

Florida Insurance 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. UM coverage under the PAP pays for:**
 - A. Damage to the insured's car caused by hit and run driver**
 - B. Bodily injury to the insured caused by hit and run driver**
 - C. Injury to a pedestrian caused by the insured**
 - D. None of the above**
- 2. What type of insurance does whole life insurance provide?**
 - A. Permanent coverage with a cash value component and level premiums**
 - B. Coverage that lasts only for a specified term without cash value**
 - C. An insurance policy that is limited to accidental death**
 - D. A policy that covers only funeral expenses**
- 3. All of the following activities are illegal for an adjuster, EXCEPT:**
 - A. Give advice which is of a legal nature**
 - B. Use only company forms to prepare releases**
 - C. Encourage a claimant to make a quick decision on an offer to settle**
 - D. Fail to make claimant aware of potential litigation for claimant's actions**
- 4. Which of the following is typically excluded from cancellation rights?**
 - A. Mandatory cancellation periods set by law**
 - B. Claims already filed against the policy**
 - C. Policyholder's request for policy changes**
 - D. Minors holding a policy**
- 5. All of the following are true for Medicare Supplement Insurance EXCEPT:**
 - A. Offered to people over 65 and certain disability receivers**
 - B. Covers some expenses not paid by Medicare**
 - C. Policy must contain a 180 day 'free look'**
 - D. Pre-existing conditions may not be excluded for more than 180 days**

- 6. Why is the role of actuaries essential in the insurance industry?**
- A. They set the prices for all insurance policies**
 - B. They determine the laws governing insurance**
 - C. They ensure that policies are fair and financially sustainable**
 - D. They market insurance products to consumers**
- 7. Sam was injured on the job and missed 22 days of work. How is Workers Compensation applied?**
- A. Sam will be paid for 7 days, excluding the waiting period**
 - B. Sam will be paid for 14 days, due to the waiting period**
 - C. Sam will be paid for all 22 days as the waiting period is waived**
 - D. Sam will be paid for 29 days, including the waiting period**
- 8. What form is best suited for a contractor concerned about tools being stolen from a job site?**
- A. The personal articles floater**
 - B. The installation coverage form**
 - C. The contractors equipment floater**
 - D. The business auto policy**
- 9. When an insurance licensee ends his appointment with an authorized company in Florida, how long does he have to secure another appointment?**
- A. 10 days**
 - B. 12 months**
 - C. 24 months**
 - D. 48 months**
- 10. In the insurance industry, what does "market conduct" refer to?**
- A. The financial performance of insurance companies**
 - B. The behavior of insurers regarding how they treat policyholders and prospects**
 - C. A competitive analysis of insurance rates**
 - D. The market trends affecting policy pricing**

Answers

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

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Explanations

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1. UM coverage under the PAP pays for:

- A. Damage to the insured's car caused by hit and run driver**
- B. Bodily injury to the insured caused by hit and run driver**
- C. Injury to a pedestrian caused by the insured**
- D. None of the above**

Uninsured motorist coverage under the PAP (Personal Auto Policy) pays for bodily injury to the insured if they are in an accident caused by a hit and run driver. This means that if the driver who caused the accident does not have insurance or cannot be identified, UM coverage will cover the insured's bodily injuries. Option A is incorrect because it is describing collision coverage, not UM coverage. Option C is incorrect because it is referring to liability coverage, which is meant to cover injuries or damages caused by the insured, not to the insured themselves. Option D is incorrect because UM coverage is a specific type of coverage under the PAP and does provide coverage for bodily injury caused by a hit and run driver.

