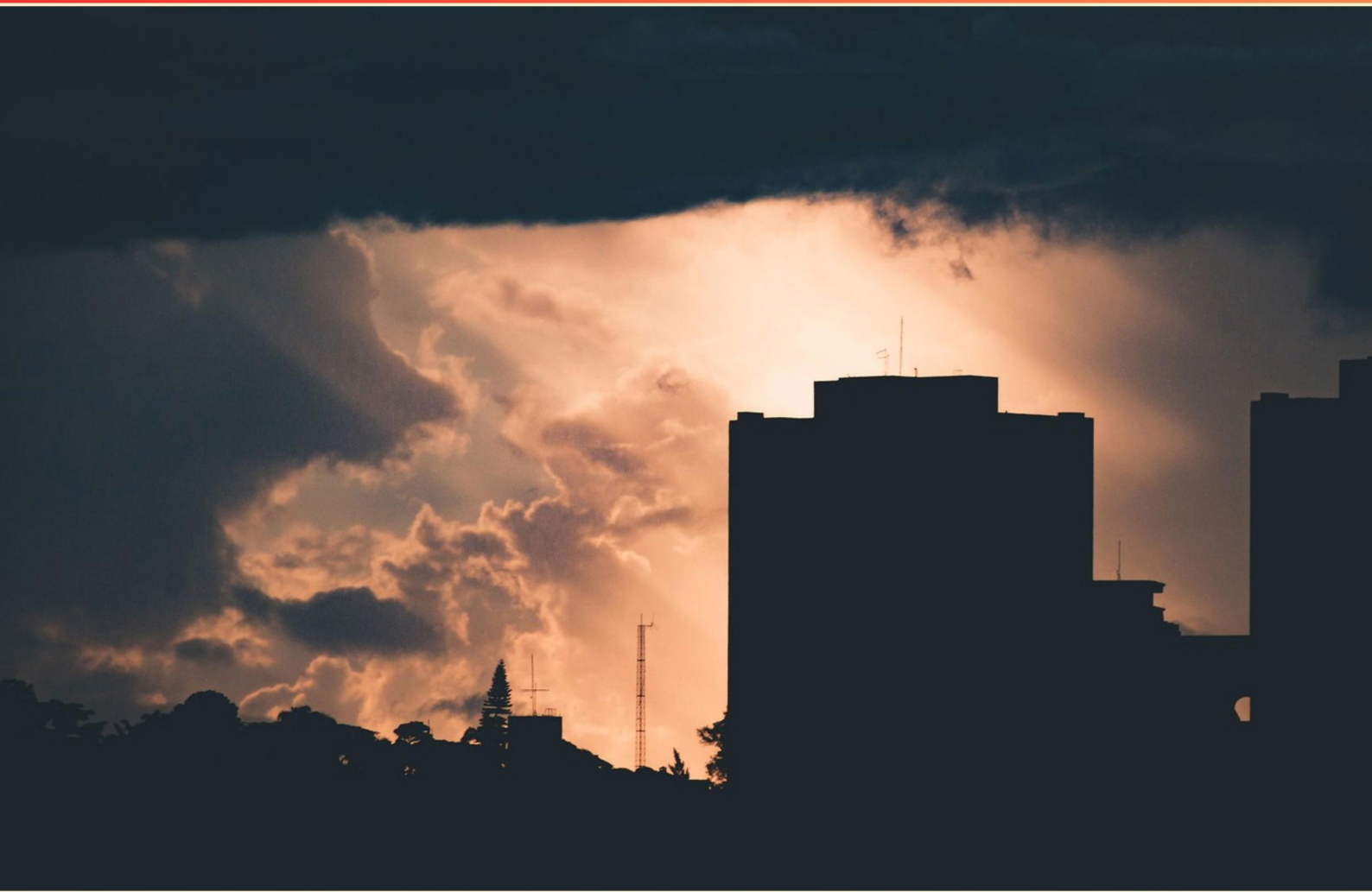


FLORIDA PERSON LINES PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://floridapersonlines.examzify.com>



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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. All of the following are true regarding physical damage coverage EXCEPT?**
 - A. Losses to nonowned autos will be covered the same as the broadest coverage available for any covered auto, except nonowned trailers are limited to \$1,500.
 - B. The policy will pay up to \$20 per day up to a maximum of \$600 for rental transportation.
 - C. The insurer will pay for direct and accidental loss to a covered auto minus any applicable deductible.
 - D. The limit of liability is the greater of the actual cash value of the vehicle at the time of loss or the amount necessary to repair or replace the vehicle.

