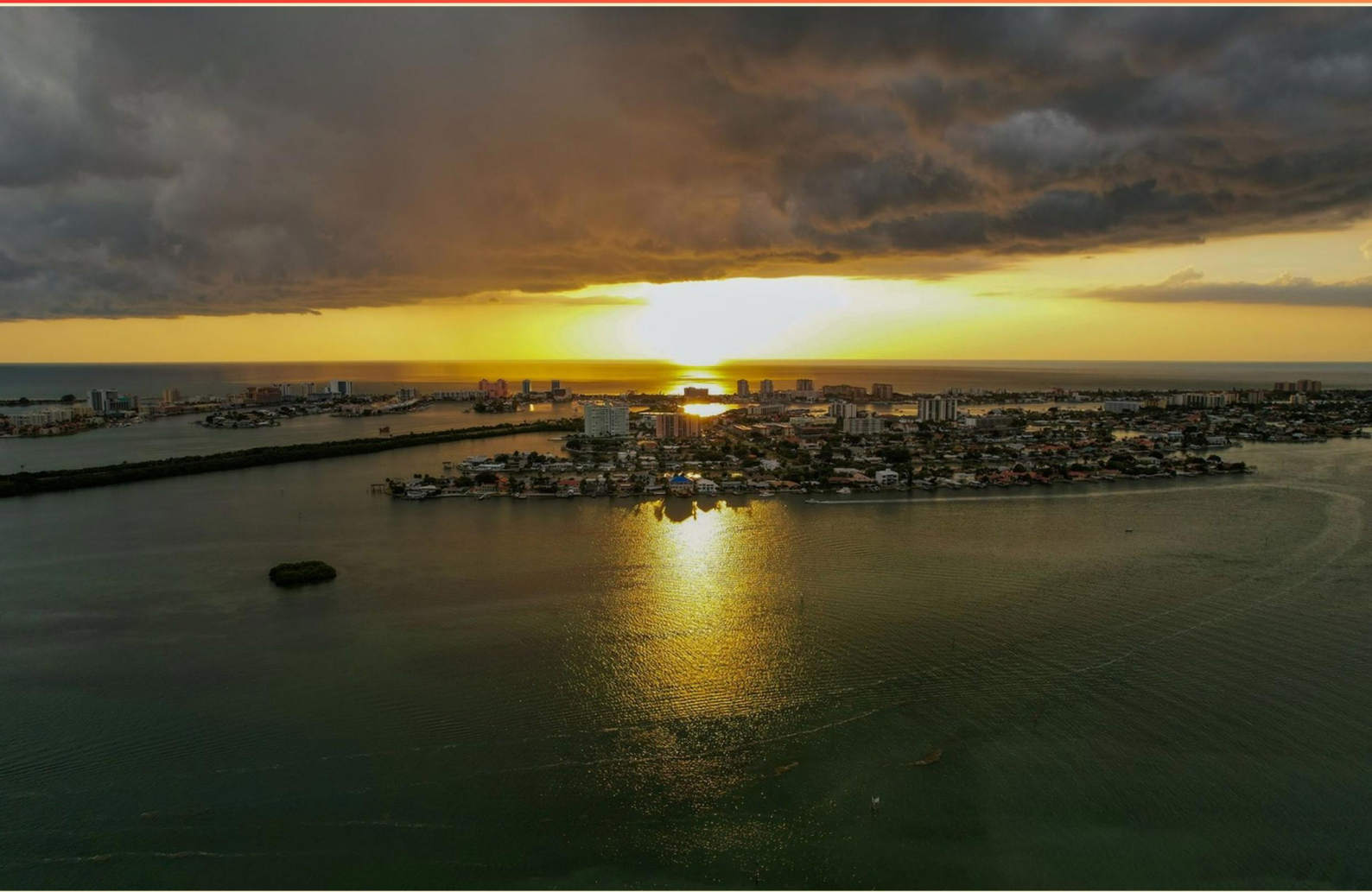


FLORIDA 3-20 PUBLIC ADJUSTERS STATE PRACTICE TEST (SAMPLE)

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 do you call an insurance company that is organized and domiciled outside the United States?**
 - A. Domestic
 - B. Foreign
 - C. Alien
 - D. International

- 2. What is the term for the value determined by the replacement cost of like kind and quality at the time of loss, minus depreciation?**
 - A. Replacement Value
 - B. Actual Cash Value
 - C. Market Value
 - D. Fair Value

- 3. What encompasses any substance that can irritate or contaminate?**
 - A. Hazardous materials
 - B. Pollutants
 - C. Contaminants
 - D. Waste products

- 4. What is the term for the willful and illegal sinking of a ship at sea or its cargo?**
 - A. Barratry
 - B. Maritime Malfeasance
 - C. Negligent Operation
 - D. Marine Liability

- 5. In property insurance, 'dwelling' typically refers to:**
 - A. Commercial buildings
 - B. Residential homes
 - C. Vacant land
 - D. Public structures