2. What type of insurance does whole life insurance provide?

- A. Permanent coverage with a cash value component and level premiums**
- B. Coverage that lasts only for a specified term without cash value**
- C. An insurance policy that is limited to accidental death**
- D. A policy that covers only funeral expenses**

Whole life insurance provides permanent coverage, which means that the policy remains in effect for the insured's entire life, as long as premiums are paid. One of the key characteristics of whole life insurance is the cash value component, which accumulates over time. This cash value grows at a guaranteed rate and can be borrowed against or withdrawn by the policyholder, providing a savings element in addition to the death benefit. The level premiums feature signifies that the policyholder pays the same premium amount throughout the life of the policy, making financial planning more predictable. Because whole life insurance combines both a death benefit and cash value growth, it serves as both an insurance product and a financial asset. This dual purpose enhances its appeal, particularly for individuals looking for long-term financial security and wealth accumulation in addition to providing for their beneficiaries.

3. All of the following activities are illegal for an adjuster, EXCEPT:

- A. Give advice which is of a legal nature**
- B. Use only company forms to prepare releases**
- C. Encourage a claimant to make a quick decision on an offer to settle**
- D. Fail to make claimant aware of potential litigation for claimant's actions**

Company forms are often not sufficient in covering the complexities of individual cases, and adjusters may need to utilize additional outside resources and advice in order to provide the best guidance for their clients. Choices A, C, and D all demonstrate activities that adjusters should avoid in order to maintain ethical and legal conduct. Choice B is not necessarily illegal, but it is not the most effective or comprehensive way to handle a client's case.

4. Which of the following is typically excluded from cancellation rights?

- A. Mandatory cancellation periods set by law**
- B. Claims already filed against the policy**
- C. Policyholder's request for policy changes**
- D. Minors holding a policy**

Cancellation rights in insurance typically refer to the policyholder's ability to terminate their insurance policy under certain conditions. When addressing what can be excluded from these rights, it's important to consider what the implications of cancellation entail, especially in relation to claims and policyholder actions. The reason claims already filed against the policy are excluded from cancellation rights is that, once a claim is initiated, it indicates that a potential liability or risk is active and under consideration by the insurer. Allowing a policyholder to cancel a policy after a claim has been filed could disrupt the claims process and potentially lead to a loss of coverage for that specific incident. Insurance contracts are designed to cover incidents that occur while the policy is active, and once a claim is in motion, the insurer has a vested interest in maintaining the policy until the claim is resolved. This safeguard is meant to protect both the insurer's financial stability and the insured's right to coverage for the claim they have made. In contrast, cancellation rights are typically in place for other aspects, such as mandatory cancellation periods set by law, which establish minimum requirements for how long a policy must remain active before cancellation can occur. Policyholder requests for changes and the holding of policies by minors also reflect situations where cancellation rights apply to facilitate continued

5. All of the following are true for Medicare Supplement Insurance EXCEPT:
- A. Offered to people over 65 and certain disability receivers
 - B. Covers some expenses not paid by Medicare
 - C. Policy must contain a 180 day 'free look'**
 - D. Pre-existing conditions may not be excluded for more than 180 days

Medicare Supplement Insurance is available to people over 65 and certain disability receivers (choice A). It also covers some expenses not paid by Medicare (choice B). Pre-existing conditions may also not be excluded for more than 180 days (choice D). However, a policy may not contain a 180 day 'free look' period (choice C). This means that a person cannot cancel their policy and get a full refund within the first 180 days of purchasing it. This is a unique exception for Medicare Supplement Insurance compared to other types of insurance policies. The other options are incorrect because they are all true statements about Medicare Supplement Insurance, but choice C is the exception.

6. Why is the role of actuaries essential in the insurance industry?
- A. They set the prices for all insurance policies
 - B. They determine the laws governing insurance
 - C. They ensure that policies are fair and financially sustainable**
 - D. They market insurance products to consumers

The role of actuaries is essential in the insurance industry primarily because they ensure that policies are fair and financially sustainable. Actuaries utilize statistical data and mathematical principles to assess risk and variability in different scenarios that can affect insurance providers and their clients. This involves analyzing loss trends, calculating premiums, and determining reserves necessary to ensure that an insurer can meet future claims. By applying their expertise, actuaries help insurance companies create policies that not only provide coverage to policyholders but also maintain the financial viability of the insurer. This careful balancing act allows the industry to offer products that are both affordable for consumers and capable of enduring economic fluctuations, ultimately supporting the long-term stability of the insurance market. The other options do not accurately reflect the specific responsibilities of actuaries. While determining prices is related to actuarial work, it is just one part of a larger process that they oversee. Laws governing insurance are developed by regulatory bodies and shaped by legal experts rather than actuaries. Marketing insurance products falls under the purview of sales and marketing teams, not actuaries, whose focus is more analytical and financial in nature.

