

# Florida Adjuster Licensing 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. What additional coverage could help Lance if an underinsured driver hits his van with passengers?**
  - A. Employee as Additional Insured**
  - B. Comprehensive Coverage**
  - C. Uninsured/Underinsured Motorist Coverage**
  - D. Drive Other Cars Endorsement**
  
- 2. How are losses valued under a Commercial Crime policy?**
  - A. Money at face value; securities at loss discovery; property at replacement cost**
  - B. Money at face value; securities at settlement date; property at cost to repair/replace**
  - C. Money at face value; securities at settlement date; property at actual cash value**
  - D. Money at face value; securities at loss discovery; property at cost to repair/replace**
  
- 3. If a contractor estimates repairs for \$85,000 and the insurer estimates them at \$63,000, and they can't agree, what is the best approach for both parties wanting advisory assistance?**
  - A. Litigation**
  - B. Declaratory judgment action**
  - C. Mediation**
  - D. Arbitration**
  
- 4. Which CGL policy would cover Ryan's claim filed on January 25, 2011, if NusquamCycle is no longer in business?**
  - A. Claims-Made policy from Jan 1 2001-Jan 1 2002 with a basic extended tail**
  - B. Claims-Made policy from Jan 1 2003-Jan 1 2004 with a supplemental extended tail**
  - C. Claims-Made policy from Jan 1 2001-Jan 1 2002 with a supplemental extended tail**
  - D. Claims-Made policy from Jan 1 2003-Jan 1 2004 with a basic extended tail**

- 5. Who is typically responsible for covering costs associated with an auto accident?**
- A. The injured party**
  - B. The insurance provider of the at-fault driver**
  - C. The city where the accident occurs**
  - D. The vehicle manufacturer**
- 6. How will a claim of \$150,000 be handled under ABC Masonry's liability policy with an aggregate limit?**
- A. The insurer pays \$150,000 and the aggregate limit remains \$300,000.**
  - B. The insurer pays \$100,000; ABC Masonry covers \$50,000, and the limit reduces to \$200,000.**
  - C. The insurer pays the full \$150,000, and the limit reduces to \$200,000.**
  - D. The insurer pays \$100,000 and retains the aggregate limit of \$300,000.**
- 7. What type of authority does Jerry have when adjusting claims for ABC Insurance?**
- A. Agency authority**
  - B. Express authority**
  - C. Apparent authority**
  - D. Implied authority**
- 8. What kind of adjuster is only allowed to work on claims relating to a disaster and may be from another state?**
- A. Emergency adjuster**
  - B. Public adjuster**
  - C. Independent adjuster**
  - D. Staff adjuster**
- 9. If Sarah was found partially responsible for her injury, which defense is being employed?**
- A. Contributory negligence**
  - B. Assumption of risk**
  - C. Comparative negligence**
  - D. Third-party negligence**



**10. Will the damage to Sally's home be covered by her HO-3 policy?**

- A. Yes, it's an open-peril policy.**
- B. Yes, wildlife damages are covered under all policies.**
- C. No, because she didn't scare the bear.**
- D. No, bear entry is not a named peril.**

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## **Answers**

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

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## **Explanations**

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**1. What additional coverage could help Lance if an underinsured driver hits his van with passengers?**

- A. Employee as Additional Insured**
- B. Comprehensive Coverage**
- C. Uninsured/Underinsured Motorist Coverage**
- D. Drive Other Cars Endorsement**

Choosing uninsured/underinsured motorist coverage is essential for protecting drivers like Lance when they are involved in accidents with drivers who do not have sufficient insurance to cover the damages. This type of coverage helps ensure that if another motorist hits Lance's van and is at fault but lacks adequate insurance (underinsured), Lance can still receive monetary compensation for injuries to himself and his passengers, as well as for property damage. Uninsured/underinsured motorist coverage is specifically designed to fill in the gaps when the responsible party either has no insurance or does not carry enough to cover the total damages incurred from the accident. In many states, including Florida, this coverage is an essential component of auto insurance policies aimed at enhancing financial protection for drivers and passengers in such situations. In contrast, the other options would not provide the necessary coverage in the scenario described. Employee as additional insured would primarily apply to businesses and their employees, comprehensive coverage pertains to non-collision-related incidents (like theft or natural disasters), and the drive other cars endorsement offers coverage for driving cars not owned by the insured but does not address the specific issue of being hit by an underinsured driver.

