

Florida Laws and Rules Pertinent to Insurance Practice Test (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

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- 1. What type of coverage do Dread Disease policies provide?**
 - A. General health coverage**
 - B. Coverage for all illnesses**
 - C. Coverage for a specific disease or illness**
 - D. Preventive health coverage**
- 2. The Bureau of Unclaimed Property in Florida is overseen by which official?**
 - A. Governor**
 - B. Chief Financial Officer**
 - C. Insurance Commissioner**
 - D. State Treasurer**
- 3. During what process does the division of rehabilitation and liquidation operate?**
 - A. Receivership process**
 - B. Claim settlement**
 - C. Policy issuance**
 - D. Underwriting evaluation**
- 4. Which of the following is true regarding the funding of the Life and Health Insurance Guaranty Association?**
 - A. Funded by government grants**
 - B. Funded by policyholders directly**
 - C. Funded by admitted insurance companies through assessments**
 - D. Funded by taxpayer dollars**
- 5. How many hours of continuing education must a newly licensed insurance agent complete every two years?**
 - A. 12**
 - B. 24**
 - C. 36**
 - D. 48**

6. Which of the following is NOT a requirement for obtaining a health insurance policy in Florida?

- A. Being at least 18 years old**
- B. Providing proof of income**
- C. Completing a medical history questionnaire**
- D. Paying the first premium upfront**

7. What is the primary reason for the regulation of the insurance industry?

- A. Enhance customer service standards**
- B. Increase competition among insurers**
- C. Maintain the solvency of insurance companies**
- D. Lower insurance premiums**

8. What type of receipt is typically given to an applicant who pays the initial premium at the time of application?

- A. Conditional receipt**
- B. Final receipt**
- C. Provisional receipt**
- D. Temporary receipt**

9. The intent of requiring a Buyer's Guide and Policy Summary is primarily to ensure what for the consumer?

- A. Faster claim processing**
- B. Informed decision-making**
- C. Lower premiums**
- D. Immediate policy coverage**

10. Which entity approves the insurance policy forms used in Florida?

- A. Department of Financial Services**
- B. Office of Insurance Regulation (OIR)**
- C. Insurance Services Division**
- D. State Insurance Board**

Answers

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

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Explanations

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1. What type of coverage do Dread Disease policies provide?

- A. General health coverage**
- B. Coverage for all illnesses**
- C. Coverage for a specific disease or illness**
- D. Preventive health coverage**

Dread Disease policies are a specific type of insurance designed to provide coverage for certain specified diseases or illnesses. These policies focus on conditions that typically involve high treatment costs or significant consequences for the insured. By offering targeted financial support, Dread Disease policies help alleviate the financial burden associated with very specific health issues, such as cancer or heart disease, rather than providing general health or preventive coverage. This specialty creates a focused safety net for individuals facing particular health challenges, allowing them to receive necessary treatment without the financial strain that could accompany a diagnosis of a serious condition. Therefore, being aware of the distinct nature of Dread Disease coverage is essential for those considering their options in health insurance.

2. The Bureau of Unclaimed Property in Florida is overseen by which official?

- A. Governor**
- B. Chief Financial Officer**
- C. Insurance Commissioner**
- D. State Treasurer**

The Bureau of Unclaimed Property in Florida is overseen by the Chief Financial Officer (CFO). The CFO's role encompasses managing state finances, which includes overseeing various financial responsibilities such as the state's unclaimed property program. This program is designed to protect the rights of property owners and ensure that unclaimed assets are properly managed and returned to their rightful owners when they come forward to claim them. The CFO's responsibilities specifically include the administration of the unclaimed property laws, ensuring proper notification of ownership rights, and maintaining the custody of unclaimed property until it is legally claimed. This oversight is crucial for maintaining transparency and accountability in how unclaimed property is handled for the citizens of Florida. The other officials listed, while having important roles in state government, do not specifically oversee the Bureau of Unclaimed Property. The Governor is primarily responsible for the overall leadership of the state, the Insurance Commissioner focuses on insurance regulation, and the State Treasurer deals with state treasury management but does not have direct oversight over the unclaimed property program.

