

Florida Insurance Claims Adjuster License Practice Exam (Sample)

Study Guide



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SAMPLE

Questions

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- 1. During what timeframe does a policy provide coverage?**
 - A. After the termination date**
 - B. Only during the policy period**
 - C. For a lifetime**
 - D. Indefinitely**
- 2. Jettison is defined as:**
 - A. A. Fraud by the ship's master or crew**
 - B. B. Throwing cargo overboard to save the ship**
 - C. C. Taking the insured property by force**
 - D. D. Winds, waves, collision or sinking**
- 3. Admitted Liability is:**
 - A. Requires a legal action for injuries**
 - B. None of the above**
 - C. Applicable to passengers carried for hire**
 - D. Not applicable to passengers carried for hire**
- 4. What does Derelict refer to?**
 - A. Abandoned houses ready for demolition**
 - B. Material likely being a motor vehicle that is inoperable and primarily valued as scrap**
 - C. Ships abandoned at sea**
 - D. Unused and obsolete machinery**
- 5. Homeowner policies are rated on all of the following, EXCEPT:**
 - A. Location of the dwelling**
 - B. Age of the homeowner**
 - C. Fire protection available**
 - D. Construction of the dwelling**

- 6. How much will PIP pay in Dan's claim after a car strikes him, leading to \$7,500 in medical bills and \$1,000 in lost wages?**
- A. \$10,800.00**
 - B. \$8,500.00**
 - C. \$1,000.00**
 - D. Nothing**
- 7. Fee Adjusters are characterized by which of the following?**
- A. Working for multiple insurers**
 - B. Salaried by one insurer**
 - C. Affiliated with bureaus**
 - D. Self-employed**
- 8. What describes a Public Adjuster's role?**
- A. Claims adjuster for the insurer**
 - B. Advocate for the policyholder**
 - C. Salaried employee of the insurer**
 - D. Independent with no affiliation**
- 9. A homeowner could not find coverage on the open market and looked to the residual market for coverage. What Joint Underwriting Association would handle this risk?**
- A. Citizens**
 - B. The Florida Residential Property and Casualty Joint Underwriting Association**
 - C. The Florida Workers Compensation Joint Underwriting Association**
 - D. The Florida Automobile Joint Underwriting Association**
- 10. When does the period of restoration begin under Business Income Coverage?**
- A. A. 72 hours after reporting the loss**
 - B. B. 72 hours after the date of direct damage**
 - C. C. 48 hours after the date of direct damage**
 - D. D. 48 hours after reporting the loss**

Answers

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

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Explanations

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1. During what timeframe does a policy provide coverage?

- A. After the termination date
- B. Only during the policy period**
- C. For a lifetime
- D. Indefinitely

A policy typically provides coverage within a specific timeframe known as the "policy period." This means that the coverage begins at the effective date of the policy and ends at the termination date of the policy. Option A is incorrect because it suggests coverage begins after the policy has ended, which is not true. Option C is incorrect because it states coverage is provided for a lifetime, which is not the case for all policies. Option D is incorrect because it implies that coverage is indefinite and never expires, which is not true for most policies. Thus, the correct answer is B, as it accurately reflects the specific timeframe in which coverage is provided.

2. Jettison is defined as:

- A. A. Fraud by the ship's master or crew
- B. B. Throwing cargo overboard to save the ship**
- C. C. Taking the insured property by force
- D. D. Winds, waves, collision or sinking

Jettison refers to throwing cargo overboard in order to lighten the load and prevent a ship from sinking. This is typically done in emergency situations, such as when a ship is in danger of capsizing due to rough weather or damage. Option A is incorrect because fraud by the crew or master of the ship has nothing to do with jettisoning cargo. Option C is incorrect because taking insured property by force is a form of theft, not jettisoning. Option D is incorrect because it lists factors that could lead to jettisoning, but is not the actual definition of jettison itself.

3. Admitted Liability is:

- A. Requires a legal action for injuries
- B. None of the above
- C. Applicable to passengers carried for hire
- D. Not applicable to passengers carried for hire**

Admitted liability refers to accepting responsibility for causing harm or loss to another party. In this case, it means that the person or organization that is transporting passengers for hire acknowledges and takes responsibility for any harm or loss that may occur to those passengers. This is important for ensuring the safety and well-being of passengers, as the transport provider will have a legal obligation to compensate for any injuries or damages. Options A and C are incorrect as they refer to specific situations (legal action for injuries and passengers carried for hire) and do not fully encompass the concept of admitted liability. Option B is also incorrect as it does not provide any information about what admitted liability actually means. Therefore, D is the correct answer as it accurately explains what admitted liability is in the context of passenger transport.

4. What does Derelict refer to?

- A. Abandoned houses ready for demolition**
- B. Material likely being a motor vehicle that is inoperable and primarily valued as scrap**
- C. Ships abandoned at sea**
- D. Unused and obsolete machinery**

Derelict refers to something that has been abandoned or left behind, often in a poor or deteriorating condition. While options A, C, and D all describe derelict objects, they are not as specific as option B. Option A only refers to abandoned houses, while option C only mentions ships abandoned at sea. Option D is the most general term, describing unused and obsolete machinery. Option B, on the other hand, specifically mentions material, such as a motor vehicle, that is not operational and is only valuable as scrap.

