

Florida Insurance Licensing Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. All of the following are EXCLUSIONS under a personal articles floater EXCEPT:**
 - A. Theft**
 - B. Deterioration of insured article**
 - C. Inherent vice - destruction contained within the object**
 - D. Losses caused by vermin or insects**
- 2. How long does an adjuster have to notify the Insurance Department of an address change in Florida?**
 - A. 10 days**
 - B. 30 days**
 - C. 60 days**
 - D. 90 days**
- 3. If Jack has an accident that is his fault and has liability insurance with 10/20/10 limits, what is the maximum potential payment from Jack's Personal Auto Policy to a guest passenger with \$42,000 in medical expenses?**
 - A. \$10,000 (80% PIP + \$2,000 Med Pay)**
 - B. \$32,000 (\$10,000 PIP; \$2,000 Med Pay; \$20,000 BI)**
 - C. NONE - Needs to have Health Insurance**
 - D. \$22,000 (PIP \$10,000; Med Pay \$2,000; BI \$10,000)**
- 4. Which of the following is NOT one of the fiduciary responsibilities of an adjuster?**
 - A. Properly account for all money handled**
 - B. Withhold pertinent information from the company to please a client**
 - C. Reveal all relevant underwriting facts to the insurance company underwriter**
 - D. Maintain loyalty to the principal**
- 5. Who is covered under Section II of the Business Auto Policy for liability?**
 - A. Named insured**
 - B. Permissive operators of autos owned, hired or borrowed**
 - C. Anyone insured is vicariously liable for**
 - D. All of the above**

- 6. What does the term "aggregate limit" refer to in insurance?**
- A. The maximum amount an insurer will pay for a single claim**
 - B. The maximum amount an insurer will pay for all claims during a policy period**
 - C. The minimum amount of coverage required by law**
 - D. The total premium that needs to be paid annually**
- 7. What is the lowest single limit automobile liability that meets the requirements of the Florida Financial Responsibility Law?**
- A. \$10,000**
 - B. \$20,000**
 - C. \$30,000**
 - D. \$40,000**
- 8. For a furniture manufacturing business, what is required to have liability coverage for serving free beer at a company picnic?**
- A. No special requirements, the CGL policy will cover**
 - B. An additional liquor liability form**
 - C. An 'extension of coverage' endorsement**
 - D. It is impossible to cover under CGL**
- 9. What is true concerning the definition of 'accident' under the CGL?**
- A. Includes continuous and repeated exposure to the same condition**
 - B. Must occur within the state where the policy is issued**
 - C. Must be a singular, time-defined occurrence**
 - D. None of the above**
- 10. What is the purpose of the insurance commissioner in Florida?**
- A. To regulate the insurance industry and protect consumers**
 - B. To oversee the stock market**
 - C. To manage state taxation policies**
 - D. To promote real estate investments**

Answers

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

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Explanations

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1. All of the following are EXCLUSIONS under a personal articles floater EXCEPT:

A. Theft

B. Deterioration of insured article

C. Inherent vice - destruction contained within the object

D. Losses caused by vermin or insects

The exclusions listed under a personal articles floater are situations in which the insurance company will not provide coverage. Option B is incorrect because it is a coverage, not an exclusion. Option C is also incorrect because it is not a specific exclusion listed under a personal articles floater. Option D is incorrect because it is a specific exclusion listed under a personal articles floater.

2. How long does an adjuster have to notify the Insurance Department of an address change in Florida?

A. 10 days

B. 30 days

C. 60 days

D. 90 days

The correct answer is 30 days. This is because according to Florida state law, insurance adjusters are required to notify the Insurance Department of an address change within 30 days of the change. Option A, 10 days, is incorrect because it does not adhere to the required timeline. Option C, 60 days, is incorrect because it is a longer time frame than what is legally required. Option D, 90 days, is also longer than the required time frame and therefore incorrect. It is important for insurance adjusters to follow this rule to ensure proper communication and compliance with the Insurance Department.

3. If Jack has an accident that is his fault and has liability insurance with 10/20/10 limits, what is the maximum potential payment from Jack's Personal Auto Policy to a guest passenger with \$42,000 in medical expenses?

A. \$10,000 (80% PIP + \$2,000 Med Pay)

B. \$32,000 (\$10,000 PIP; \$2,000 Med Pay; \$20,000 BI)

C. NONE - Needs to have Health Insurance

D. \$22,000 (PIP \$10,000; Med Pay \$2,000; BI \$10,000)

The maximum potential payment from Jack's Personal Auto Policy to a guest passenger with \$42,000 in medical expenses would be \$22,000. This is because the liability insurance with 10/20/10 limits covers bodily injury up to \$20,000 per person, and the personal injury protection (PIP) and medical payments (Med Pay) cover a total of \$12,000 (\$10,000 PIP; \$2,000 Med Pay) in medical expenses. Option A is incorrect because it only covers 80% of PIP and \$2,000 Med Pay, which is less than the total medical expenses. Option B is incorrect because it only covers \$10,000 PIP, \$2,000 Med Pay, and \$20,000 BI, which is still less than the total medical expenses. Option C is incorrect because it suggests that Jack needs to have health insurance.

