

# Florida General Lines Agent Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

SAMPLE

# 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

SAMPLE

- 1. What is defined as an insurance settlement method where the insurer pays the value of the property insured up to coverage limits?**
  - A. Actual cash value ACV settlement method**
  - B. Valued or stated settlement method**
  - C. Replacement cost (RC) settlement method**
  - D. Structured settlement method**
  
- 2. What element would typically lead to a denial of coverage under the known loss rule?**
  - A. Property damage after the policy period ends**
  - B. Incidents known prior to the policy's effective date**
  - C. Accidental liability arising from negligence**
  - D. Claims made within a reasonable time frame**
  
- 3. What is the limit for theft of money under the broad form theft coverage?**
  - A. \$500**
  - B. \$1,000**
  - C. \$1,500**
  - D. \$2,500**
  
- 4. What factor does NOT affect premium rates in insurance?**
  - A. Claim history**
  - B. Age and gender**
  - C. Occupation**
  - D. Personal beliefs**
  
- 5. Flood losses are generally settled under which settlement method?**
  - A. The Replacement Cost (RC) method**
  - B. The Actual Cash Value (ACV) settlement method**
  - C. The Deferred Payment method**
  - D. The Full Replacement Cost (FRC) method**

- 6. Which symbol covers a business owner's liability created by non-owned autos?**
- A. Symbol 5**
  - B. Symbol 8**
  - C. Symbol 9**
  - D. Symbol 1**
- 7. What type of liability insurance is also known as malpractice insurance?**
- A. General liability insurance**
  - B. Pollution liability insurance**
  - C. Professional liability insurance**
  - D. Owners and contractors protective insurance**
- 8. Which of the following is NOT a requirement for a building to be covered on a replacement cost basis?**
- A. The building must be insured for at least 80% of its replacement cost**
  - B. The insured must live on the premises at least 80% of the time**
  - C. The building must be a 1 family residence**
  - D. All are requirements**
- 9. What type of compensatory damage involves pain and suffering and is often harder to quantify?**
- A. Punitive damages**
  - B. Special damages**
  - C. General damages**
  - D. Actual damages**
- 10. What is the automatic coverage limit for newly acquired business personal property at the insured location?**
- A. \$50,000 for 30 days**
  - B. \$75,000 for 30 days**
  - C. \$100,000 for a maximum of 30 days**
  - D. \$150,000 for 60 days**

## Answers

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. What is defined as an insurance settlement method where the insurer pays the value of the property insured up to coverage limits?**

- A. Actual cash value ACV settlement method**
- B. Valued or stated settlement method**
- C. Replacement cost (RC) settlement method**
- D. Structured settlement method**

The valued or stated settlement method is a type of insurance settlement that ensures the insurer pays the agreed-upon value of the property as stated in the policy at the time of a loss, up to the coverage limits. This method is particularly important for unique or hard-to-value items, where establishing an actual cash value or replacement cost can be difficult. Using this method, policyholders have certainty about the indemnity they will receive at the time of claim. When a loss occurs, the insurer will pay the amount specified in the policy without considering depreciation or current market values. This can offer great peace of mind for insured individuals by delineating clear expectations on compensation. In contrast, the actual cash value method takes into account depreciation, which might not provide the insured with adequate funds to replace their property to its original state. The replacement cost method focuses on the full cost of replacing the item with a new one of similar kind and quality, but it may involve a more complex valuation process. A structured settlement involves periodic payments rather than a lump-sum cash payment and is typically used in liability or injury claims rather than property insurance.

**2. What element would typically lead to a denial of coverage under the known loss rule?**

- A. Property damage after the policy period ends**
- B. Incidents known prior to the policy's effective date**
- C. Accidental liability arising from negligence**
- D. Claims made within a reasonable time frame**

The known loss rule is a principle in insurance that states that a policy will not cover losses that the insured was aware of before the policy went into effect. This promotes fairness in the insurance process, as it prevents individuals or businesses from taking out insurance to cover losses they already knew they would incur. When a loss or incident is known to the insured prior to the start of the policy, it becomes excluded from coverage since the insurer cannot effectively evaluate risk or set premiums for a loss that was already acknowledged. This makes option B the correct answer as it directly relates to the criteria of the known loss rule, demonstrating why claims related to pre-existing knowledge of incidents or losses are not covered by the insurance policy. In contrast, the other options present scenarios that typically would not lead to a denial of coverage under this rule. Property damage occurring after the policy period ends falls outside the policy's coverage timeframe, while accidental liability arising from negligence and claims made within a reasonable timeframe generally do not involve pre-knowledge of a loss and are likely to be covered under the appropriate policy provisions.