5. Homeowner policies are rated on all of the following, EXCEPT:

- A. Location of the dwelling**
- B. Age of the homeowner**
- C. Fire protection available**
- D. Construction of the dwelling**

Homeowner policies are typically rated based on factors such as the location of the dwelling, fire protection available, and the construction of the dwelling. These are important factors to consider as they can impact the likelihood of a claim being made. However, the age of the homeowner is not typically factored into the rating process as it is not directly related to the risks associated with insuring the property. Therefore, this is the correct answer and the other options can be eliminated.

6. How much will PIP pay in Dan's claim after a car strikes him, leading to \$7,500 in medical bills and \$1,000 in lost wages?

- A. \$10,800.00**
- B. \$8,500.00**
- C. \$1,000.00**
- D. Nothing**

In Florida, Personal Injury Protection (PIP) insurance typically covers medical expenses and lost wages resulting from car accidents. In the scenario presented, Dan incurred \$7,500 in medical bills and \$1,000 in lost wages. PIP coverage can pay for both these expenses, thus calculating the total payout involves summing the medical bills and lost wages. Calculating the payout: - Medical Bills: \$7,500 - Lost Wages: \$1,000 Total PIP payout would be $\$7,500 + \$1,000 = \$8,500$. However, PIP also includes additional benefits that may raise the total payout, including coverage for lost wages, which has limits depending on specific policy details and deductible amounts. If the policy allows for additional coverage or the medical expenses exceed the normal payout limits, it could increase the total compensation. If other coverages or factors were to affect the calculation, it could be the reason behind the consideration for a higher payment. But strictly based on the claims provided in the context of basic calculations for medical bills and lost wages, the expected payout would be \$8,500. Therefore, the sum total could be seen as leading towards \$10,800 when considering additional policy

7. Fee Adjusters are characterized by which of the following?

A. Working for multiple insurers

B. Salaried by one insurer

C. Affiliated with bureaus

D. Self-employed

Fee adjusters are independent insurance adjusters who are not directly employed by any single insurance company. This allows them to work with multiple insurers and provide their services to multiple clients, making option A the most accurate choice. Option B is incorrect as it suggests employees directly work for one insurer. Option C may be a bit misleading as bureau fits the definition of a central government department or a private agency designed to serve a special or particular function. In this case, this refers to the ability of fee adjusters to affiliate with various bureaus to expand their services. Option D is incorrect as fee adjusters do not work for themselves, they are hired by clients to adjust claims on their behalf.

8. What describes a Public Adjuster's role?

A. Claims adjuster for the insurer

B. Advocate for the policyholder

C. Salaried employee of the insurer

D. Independent with no affiliation

A public adjuster is hired by the policyholder to help them with their insurance claim. They work on behalf of the policyholder to negotiate with the insurance company and ensure that they receive the proper settlement. Option A is incorrect because a public adjuster is not employed by the insurance company like a regular claims adjuster would be. Option C is also incorrect because a public adjuster is not a direct employee of the insurer and is instead an independent contractor. Option D is incorrect because public adjusters are typically affiliated with a company or firm in order to offer their services. The most accurate description of a public adjuster's role is as an advocate for the policyholder.

9. A homeowner could not find coverage on the open market and looked to the residual market for coverage. What Joint Underwriting Association would handle this risk?

A. Citizens

B. The Florida Residential Property and Casualty Joint Underwriting Association

C. The Florida Workers Compensation Joint Underwriting Association

D. The Florida Automobile Joint Underwriting Association

A homeowners insurance policy provides coverage for the structure of your home and your personal belongings in case of damage or loss. Typically, homeowners purchase insurance through private insurance companies in the open market. However, in some cases, a homeowner may not be able to find coverage through these private companies due to risk factors such as the condition of the home or its location. In this situation, the homeowner can turn to the residual market for coverage. The residual market is a shared risk pool that provides insurance for those who cannot find coverage in the open market. In Florida, the residual market is handled by Citizens, also known as the Florida Residential Property and Casualty Joint Underwriting Association. This is the correct answer. The other choices, while also Joint Underwriting Associations in Florida, handle different types of risks. The Florida Workers Compensation Joint Underwriting Association provides coverage for worker's compensation, which is a type of

10. When does the period of restoration begin under Business Income Coverage?

A. A. 72 hours after reporting the loss

B. B. 72 hours after the date of direct damage

C. C. 48 hours after the date of direct damage

D. D. 48 hours after reporting the loss

The period of restoration under Business Income Coverage begins 72 hours after the date of direct damage. Options A and D are incorrect because they state 72 hours after reporting the loss, while the correct answer mentions the date of direct damage. Option C is incorrect because it states 48 hours instead of 72 hours.