4. Which of the following is NOT one of the fiduciary responsibilities of an adjuster?
- A. Properly account for all money handled
 - B. Withhold pertinent information from the company to please a client**
 - C. Reveal all relevant underwriting facts to the insurance company underwriter
 - D. Maintain loyalty to the principal

One of the fiduciary responsibilities of an adjuster is to withhold pertinent information from the company to please a client (option B). This goes against the ethical code of conduct for adjusters, as they are expected to act in the best interest of their clients and insurance companies. Options A, C, and D are all important fiduciary responsibilities that an adjuster must fulfill. Option A stresses the importance of proper accounting to maintain transparency and accountability. Option C highlights the need to share all relevant information with the insurance underwriter to ensure fair and accurate underwriting. Option D emphasizes the need for adjusters to maintain loyalty to their clients and insurance companies, rather than withholding information to please one party. Thus, option B is the incorrect choice in this scenario.

5. Who is covered under Section II of the Business Auto Policy for liability?
- A. Named insured
 - B. Permissive operators of autos owned, hired or borrowed
 - C. Anyone insured is vicariously liable for
 - D. All of the above**

Section II of the Business Auto Policy covers all three categories listed in the choices the named insured, permissive operators of autos owned, hired or borrowed, and anyone insured is vicariously liable for. This means that the named insured, any permissive operators driving the designated vehicle, and anyone who is insured under the policy are covered for liability for any accidents or damages that may occur while operating the insured vehicle. Thus, options A, B, and C are all correct and option D is the most accurate representation of all the other options combined.

6. What does the term "aggregate limit" refer to in insurance?
- A. The maximum amount an insurer will pay for a single claim
 - B. The maximum amount an insurer will pay for all claims during a policy period**
 - C. The minimum amount of coverage required by law
 - D. The total premium that needs to be paid annually

The term "aggregate limit" refers to the maximum amount an insurer will pay for all claims that arise within a specific policy period, regardless of the number or type of claims made. This limit is crucial for both insurers and policyholders as it caps the total liability of the insurer for that time frame. For instance, if a policy has an aggregate limit of \$1 million and the insured files multiple claims over the policy period, once the total amount paid out for all claims reaches \$1 million, the insurer is no longer obligated to cover additional claims until a new policy period begins or the policy is renewed. This concept helps insurers manage their risk exposure while providing a clear limit on the extent of their financial obligations to policyholders. Understanding aggregate limits is essential for anyone working in insurance, as it directly impacts risk assessment and premium calculations. It allows policyholders to make informed decisions about their coverage needs based on potential liabilities.

7. What is the lowest single limit automobile liability that meets the requirements of the Florida Financial Responsibility Law?
- A. \$10,000
 - B. \$20,000
 - C. \$30,000**
 - D. \$40,000

In Florida, the Financial Responsibility Law requires drivers to carry a minimum liability coverage of \$10,000 for personal injury and \$10,000 for property damage. This means that the minimum single limit automobile liability coverage would need to be at least \$20,000 to meet these requirements. Option A, B, and D do not meet the minimum requirement for single limit liability and therefore are incorrect. Option C, on the other hand, is the lowest amount that would provide coverage for both personal injury and property damage, making it the correct answer.

8. For a furniture manufacturing business, what is required to have liability coverage for serving free beer at a company picnic?

A. No special requirements, the CGL policy will cover

B. An additional liquor liability form

C. An 'extension of coverage' endorsement

D. It is impossible to cover under CGL

Liability coverage will typically cover any damages or injuries that occur on the business premises, including at a company picnic. Therefore, no special requirements are needed in order to have liability coverage for serving free beer at a company picnic. Options B and C may refer to additional coverage options, but they are not required for general liability coverage. Option D is incorrect, as liability coverage can indeed cover incidents related to serving alcohol at a company event. Overall, the most important factor is to ensure that the business has sufficient liability coverage in place.

9. What is true concerning the definition of 'accident' under the CGL?

A. Includes continuous and repeated exposure to the same condition

B. Must occur within the state where the policy is issued

C. Must be a singular, time-defined occurrence

D. None of the above

The correct answer is A. The definition of 'accident' under the CGL includes continuous and repeated exposure to the same condition, meaning that multiple incidents caused by the same condition may be considered as one accident. Option B is incorrect because the location where the accident occurs is not a defining factor in the CGL definition. Option C is incorrect because an accident can be ongoing or occur over a period of time, it does not have to be a singular, time-defined occurrence. Finally, option D is incorrect because option A is correct.

10. What is the purpose of the insurance commissioner in Florida?

- A. To regulate the insurance industry and protect consumers**
- B. To oversee the stock market**
- C. To manage state taxation policies**
- D. To promote real estate investments**

The purpose of the insurance commissioner in Florida is to regulate the insurance industry and protect consumers. This role involves overseeing insurance companies, ensuring they comply with state laws and regulations, and maintaining the financial health of the insurance market. The insurance commissioner is responsible for licensing insurers and agents, monitoring market practices, and taking action against companies that engage in unfair practices. Additionally, the commissioner provides consumer education regarding insurance products and assists with consumer complaints. The responsibilities of overseeing the stock market or managing state taxation policies do not fall under the purview of the insurance commissioner, as those functions are typically managed by different regulatory bodies or departments. Promoting real estate investments also does not align with the core mission of the insurance commissioner, as their focus is primarily on the insurance sector and consumer protection.

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://floridainsurancelicense.examzify.com>

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