3. During what process does the division of rehabilitation and liquidation operate?

- A. Receivership process**
- B. Claim settlement**
- C. Policy issuance**
- D. Underwriting evaluation**

The division of rehabilitation and liquidation operates during the receivership process. In this context, "receivership" refers to a legal status where a court appoints a receiver to manage the affairs of an insurance company that is insolvent or financially troubled. This process allows for the orderly management and potential rehabilitation of the organization, or, if necessary, the liquidation of its assets to pay claims and obligations. The primary objective during receivership is to protect policyholders and creditors while ensuring compliance with state laws governing insurance companies. In this situation, the division is responsible for overseeing the entire process, making decisions regarding the management of the company's remaining assets, handling claims, and ensuring that the process follows legal protocols to maximize recoveries for policyholders. Understanding the role of receivership is essential for anyone engaged in insurance practices, as it directly impacts the outcomes for affected policyholders and provides an insight into the regulatory environment governing distressed insurance entities.

4. Which of the following is true regarding the funding of the Life and Health Insurance Guaranty Association?

- A. Funded by government grants**
- B. Funded by policyholders directly**
- C. Funded by admitted insurance companies through assessments**
- D. Funded by taxpayer dollars**

The Life and Health Insurance Guaranty Association (LHGAA) is designed to protect policyholders by providing a safety net in the event that an insurance company becomes insolvent and is unable to meet its obligations to policyholders. The funding for the LHGAA comes from assessments levied on admitted insurance companies. These assessments are typically based on the premiums collected by the insurance companies, and they are required by state law. This funding mechanism ensures that the costs are borne by the insurance companies operating in the state rather than by taxpayers or policyholders directly. The collected funds are then used to pay claims made by policyholders when an insurer fails, thereby maintaining confidence in the insurance market and providing a protective measure for consumers. The other options do not accurately describe how the LHGAA is funded. Specifically, it is not funded by government grants, taxpayer dollars, or directly by policyholders. This structure of funding through assessments on the insurance companies helps to create a shared responsibility among those who participate in the insurance market.

5. How many hours of continuing education must a newly licensed insurance agent complete every two years?

- A. 12**
- B. 24**
- C. 36**
- D. 48**

The requirement for newly licensed insurance agents in Florida is to complete 24 hours of continuing education every two years. This requirement is designed to ensure that agents remain informed about the latest developments in the field, changes in regulations, and updates on best practices. Continuing education is vital in an industry that is subject to frequent changes due to new laws, evolving technologies, and shifting market conditions. Thus, these 24 hours are critical for maintaining licensure and ensuring agents are equipped to serve their clients effectively. This structured requirement emphasizes the importance of professionalism and competence in the insurance field, reflecting the state's commitment to consumer protection and industry standards.

6. Which of the following is NOT a requirement for obtaining a health insurance policy in Florida?

- A. Being at least 18 years old**
- B. Providing proof of income**
- C. Completing a medical history questionnaire**
- D. Paying the first premium upfront**

In Florida, when obtaining a health insurance policy, it is not a requirement to provide proof of income. While insurers may consider an applicant's financial situation during underwriting or when determining eligibility for certain plans, there is no state law mandating that proof of income must be submitted to secure a health insurance policy. On the other hand, individuals must be at least 18 years old to enter into a contract, which is essential when signing an insurance policy. Completing a medical history questionnaire is a common practice to assess the risk and customize the policy according to the individual's health needs. Additionally, paying the first premium upfront is typically a requirement as it activates the coverage, making the policy enforceable. Thus, while an applicant may need to navigate questions about their income for some types of assistance programs or specific plans, providing proof of income is distinct from the foundational requirements needed to actually obtain the policy itself.