**3. What is the limit for theft of money under the broad form theft coverage?**

- A. \$500**
- B. \$1,000**
- C. \$1,500**
- D. \$2,500**

Broad form theft coverage generally provides a specific limit for theft-related claims, particularly when it comes to theft of money. Under this coverage, the limit for theft of money is set at \$500. This amount is significant as it distinguishes the value of money from other types of property that may be covered under a broader range of limits. For insurance agents and policyholders, understanding these specific limits is crucial when evaluating coverage needs and determining adequate protection against theft incidents. Having a clear grasp of these limits ensures that clients are informed and that agents can provide suitable recommendations tailored to each client's risk scenarios concerning theft.

**4. What factor does NOT affect premium rates in insurance?**

- A. Claim history**
- B. Age and gender**
- C. Occupation**
- D. Personal beliefs**

In the context of determining insurance premium rates, personal beliefs do not typically have any bearing on the calculations made by insurance companies. Premiums are primarily influenced by quantifiable factors that allow insurers to assess risk and predict future claims. Claim history, for instance, is crucial because it reflects the insured individual's previous behavior and their likelihood of making future claims. Age and gender are considered key demographic factors that can impact risk assessments; statistical analysis often shows that younger individuals or certain genders may have higher or lower likelihoods of making claims. Occupational risks also play a significant role, as some jobs may expose individuals to higher risks of accidents or health issues, thus leading to different premium rates. Personal beliefs, such as political views or lifestyle choices that do not correlate to measurable risk, do not fit within the parameters used to evaluate insurance risk. As insurance pricing relies on data-driven insights, factors that cannot be quantified or do not have an established correlation to claims are generally excluded from premium rate considerations.

**5. Flood losses are generally settled under which settlement method?**

- A. The Replacement Cost (RC) method**
- B. The Actual Cash Value (ACV) settlement method**
- C. The Deferred Payment method**
- D. The Full Replacement Cost (FRC) method**

Flood losses are typically settled using the Actual Cash Value (ACV) method due to the way flood insurance is structured, particularly under the National Flood Insurance Program (NFIP). The ACV method takes into account depreciation when calculating the value of damaged property. This means that the claim payout will reflect the current value of the property at the time of the loss, rather than the cost to replace the item with a new one. For example, if a homeowner suffers damage to their property from a flood, the ACV will consider the age and condition of the items that were damaged, thus providing a lower compensation than a full replacement cost method would yield. This approach helps balance the insurance risk and keeps premiums manageable for flood insurance policies. In contrast, methods like Replacement Cost do not factor in depreciation, and options like Deferred Payment or Full Replacement Cost are not standard practices for flood loss claims under typical policies. Thus, the ACV method is the most relevant and utilized in the context of flood claims, as it aligns with the principles of coverage offered by most flood insurance programs.

**6. Which symbol covers a business owner's liability created by non-owned autos?**

- A. Symbol 5**
- B. Symbol 8**
- C. Symbol 9**
- D. Symbol 1**

The correct answer is Symbol 9, which specifically covers a business owner's liability arising from the use of non-owned autos. This symbol is essential for businesses that may have employees or individuals using their personal vehicles for business purposes, protecting the business from liability incurred in accidents involving those vehicles. Symbol 9 is crucial because while a business owner may own specific vehicles, they can still be held liable for incidents involving vehicles that they do not own but are used within the scope of their business activities. By offering coverage for these types of incidents, this symbol ensures that the business is protected against unforeseen liabilities related to transportation issues that arise from non-owned vehicles. Using a symbol tailored for non-owned vehicles allows businesses to comprehensively manage risk and ensure that they are adequately covered for potential liabilities that could arise from the actions of employees or others using non-business owned vehicles under their direction or for their benefit. This coverage is vital for a thorough and effective risk management strategy in any business that involves travel or transportation related to its operations.