7. Sam was injured on the job and missed 22 days of work. How is Workers Compensation applied?

- A. Sam will be paid for 7 days, excluding the waiting period**
- B. Sam will be paid for 14 days, due to the waiting period**
- C. Sam will be paid for all 22 days as the waiting period is waived**
- D. Sam will be paid for 29 days, including the waiting period**

If Sam's injury is covered by Workers Compensation, it means that he will receive benefits to compensate for his lost wages during the time he was unable to work. In this scenario, the waiting period refers to the number of days that must pass before Sam can begin receiving these benefits. Since Sam was injured on the job and missed 22 days of work, he will be paid for all 22 days as the waiting period is waived. This means that Sam will receive compensation for the full duration that he was unable to work. The other options are incorrect because they either involve a shorter period of compensation or include the waiting period in the total number of days.

8. What form is best suited for a contractor concerned about tools being stolen from a job site?

- A. The personal articles floater**
- B. The installation coverage form**
- C. The contractors equipment floater**
- D. The business auto policy**

A personal articles floater typically covers valuable personal items, such as jewelry, collectibles, and fine art. This would not protect tools on a job site, as it is intended for personal property. The installation coverage form is designed for contractors who are performing work on a specific project and need coverage for the materials and equipment involved in that project. It would not provide adequate protection for tools on a job site. The business auto policy would only cover tools if they are stolen from a vehicle, but not if they are left unattended at a job site. The contractors equipment floater is the best option for a contractor concerned about tools being stolen from a job site. This form provides coverage for equipment and tools used in the course of business, including when they are at a job site. It is specifically designed for contractors and can protect against theft, damage, and loss of tools.

9. When an insurance licensee ends his appointment with an authorized company in Florida, how long does he have to secure another appointment?

- A. 10 days**
- B. 12 months**
- C. 24 months**
- D. 48 months**

When an insurance licensee ends their appointment with an authorized company in Florida, they have 48 months to secure another appointment. Option A, 10 days, is too short of a time frame to allow for proper consideration and search for another appointment. Option B, 12 months, is incorrect because it is one year, which is shorter than the allotted time of 48 months. Option C, 24 months, is also incorrect because it is two years, which is shorter than the allowed time of 48 months. Therefore, option D, 48 months, is the correct answer. This gives the licensee ample time to find a new appointment without being rushed or without being out of compliance with the state regulations.

10. In the insurance industry, what does "market conduct" refer to?

- A. The financial performance of insurance companies**
- B. The behavior of insurers regarding how they treat policyholders and prospects**
- C. A competitive analysis of insurance rates**
- D. The market trends affecting policy pricing**

Market conduct in the insurance industry primarily refers to the behavior of insurers concerning their treatment of policyholders and prospects. This includes practices related to pricing policies, underwriting, claims handling, and customer service. Regulators and industry watchdogs monitor market conduct to ensure that companies adhere to fair practices, maintain transparency, and act in the best interests of consumers. This concept is vital for maintaining trust and integrity within the insurance market. Regulators can take action against companies that exhibit poor market conduct, such as unfair practices or deceptive advertising. By focusing on how insurers interact with their customers, the industry aims to protect consumers, foster competition, and promote a healthy market environment. Understanding this definition is crucial, as it differentiates market conduct from other factors, such as financial performance, competitive pricing analysis, or market trends, which focus on broad economic factors or company statistics rather than direct interactions with consumers.

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!