

Florida Insurance Claims Adjuster License Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Questions

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- 1. Which of the following is not one of the duties of FLDFS?**
 - A. To investigate charges of unethical conduct of adjusters**
 - B. To set rates for various company products**
 - C. To license adjusters**
 - D. To supervise the claims activity of adjusters**
- 2. What can Tom recover in a tort claim if he has \$16,000 in medical bills with a \$1,000 PIP deductible and is injured in a not at-fault auto accident with temporary injuries?**
 - A. \$6,000**
 - B. \$5,000**
 - C. \$15,000**
 - D. \$10,000**
- 3. An adjuster deals with a third party claim when the claimant is?**
 - A. A policyholder**
 - B. Not a policyholder**
 - C. A beneficiary**
 - D. An insurer**
- 4. What three types of property are covered under the Building and Personal Property coverage form?**
 - A. A. Building; Business Personal Property; Personal Property of Others**
 - B. B. Building; Your Personal Property; Detached structures**
 - C. C. Building; Personal Property; Personal Property of Others**
 - D. D. Building; Your Business Personal Property; Your Personal Property**
- 5. If an insured has \$100,000 of unstacked UM coverage with three cars on the policy, how much is available under a UM claim?**
 - A. \$0**
 - B. \$300,000**
 - C. \$100,000**
 - D. \$200,000**

- 6. What is a Contract of Indemnity?**
- A. A contract that covers all insurable interests.**
 - B. A contract ensuring premium returns.**
 - C. A principle ensuring restoration to the financial condition before the loss.**
 - D. A contract that only covers direct losses.**
- 7. The continuing education requirement to maintain an adjuster's license in Florida is:**
- A. Five hours every two years**
 - B. Twenty four hours every two years**
 - C. Ten hours every two years**
 - D. Not required for any adjuster license**
- 8. What is the limitation of a Limited Customer Representative 4-42 license?**
- A. Can transact auto insurance outside of the office**
 - B. Can write life insurance policies**
 - C. Must be licensed and transact auto insurance in the office only**
 - D. Is able to provide professional services liability coverage**
- 9. Which best describes the insured's coverage when borrowing his neighbor's trailer for transportation if he has an accident?**
- A. His PAP will extend coverage if the proper endorsement is added**
 - B. Only the liability of the PAP extends to the trailer**
 - C. His auto is insured, but not the borrowed trailer**
 - D. His PAP extends liability to the trailer and Part D-Physical Damage extends \$1,500 coverage to the borrowed trailer**
- 10. Which liability is excluded if the insured is in the business of serving alcohol?**
- A. General liability**
 - B. Liquor Liability**
 - C. Employment practices liability**
 - D. Advertising injury liability**

Answers

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

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Explanations

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1. Which of the following is not one of the duties of FLDFS?

- A. To investigate charges of unethical conduct of adjusters**
- B. To set rates for various company products**
- C. To license adjusters**
- D. To supervise the claims activity of adjusters**

FLDFS, or the Florida Department of Financial Services, is responsible for regulating and overseeing the insurance industry in Florida. This includes licensing and supervising adjusters, as well as investigating unethical conduct. Option B, setting rates for various company products, is not listed as one of their duties and would therefore be the correct answer.

2. What can Tom recover in a tort claim if he has \$16,000 in medical bills with a \$1,000 PIP deductible and is injured in a not at-fault auto accident with temporary injuries?

- A. \$6,000**
- B. \$5,000**
- C. \$15,000**
- D. \$10,000**

Possible Explanation Tom can recover \$6,000 in a tort claim if he has \$16,000 in medical bills with a \$1,000 PIP deductible and is injured in a not-at-fault auto accident with temporary injuries. This is because his PIP deductible has already been paid and he can recover the remaining \$15,000 (total medical bills minus PIP deductible) from the at-fault driver. The other options are incorrect because \$5,000 and \$10,000 are less than the total medical bills and \$15,000 would be the total amount if the PIP deductible had not been paid.

3. An adjuster deals with a third party claim when the claimant is?

- A. A policyholder**
- B. Not a policyholder**
- C. A beneficiary**
- D. An insurer**

An adjuster deals with a third party claim when the claimant is not a policyholder. This means that the person making the claim is not the one who holds the insurance policy. Option A, an insurance policyholder, would be incorrect because a policyholder is the one who holds the insurance policy. Option C, a beneficiary, would also be incorrect as a beneficiary is someone who receives benefits from a policy, but is not necessarily the one making a claim. Option D, an insurer, would also be incorrect as an insurer is the company providing the insurance, not the one making a claim. Thus, the correct answer is B, when the claimant is not a policyholder.