- 2. What are the three primary coverages included in a standard Homeowners Insurance policy (HO3)?**
 - A. Medical payments, theft, and fire damage
 - B. Dwelling, personal property, and liability coverage
 - C. Environmental damage, wear and tear, and personal injury
 - D. Personal property, equipment breakdown, and replacement cost

- 3. Which action is considered an unfair claims settlement practice?**
 - A. Failing to acknowledge a claim within 30 days
 - B. Offering a quick settlement of a claim
 - C. Suggesting negotiations in settling the claim
 - D. Denying a claim within 10 days of proof of loss receipt

- 4. What is the consequence of a licensee failing to maintain an appointment with an insurance company within 48 months?**
 - A. A monetary fine by the Department of Insurance
 - B. A penalty of up to 6 months in jail
 - C. Expiration of the license
 - D. A monetary fine by the insurance company

- 5. Which of the following is NOT a component of the insurance offer made by the applicant?**
 - A. Application form
 - B. Premium amount
 - C. Coverage limits
 - D. Underwriting decisions

- 6. What is a "premium" in the context of insurance?**
- A. A penalty for late payment
 - B. The amount paid for an insurance policy, typically on a monthly or annual basis
 - C. The total claims paid by the insurer
 - D. The profit margin for the insurance company
- 7. What is the primary role of an insurance adjuster?**
- A. To sell insurance policies to potential clients
 - B. To investigate claims and determine the amount of money the insurer should pay
 - C. To manage investment portfolios for the insurance company
 - D. To provide legal advice regarding insurance disputes
- 8. Under what circumstances can Al recover \$10,000 from PIP in the given scenario?**
- A. If Jim has a higher liability limit
 - B. If Al's total damages exceed \$100,000
 - C. If Al has Uninsured Motorist coverage
 - D. If Al is injured in the accident
- 9. Which of the following situations does NOT typically involve liability coverage from a homeowner's policy?**
- A. Injury to a guest on the property
 - B. Accidental damage caused by a family member
 - C. Damage to a vehicle parked on the street
 - D. Injury caused by a pet
- 10. Which of the following is NOT a responsibility of the Office of Insurance Regulation?**
- A. Instituting legal proceedings
 - B. Enacting new insurance laws
 - C. Enforcing the Insurance Code
 - D. Issuing certificates of authority

Answers

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

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Explanations

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1. All of the following are true regarding physical damage coverage EXCEPT?

- A. Losses to nonowned autos will be covered the same as the broadest coverage available for any covered auto, except nonowned trailers are limited to \$1,500.
- B. The policy will pay up to \$20 per day up to a maximum of \$600 for rental transportation.
- C. The insurer will pay for direct and accidental loss to a covered auto minus any applicable deductible.
- D. The limit of liability is the greater of the actual cash value of the vehicle at the time of loss or the amount necessary to repair or replace the vehicle.**

The statement regarding the limit of liability is incorrect because the standard for physical damage coverage does not set the limit of liability as the greater of the actual cash value or the amount necessary to repair or replace the vehicle. Instead, the liability is typically determined by the actual cash value at the time of the loss minus any deductible, meaning that if a vehicle is damaged, the payout will reflect its current market value rather than the potential costs for repairing or replacing it. This distinction is critical in understanding how insurance payouts work. Actual cash value takes into account depreciation, while repair or replacement costs may not consider this depreciation and can often result in a higher figure. Therefore, the insurer does not guarantee to pay the higher amount of repair or replacement cost; rather, they will settle based on the actual cash value, which limits the insured's ability to expect full reimbursement for all costs related to repairs or replacements. The other statements are consistent with standard policies for physical damage coverage, providing accurate information on how nonowned autos are covered, the rental reimbursement maximums, and the deduction of any applicable deductibles from the amount payable for a loss.

2. What are the three primary coverages included in a standard Homeowners Insurance policy (HO3)?

- A. Medical payments, theft, and fire damage
- B. Dwelling, personal property, and liability coverage**
- C. Environmental damage, wear and tear, and personal injury
- D. Personal property, equipment breakdown, and replacement cost

A standard Homeowners Insurance policy, specifically the HO3 form, provides essential protection through three primary coverages: dwelling, personal property, and liability coverage. Dwelling coverage protects the physical structure of the home itself, including the walls, roof, and any attached structures, from risks such as fire, windstorms, and vandalism. This ensures that if damage occurs to the home, the insured can repair or rebuild it. Personal property coverage safeguards the belongings inside the home, such as furniture, electronics, and clothing, against theft, damage, or destruction. This coverage helps policyholders recover financially if their personal items are compromised. Liability coverage is crucial as it shields the homeowner from legal responsibility if someone is injured on their property or if they unintentionally cause damage to someone else's property. This component covers legal fees and potential settlements up to the policy limits, offering peace of mind against unforeseen accidents. While the other options mention important aspects or types of coverage, they do not encompass the core elements found in the standard HO3 policy. For instance, medical payments cover minor injuries without needing to establish fault, but they are not one of the three primary coverages. Environmental damage and equipment breakdown are not standard coverages included in the HO3 policy.