- 6. What term describes an assessment of the amount, extent, or worth of something?**
- A. Estimates
 - B. Valuations
 - C. Assessments
 - D. Calculations
- 7. What is an unincorporated association of members in which each member insures the other members?**
- A. Reciprocal insurance exchange
 - B. Mutual insurance company
 - C. Cooperative insurance
 - D. Joint stock company
- 8. In insurance terms, who is the party that holds the risk in a first party claim?**
- A. Insurer
 - B. Third Party
 - C. Policyholder
 - D. Agent
- 9. What results when there is an unbroken chain of events between an occurrence and a loss?**
- A. Remote Cause
 - B. Proximate Cause
 - C. Indirect Cause
 - D. Immediate Cause
- 10. What type of insurance policy involves an agreement on a specific value of the insured item?**
- A. Basic Value Policies
 - B. Agreed Value Policies
 - C. Market Value Policies
 - D. Replacement Cost Policies

Answers

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

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Explanations

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1. What do you call an insurance company that is organized and domiciled outside the United States?

- A. Domestic
- B. Foreign
- C. Alien**
- D. International

An insurance company that is organized and domiciled outside the United States is referred to as an alien company. In the context of U.S. insurance regulations, terminology differentiates companies based on their location and organization status in relation to the state they operate in. A domestic company is one that is incorporated within the state in which it is doing business. A foreign company, on the other hand, is organized in one state but operates in another. Therefore, an alien company is specifically identified as being from outside the United States, which distinguishes it from both domestic and foreign companies based on its international status. Understanding these terms is crucial for public adjusters as they navigate various insurance claims and work with different types of insurance entities.

2. What is the term for the value determined by the replacement cost of like kind and quality at the time of loss, minus depreciation?

- A. Replacement Value
- B. Actual Cash Value**
- C. Market Value
- D. Fair Value

The correct term for the value determined by the replacement cost of like kind and quality at the time of loss, minus depreciation, is known as Actual Cash Value. This concept is crucial in understanding insurance payouts. When an insured item suffers damage or loss, Actual Cash Value represents the amount that the insurance company would pay to the policyholder, reflecting the cost required to replace the item with a similar one, while accounting for depreciation due to age, wear, and tear. This method of valuation is commonly used in property insurance claims to ensure that insured parties receive a fair compensation that mirrors the current value of their assets rather than their original purchase price. Thus, Actual Cash Value serves as a practical approach to calculating the loss in value when a covered event occurs.

3. What encompasses any substance that can irritate or contaminate?

- A. Hazardous materials
- B. Pollutants**
- C. Contaminants
- D. Waste products

The term that best describes any substance that can irritate or contaminate is hazardous materials. Hazardous materials include a wide range of substances that pose a risk to health and the environment due to their chemical, physical, or biological properties. They can be harmful if they come into contact with humans, animals, or the ecosystem. While pollutants refer specifically to substances that cause environmental harm or degradation when introduced into ecosystems, and contaminants signify something that makes a pure substance unclean or impure, they do not encompass the broader range of irritants that hazardous materials cover. Waste products generally relate to materials that are no longer wanted or needed and do not necessarily imply the capacity to contaminate or irritate; they could be benign or non-hazardous. Therefore, the term hazardous materials comprehensively includes any substance capable of causing irritation or contamination in various contexts.

4. What is the term for the willful and illegal sinking of a ship at sea or its cargo?

- A. Barratry**
- B. Maritime Malfeasance
- C. Negligent Operation
- D. Marine Liability

The term that defines the willful and illegal sinking of a ship at sea, as well as the destruction of its cargo, is termed barratry. This concept originates in maritime law and refers specifically to wrongful acts committed by the master or crew of a vessel that are contrary to the interests of the vessel's owner. Barratry involves intentional misconduct that can lead to significant financial losses, and it is viewed very seriously within the legal framework governing maritime activities. In contrast, maritime malfeasance generally refers to wrongdoing in general within maritime contexts but does not specifically capture the willfulness associated with barratry. Negligent operation pertains to actions that involve carelessness rather than intent, while marine liability is a broader term that encompasses various forms of responsibility associated with maritime activities, not specifically tied to the wrongful act of sinking a ship deliberately. Understanding these nuances highlights why barratry is the proper choice for this definition.

5. In property insurance, 'dwelling' typically refers to:

- A. Commercial buildings
- B. Residential homes**
- C. Vacant land
- D. Public structures

In property insurance, the term 'dwelling' specifically refers to residential homes. This encompasses structures where people live, such as single-family homes, duplexes, and sometimes even certain types of condos or townhouses. Dwelling coverage is a type of insurance that specifically protects the physical structure of a home from risks such as fire, theft, or certain natural disasters. Understanding the term 'dwelling' is crucial in the context of insurance because it determines the scope of coverage provided under a homeowners insurance policy. The policy is designed to cover the dwelling itself, including the walls, roof, and built-in appliances, while also potentially offering coverage for additional structures and personal belongings. Other options like commercial buildings, vacant land, and public structures do not fall under the definition of 'dwelling' in property insurance terminology, making this understanding vital for both insurance professionals and policyholders. Thus, residential homes as a definition aligns directly with how insurance coverage is structured for personal living spaces.