4. What three types of property are covered under the Building and Personal Property coverage form?

- A. A. Building; Business Personal Property; Personal Property of Others**
- B. B. Building; Your Personal Property; Detached structures**
- C. C. Building; Personal Property; Personal Property of Others**
- D. D. Building; Your Business Personal Property; Your Personal Property**

This coverage form covers buildings which consist of structures attached to the ground, Business Personal Property which is defined as the property you own, and Personal Property of Others, which includes property in your care, custody, or control that belongs to someone else. Options B, C, and D are incorrect because they each have at least one property type missing from the correct answer. Option B only includes one type of personal property, Option C only includes two types of property, and Option D does not include Personal Property of Others.

5. If an insured has \$100,000 of unstacked UM coverage with three cars on the policy, how much is available under a UM claim?

- A. \$0**
- B. \$300,000**
- C. \$100,000**
- D. \$200,000**

If an insured has \$100,000 of unstacked UM coverage with three cars on the policy, the maximum amount available for a UM claim is \$100,000. This is because unstacked UM coverage does not allow for the coverage to be combined or "stacked" across multiple vehicles on the policy. Option A, \$0, is incorrect because it assumes that there is no coverage available for a UM claim. Option B, \$300,000, is incorrect because it assumes that the coverage can be stacked for a total of \$300,000, which is not the case with unstacked UM coverage. Option D, \$200,000, is incorrect for the same reason as option B. The correct answer C, \$100,000, takes into account the policy's unstacked UM coverage limit and does not make incorrect assumptions about stacking.

6. What is a Contract of Indemnity?

- A. A contract that covers all insurable interests.**
- B. A contract ensuring premium returns.**
- C. A principle ensuring restoration to the financial condition before the loss.**
- D. A contract that only covers direct losses.**

A Contract of Indemnity is an agreement between two parties where one party agrees to compensate the other party for any loss or damages they may experience. This type of contract is designed to restore the injured party to the same financial position they were in before the loss occurred. Hence, options A and B are incorrect because a Contract of Indemnity does not cover all insurable interests and it is not solely focused on ensuring premium returns. Option D is also incorrect because a Contract of Indemnity can cover both direct and indirect losses.

7. The continuing education requirement to maintain an adjuster's license in Florida is:

- A. Five hours every two years**
- B. Twenty four hours every two years**
- C. Ten hours every two years**
- D. Not required for any adjuster license**

Continuing education is a necessary component for adjusters to maintain their license in Florida. While options A and C may seem reasonable, they do not meet the required number of hours needed for renewing an adjuster's license. Option D is incorrect, as all adjusters in Florida are required to fulfill continuing education requirements in order to maintain their license. Therefore, option B, obtaining twenty four hours of continuing education every two years, is the correct answer.

8. What is the limitation of a Limited Customer Representative 4-42 license?

- A. Can transact auto insurance outside of the office**
- B. Can write life insurance policies**
- C. Must be licensed and transact auto insurance in the office only**
- D. Is able to provide professional services liability coverage**

The Limited Customer Representative 4-42 license is restricted to transacting auto insurance only within the office. This means that the representative is not able to offer auto insurance outside of the office, making option A incorrect. Option B is also incorrect because the license does not allow writing of life insurance policies. Option D is not correct because this type of license is specific to auto insurance, not professional services liability coverage. It is important to choose the best answer based on the information provided in the question.

9. Which best describes the insured's coverage when borrowing his neighbor's trailer for transportation if he has an accident?

- A. His PAP will extend coverage if the proper endorsement is added**
- B. Only the liability of the PAP extends to the trailer**
- C. His auto is insured, but not the borrowed trailer**
- D. His PAP extends liability to the trailer and Part D-Physical Damage extends \$1,500 coverage to the borrowed trailer**

When borrowing a neighbor's trailer, the insured's personal auto policy (PAP) will cover the liability of the trailer as well as provide a maximum coverage of \$1,500 for physical damage under Part D. Options A and B are incorrect because they only mention liability coverage, and do not include coverage for physical damage. Option C is also incorrect as it states that the borrowed trailer is not insured at all, which is not the case. Therefore, option D is the best answer as it accurately describes the insured's coverage when borrowing a trailer from their neighbor.

10. Which liability is excluded if the insured is in the business of serving alcohol?

A. General liability

B. Liquor Liability

C. Employment practices liability

D. Advertising injury liability

Serving alcohol comes with a unique set of risks and potential liabilities. In this scenario, choosing option B, Liquor Liability, as the excluded liability makes the most sense. General liability covers accidents and injuries that might occur on the business's premises, employment practices liability covers claims related to employee discrimination and harassment, and advertising injury liability covers any claims related to intellectual property infringement or false advertising. However, none of these options specifically address the risks associated with serving alcohol. Therefore, it is important for businesses in the alcohol-serving industry to have a separate liquor liability insurance policy to cover this specific type of liability.