**2. How are losses valued under a Commercial Crime policy?**

- A. Money at face value; securities at loss discovery; property at replacement cost**
- B. Money at face value; securities at settlement date; property at cost to repair/replace**
- C. Money at face value; securities at settlement date; property at actual cash value**
- D. Money at face value; securities at loss discovery; property at cost to repair/replace**

In the context of a Commercial Crime policy, the correct approach to valuing losses is essential for accurately determining the compensation an insured party would receive after a loss event. The first element, money, is valued at face value. This means that the cash component of any claim is straightforward—the insured is reimbursed for the exact amount of money that was lost. For securities, the valuation is based on the loss discovery date. This date is significant because it marks the point in time when the loss is discovered and, consequently, when the value of the securities—whether they are bonds, stocks, or other financial instruments—can be accurately assessed. This method ensures that the insured receives compensation reflective of the market value at the time the loss was identified, as the values of securities can fluctuate significantly over time. When it comes to property, using the cost to repair or replace is crucial. This means that the insured can claim the amount necessary to either fix the property to its previous condition or to acquire new property that serves the same function as the lost or damaged item. This restoration principle helps ensure that the insured is put back in the same financial position they were in prior to the loss, as opposed to receiving a lower value that might not cover the expense of

- 3. If a contractor estimates repairs for \$85,000 and the insurer estimates them at \$63,000, and they can't agree, what is the best approach for both parties wanting advisory assistance?**
- A. Litigation**
  - B. Declaratory judgment action**
  - C. Mediation**
  - D. Arbitration**

When two parties, such as a contractor and an insurer, cannot reach an agreement on the estimated cost of repairs, seeking advisory assistance through mediation is often the most constructive approach. Mediation involves a neutral third-party mediator who facilitates a discussion between the parties to help them reach a mutually acceptable resolution. This method is beneficial because it allows both sides to express their concerns and perspectives in a collaborative environment, which can lead to a quicker and less adversarial resolution compared to other methods like litigation or arbitration. Mediation also tends to be more cost-effective and time-efficient. The goal is to achieve a win-win situation, which can preserve the working relationship between the contractor and the insurer. In contrast, litigation involves a formal court process that can be lengthy and expensive, while a declaratory judgment action requires a court's intervention to determine the rights and obligations of the parties, which may not be necessary when mediation could facilitate a resolution. Arbitration, while binding, limits the ability of the parties to negotiate directly and may not allow for the same level of open communication as mediation does. Therefore, mediation stands out as the best approach for both parties seeking advisory assistance in resolving their dispute amicably.

- 4. Which CGL policy would cover Ryan's claim filed on January 25, 2011, if NusquamCycle is no longer in business?**
- A. Claims-Made policy from Jan 1 2001-Jan 1 2002 with a basic extended tail**
  - B. Claims-Made policy from Jan 1 2003-Jan 1 2004 with a supplemental extended tail**
  - C. Claims-Made policy from Jan 1 2001-Jan 1 2002 with a supplemental extended tail**
  - D. Claims-Made policy from Jan 1 2003-Jan 1 2004 with a basic extended tail**

The selection of the Claims-Made policy from January 1, 2003, to January 1, 2004, with a supplemental extended tail is correct because of how Claims-Made policies operate in relation to the timing of the claim and the policy period. Claims-Made policies are specifically designed to provide coverage for claims that are reported during the active policy period, regardless of when the incident leading to the claim occurred. In this case, Ryan's claim was filed on January 25, 2011. Therefore, it is crucial to determine whether a policy was in effect during that timeframe and if it allows for reporting claims that arise after the policy expiration date. In this scenario, the 2003-2004 Claims-Made policy provides coverage for claims reported during its timeframe, and with the supplemental extended tail, it allows for claims to be reported for a certain period after the policy has expired. This is particularly relevant for situations where the insured (NusquamCycle) is no longer in business, as it ensures that any claims that arise within the allowable reporting period can still be submitted even if the policyholder is unavailable to handle them. The basic extended tail options would not extend coverage as extensively as the supplemental extended tail, which

**5. Who is typically responsible for covering costs associated with an auto accident?**

**A. The injured party**

**B. The insurance provider of the at-fault driver**

**C. The city where the accident occurs**

**D. The vehicle manufacturer**

The correct answer reflects the standard practice in auto accident liability and insurance. Typically, the insurance provider of the at-fault driver is responsible for covering costs associated with an auto accident. This principle is rooted in liability insurance, which is designed to protect individuals from financial loss when they are deemed responsible for causing damage or injury to others. In an auto accident scenario, the at-fault driver's insurance policy will generally cover the costs incurred by the other party, which may include vehicle repairs, medical expenses, and other damages resulting from the accident. This system helps ensure that victims of accidents are compensated for their losses without having to pursue the at-fault driver directly for payment. Understanding this framework is vital for anyone involved in insurance or adjustment roles, as it clearly delineates the responsibilities and flows of financial liability in the context of automobile accidents.