7. What is the primary reason for the regulation of the insurance industry?

- A. Enhance customer service standards**
- B. Increase competition among insurers**
- C. Maintain the solvency of insurance companies**
- D. Lower insurance premiums**

The primary reason for the regulation of the insurance industry is to maintain the solvency of insurance companies. Solvency ensures that insurers have the necessary financial resources to meet their policyholder's claims and obligations. It is crucial that these companies remain financially stable because they are entrusted with large sums of money through premiums collected from policyholders. Without regulation, there could be a significant risk of insurance companies becoming insolvent, which would ultimately harm policyholders who depend on their coverage during times of need. Regulatory measures involve requiring insurers to maintain certain levels of reserves and surplus, undergo regular financial examinations, and adhere to strict accounting principles. These actions help safeguard the interests of consumers, ensure that claims can be paid when due, and promote trust in the insurance system. While enhancing customer service standards, increasing competition, and lowering premiums may be important aspects of the insurance market, they are not the primary reasons for regulation. These objectives can arise from a healthy, solvent insurance market but do not address the critical concern of ensuring that insurance companies remain capable of fulfilling their financial obligations to policyholders.

8. What type of receipt is typically given to an applicant who pays the initial premium at the time of application?

- A. Conditional receipt**
- B. Final receipt**
- C. Provisional receipt**
- D. Temporary receipt**

The correct answer is that a conditional receipt is typically given to an applicant who pays the initial premium at the time of application. This type of receipt indicates that the coverage is conditional upon certain criteria, which are usually outlined within the receipt itself. Specifically, the coverage becomes effective only if the applicant meets specific underwriting requirements set by the insurer, and the application is eventually approved. In many instances, the conditional receipt serves an important function by providing immediate evidence of insurance coverage after the payment is made, even though the policy has not been finalized. This is particularly valuable to applicants because it offers some level of peace of mind that they are protected during the underwriting process, pending the insurer's decision. Other types of receipts serve different purposes. A final receipt is typically given once the policy is issued, confirming the policyholder's acceptance of the terms and providing evidence of enacted coverage, but it does not directly relate to the initial payment scenario. A provisional receipt is less common and often signifies that the insurer is willing to consider the application but does not necessarily provide the immediate coverage that a conditional receipt does. A temporary receipt usually indicates interim coverage but lacks the same specificity regarding the conditional status attached to the underwriting process that a conditional receipt implies.

9. The intent of requiring a Buyer's Guide and Policy Summary is primarily to ensure what for the consumer?

- A. Faster claim processing**
- B. Informed decision-making**
- C. Lower premiums**
- D. Immediate policy coverage**

The primary intent of requiring a Buyer's Guide and Policy Summary is to facilitate informed decision-making for the consumer. These documents are designed to provide essential information about the insurance products available, allowing consumers to understand their options, features, limitations, and costs associated with different policies. By presenting this information clearly and succinctly, consumers can compare different policies, make informed choices that suit their needs, and ultimately select the insurance coverage that best aligns with their financial situation and personal requirements. This focus on informed decision-making is critical because it empowers consumers to take control of their purchasing process and helps prevent misunderstandings or miscommunications about the insurance product they intend to buy. Having a clear understanding of what they are purchasing allows them to avoid common pitfalls and make better decisions that serve their best interests over the long term. The other options, while potentially related to consumer goals, do not align as closely with the direct purpose of the Buyer's Guide and Policy Summary. Faster claim processing, lower premiums, and immediate policy coverage are outcomes that may result from good decision-making or favorable insurance conditions but are not the primary focus of these educational resources.

10. Which entity approves the insurance policy forms used in Florida?

- A. Department of Financial Services**
- B. Office of Insurance Regulation (OIR)**
- C. Insurance Services Division**
- D. State Insurance Board**

The Office of Insurance Regulation (OIR) is the entity responsible for approving insurance policy forms used in Florida. This role is crucial as the OIR ensures that the policies comply with state laws and regulations, providing oversight to protect consumers and maintain a stable insurance market. The OIR reviews various types of insurance documents, including forms, rates, and any other materials related to insurance offerings, making sure they are fair, adequate, and not discriminatory. This function of the OIR is significant in maintaining the quality and transparency of insurance practices within the state. By approving these forms, the OIR helps ensure that consumers receive policies that are properly structured and contain the necessary disclosures or protections required by Florida laws. Other entities mentioned do not have the same regulatory power over the approval of insurance policy forms; therefore, they do not fulfill this crucial role within Florida's insurance regulatory framework.

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://fllawsrulespertinenttoinsurance.examzify.com>

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

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