**7. What type of liability insurance is also known as malpractice insurance?**

- A. General liability insurance**
- B. Pollution liability insurance**
- C. Professional liability insurance**
- D. Owners and contractors protective insurance**

Professional liability insurance is specifically designed to protect individuals and businesses against claims of negligence, errors, or omissions that occur while providing professional services. This type of insurance is commonly referred to as malpractice insurance, especially in medical and legal professions. It covers legal fees and damages that may arise from claims made by clients who believe they have suffered losses due to the professional's failure to perform their duties competently. In contrast, general liability insurance typically covers claims related to bodily injury and property damage that occur on the insured's premises or as a result of their business operations, but it does not cover professional services. Pollution liability insurance addresses claims arising from pollution incidents, primarily affecting industries that deal with hazardous materials. Owners and contractors protective insurance is designed to protect the interests of property owners and general contractors from risks associated with construction projects, but it does not pertain to professional negligence. Thus, professional liability insurance is the appropriate choice since it specifically addresses malpractice risks that professionals may face in their respective fields.

**8. Which of the following is NOT a requirement for a building to be covered on a replacement cost basis?**

- A. The building must be insured for at least 80% of its replacement cost**
- B. The insured must live on the premises at least 80% of the time**
- C. The building must be a 1 family residence**
- D. All are requirements**

In determining what is necessary for a building to be covered on a replacement cost basis, it is essential to understand the fundamental criteria that typically apply. An important requirement is that the building must be insured for at least 80% of its replacement cost. This ensures that the property owner has adequate coverage to fully rebuild in the event of a total loss. Additionally, there are often conditions regarding the occupancy of the dwelling. For instance, requiring the insured to live on the premises a certain percentage of the time, such as 80%, can be necessary to establish a connection to the property and ensure it is maintained appropriately. The requirement for the building to be a one-family residence reflects the typical policies that cover single-family homes, which may differ from those insuring multi-family or commercial buildings. However, not all policies will require every single criterion mentioned above. Some may have variations in these requirements, thus making one or more of the statements not necessarily a definitive requirement for replacement cost coverage. Therefore, stating that all of them are requirements is not accurate since it could misrepresent the flexibility in insurance policies regarding replacement cost valuation.

**9. What type of compensatory damage involves pain and suffering and is often harder to quantify?**

- A. Punitive damages**
- B. Special damages**
- C. General damages**
- D. Actual damages**

The correct answer is general damages. General damages refer to compensation awarded for non-economic losses that are more subjective in nature, such as pain and suffering, emotional distress, and loss of companionship. Unlike special damages, which cover quantifiable monetary losses (like medical bills or lost wages), general damages are often difficult to assign a specific monetary value to because they relate to the individual's personal experiences and the impact on their quality of life. This type of damage acknowledges that not all losses can be measured in strictly economic terms. Jurors often rely on their own perceptions and experiences when determining an appropriate amount for general damages, which can lead to variability in awards from case to case. In contrast, punitive damages are designed to punish the wrongdoer and deter similar future conduct, while actual damages simply refer to the real, tangible losses incurred. In this way, understanding general damages is critical in various legal contexts, particularly in personal injury claims, where the emotional and psychological impact of an injury can be substantial yet hard to quantify.

**10. What is the automatic coverage limit for newly acquired business personal property at the insured location?**

- A. \$50,000 for 30 days**
- B. \$75,000 for 30 days**
- C. \$100,000 for a maximum of 30 days**
- D. \$150,000 for 60 days**

The automatic coverage limit for newly acquired business personal property at the insured location is indeed \$100,000 for a maximum period of 30 days. This coverage provision is typically found in commercial property insurance policies and serves to protect the insured against the risks associated with acquiring new assets. This limit allows business owners to maintain continuity in their operations during the transitional period after acquiring new equipment or inventory. The 30-day timeframe is significant as it provides a sufficient window for businesses to either add the new property to their existing policy or assess their needs regarding coverage limits and potential risks. Understanding this automatic coverage limit is crucial for business owners, as it ensures they have adequate protection without immediate adjustment or endorsement to their policy, thus streamlining the process of enhancing their business assets.

## 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://flgenlinesagent.examzify.com>**

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

SAMPLE