6. What term describes an assessment of the amount, extent, or worth of something?

- A. Estimates**
- B. Valuations**
- C. Assessments**
- D. Calculations**

The term that best describes an assessment of the amount, extent, or worth of something is "valuations." Valuations typically involve determining the monetary value of an asset, property, or business. This process can require in-depth analysis and consideration of various factors, including market conditions, historical data, and specific circumstances surrounding the item being valued. While "estimates," "assessments," and "calculations" are related terms, they do not capture the full breadth of what "valuations" entails in the context of establishing worth. Estimates can refer to rough approximations rather than definitive values, assessments can indicate evaluations but often do not imply the financial implications as directly as valuations do. Calculations, on the other hand, focus more on the mathematical aspect, which may not necessarily reflect a thorough analysis of worth. Therefore, "valuations" is the most precise term for an assessment that aims to establish the worth of something.

7. What is an unincorporated association of members in which each member insures the other members?

- A. Reciprocal insurance exchange**
- B. Mutual insurance company**
- C. Cooperative insurance**
- D. Joint stock company**

The correct choice is a reciprocal insurance exchange, which is a unique form of insurance organization where members, known as subscribers, agree to insure one another. Each member contributes to a pool of funds used to pay claims for members who suffer losses. This mutual system relies on the stability and trust among members, as each one shares the risk and benefits within the group. In a reciprocal, the management is typically handled by an attorney-in-fact, who acts on behalf of the subscribers. This collaborative approach fosters a sense of community and shared responsibility for claims. The reciprocal insurance exchange thrives on member engagement and collective risk-sharing, making it fundamentally different from other types of insurance organizations. In contrast, mutual insurance companies also involve members insuring one another, but they are structured as legal entities with a more formalized management scheme. Cooperative insurance functions similarly but tends to be more focused on offering specific types of coverage to its members. A joint stock company, on the other hand, operates based on capital investment from shareholders, with profits distributed as dividends, lacking the collective member-to-member insurance feature.

8. In insurance terms, who is the party that holds the risk in a first party claim?

- A. Insurer
- B. Third Party
- C. Policyholder**
- D. Agent

In the context of insurance, the party that holds the risk in a first-party claim is the policyholder. A first-party claim occurs when a policyholder files a claim for direct losses or damages to their own property, which is covered under their insurance policy. The policyholder is essentially the one who takes on the risk by purchasing the insurance to protect their assets. When an event covered by the insurance policy occurs, the policyholder seeks compensation from the insurer for the loss. This means they are the ones initiating the claim process based on the loss they have personally experienced. Therefore, it is accurate to state that the risk lies with the policyholder, as they are the individual whose property is at stake and who stands to benefit from or need protection provided by their insurance coverage. In contrast, the insurer refers to the company that provides the insurance policy, the third party might refer to individuals or entities involved in liability claims, and the agent is often the representative of the insurer who helps facilitate the insurance agreements. Understanding these distinctions is crucial for anyone studying public adjusting and insurance practices.

9. What results when there is an unbroken chain of events between an occurrence and a loss?

- A. Remote Cause
- B. Proximate Cause**
- C. Indirect Cause
- D. Immediate Cause

The concept of proximate cause refers to the primary and direct cause of an event that leads to a loss or damage. When there is an unbroken chain of events linking an occurrence to a specific loss, it indicates that the occurrence was the primary factor directly responsible for that loss. In insurance and adjusting contexts, establishing proximate cause is essential because it helps determine liability and how claims should be handled. In contrast, other terms like remote cause or indirect cause refer to factors that may have contributed to the loss but do not serve as the main or direct reason for it. Immediate cause, while somewhat similar, usually emphasizes the last event before the loss occurs, rather than the overall unbroken chain of events that led to the loss. Understanding proximate cause is crucial for public adjusters when assessing claims to ensure they identify the correct reasons for losses, align with policy coverage, and provide accurate settlements.

10. What type of insurance policy involves an agreement on a specific value of the insured item?

- A. Basic Value Policies
- B. Agreed Value Policies**
- C. Market Value Policies
- D. Replacement Cost Policies

The correct answer is Agreed Value Policies. This type of policy is specifically designed to establish a predetermined value for the insured item at the time the policy is issued. The agreed value serves as a basis for any claim settlement, meaning that if a loss occurs, the insurer will pay out the agreed upon amount, regardless of the market value or any depreciation. This arrangement is particularly beneficial for unique or specialized items, such as art, antiques, or collector's items, where market values can fluctuate significantly and may not reflect the intrinsic worth to the policyholder. By agreeing on a value upfront, both the insurer and insured have clarity and certainty over potential payouts, minimizing disputes during the claims process. Other types of policies differ significantly in their approach. Replacement Cost Policies focus on covering the cost to replace the item without factoring in depreciation, while Market Value Policies consider the current market value, which can be variable and is not predetermined. Basic Value Policies typically do not involve an agreement on value and instead have limited features. Each of these alternatives handles valuation in distinct ways, but Agreed Value Policies stand out for their emphasis on a mutually acknowledged value.

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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