**6. How will a claim of \$150,000 be handled under ABC Masonry's liability policy with an aggregate limit?**

**A. The insurer pays \$150,000 and the aggregate limit remains \$300,000.**

**B. The insurer pays \$100,000; ABC Masonry covers \$50,000, and the limit reduces to \$200,000.**

**C. The insurer pays the full \$150,000, and the limit reduces to \$200,000.**

**D. The insurer pays \$100,000 and retains the aggregate limit of \$300,000.**

In the context of liability insurance policies with an aggregate limit, the way a claim is handled can significantly impact both the insurer's payout and the remaining limits available for future claims. When a claim of \$150,000 occurs under a liability policy with a specified aggregate limit, the insurer's responsibility is influenced by the structure of the policy. If the aggregate limit is \$300,000, it means that the insurer can pay up to that total amount for all claims during the policy period. In the chosen answer, the insurer pays \$100,000, which indicates that there is a retention or deductible that ABC Masonry is responsible for, which amounts to \$50,000. Consequently, the aggregate limit is reduced from \$300,000 to \$200,000 after this claim payment. This approach illustrates a common feature in liability policies where the insured has a deductible or a coinsurance arrangement, meaning they share a portion of the claim. This scenario reinforces the principle that claims do not always get fully covered by the insurer, especially in policies structured with deductibles or retention limits. The remaining total available for claims becomes critical for the insured, as they must navigate within this reduced aggregate limit for any future claims during that policy period.

**7. What type of authority does Jerry have when adjusting claims for ABC Insurance?**

**A. Agency authority**

**B. Express authority**

**C. Apparent authority**

**D. Implied authority**

Jerry has express authority when adjusting claims for ABC Insurance. Express authority comes from explicit instructions or agreements between Jerry and ABC Insurance, typically outlined in a contract or policy that details his role and responsibilities. This type of authority is clearly defined and authorized by the principal, in this case, the insurance company. In the context of adjusting claims, express authority allows Jerry to act on behalf of ABC Insurance to make decisions regarding the evaluation and settlement of claims based on the guidelines and parameters set forth by the company. This ensures that he operates within the limits of what the company has specifically allowed him to do, providing clarity and reducing the risk of misunderstandings during the claims process. Understanding express authority is critical for adjusters as it lays the foundation for their responsibilities and the scope of their power within their role, ensuring they align their actions with the company's expectations.

**8. What kind of adjuster is only allowed to work on claims relating to a disaster and may be from another state?**

**A. Emergency adjuster**

**B. Public adjuster**

**C. Independent adjuster**

**D. Staff adjuster**

The designation of an emergency adjuster refers specifically to professionals who are permitted to handle claims resulting from declared disasters. These adjusters are often deployed from other states to assist with the overwhelming number of claims that can arise in the aftermath of a catastrophic event, such as hurricanes or floods. The primary purpose of an emergency adjuster is to provide immediate support in assessing and managing claims related to the disaster declared by state or federal authorities. The role of an emergency adjuster is crucial during such disasters as they are typically activated to expedite claims processing when local adjusters may be overwhelmed or unavailable due to the circumstances of the disaster. They follow specific guidelines and regulations that outline their authority and the scope of their work, ensuring they operate within legal frameworks established for disaster response. Thus, understanding the unique position of emergency adjusters highlights why they are specifically recognized for their function during disaster scenarios, underscoring their necessity and the regulatory structures that govern their practice.



**9. If Sarah was found partially responsible for her injury, which defense is being employed?**

- A. Contributory negligence**
- B. Assumption of risk**
- C. Comparative negligence**
- D. Third-party negligence**

The defense being employed in this scenario is comparative negligence. This legal principle allows for the allocation of fault between parties involved in an incident, where each party's degree of responsibility for the injury is assessed. In this case, since Sarah is found to be partially responsible for her injury, comparative negligence is relevant because it acknowledges that multiple parties may share liability. With comparative negligence, the court evaluates the extent to which Sarah contributed to her own injury, which can result in a reduction of damages awarded based on her percentage of fault. This means that if Sarah is deemed to be, for example, 30% at fault, her recovery from any other party would be reduced by that percentage. This differs from other defenses such as contributory negligence, which can completely bar recovery if the injured party is found to be any percentage at fault, or assumption of risk, where a party knowingly exposes themselves to danger and thus is barred from recovery. Third-party negligence refers to the fault of another party not involved in the initial incident, which does not apply in this context since the focus is on Sarah's own responsibility.

**10. Will the damage to Sally's home be covered by her HO-3 policy?**

- A. Yes, it's an open-peril policy.**
- B. Yes, wildlife damages are covered under all policies.**
- C. No, because she didn't scare the bear.**
- D. No, bear entry is not a named peril.**

The correct answer emphasizes that Sally's HO-3 policy is an open-peril policy, which is a significant feature of this type of insurance coverage. In an open-peril policy, the insurer covers losses to the property from any cause unless specifically excluded in the policy. This means that unless the policy explicitly states that damage caused by wildlife or bears is excluded, Sally's policy would cover the damage inflicted by a bear. It's important to recognize that while wildlife damage may not be universally covered under all other types of policies, the open-peril nature of the HO-3 allows for a broader scope of coverage. Therefore, in Sally's case, unless the policy has specific exclusions related to bear damage, the damage would likely be compensated under her policy. Other options might suggest misunderstandings about the nature of coverage or the specifics of policy exclusions. For example, suggesting that wildlife damages are universally covered ignores the nuances between different policy types. Similarly, implying that the action of scaring the bear affects coverage is irrelevant under the terms of an open-peril policy, and focusing on bear entry as a named peril misrepresents how open-peril policies function.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://floridaadjuster.examzify.com>**

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