3. Which action is considered an unfair claims settlement practice?

- A. Failing to acknowledge a claim within 30 days
- B. Offering a quick settlement of a claim
- C. Suggesting negotiations in settling the claim
- D. Denying a claim within 10 days of proof of loss receipt

Failing to acknowledge a claim within 30 days is indeed considered an unfair claims settlement practice because it disregards the duty of an insurance company to communicate with the policyholder in a timely manner. This practice is detrimental to the claimant, as it prolongs the process of settling the claim and can lead to unnecessary stress and confusion for the insured. The expectation of timely communication is fundamental to maintaining trust and transparency in the insurer-insured relationship. In the context of insurance, prompt acknowledgment is essential for moving forward with the claims process. When an insurer does not acknowledge a claim within the stipulated timeframe, it can be seen as an attempt to delay or obfuscate the settlement process, potentially leaving policyholders without the necessary support during a vulnerable time. Therefore, insurance laws usually impose strict timelines for acknowledging claims to protect consumers from such unfair practices. The other options do not fall under unfair claims settlement practices. Offering a quick settlement can be advantageous to the insured if it provides a fair resolution and convenience. Suggesting negotiations is a standard practice in the claims process, allowing both parties to reach a mutually agreeable settlement. Denying a claim within 10 days of receipt of proof of loss may not necessarily be unfair, especially if the denial is based on legitimate grounds

4. What is the consequence of a licensee failing to maintain an appointment with an insurance company within 48 months?

- A. A monetary fine by the Department of Insurance
- B. A penalty of up to 6 months in jail
- C. Expiration of the license
- D. A monetary fine by the insurance company

The consequence of a licensee failing to maintain an appointment with an insurance company within a 48-month period is the expiration of the license. This means that the individual will no longer be authorized to engage in insurance transactions for that specific company, making their ability to operate as an insurance agent or broker effectively null with respect to that carrier. Licenses are granted with an expectation that the licensee will remain actively engaged with an appointed insurer. If this relationship is not maintained, it signals a lack of engagement or commitment to the insurance practice area, which the regulatory body views as a breach of professional conduct or standards. The expiration ensures that all licensed individuals are effectively connected to the insurance companies they represent, maintaining a higher standard of accountability and reliability in the insurance marketplace. In this context, it is crucial for licensees to consistently engage with the companies and renew their appointments in order to retain their operational licenses, ensuring they can continue serving clients and meeting regulatory requirements.

5. Which of the following is NOT a component of the insurance offer made by the applicant?

- A. Application form
- B. Premium amount
- C. Coverage limits
- D. Underwriting decisions**

The correct choice highlights that underwriting decisions are not part of the insurance offer made by the applicant. When applying for insurance, an applicant primarily submits an application form alongside specifying certain terms, such as the premium amount they are willing to pay and the coverage limits they are seeking. The application form provides essential information about the applicant's needs and circumstances. The premium amount is the cost of the insurance, which the applicant provides as part of their offer. Coverage limits define the scope and extent of protection the applicant desires under the policy. Underwriting, on the other hand, is an assessment process conducted by the insurer after the application is received. This process determines the risk associated with the applicant and helps the insurer decide whether to accept or reject the offer, as well as what terms to impose. Since underwriting decisions happen after the initial offer has been made by the applicant, they are not part of that initial offer.

6. What is a "premium" in the context of insurance?

- A. A penalty for late payment
- B. The amount paid for an insurance policy, typically on a monthly or annual basis**
- C. The total claims paid by the insurer
- D. The profit margin for the insurance company

In the context of insurance, a "premium" refers to the amount that an individual or entity pays to an insurance company in exchange for coverage. This payment can be made monthly, quarterly, or annually, depending on the terms of the insurance policy. The premium is a critical aspect of the insurance transaction as it reflects the cost of the policy being provided. Understanding premiums is essential as they are the primary source of revenue for insurance companies, allowing them to cover potential claims and operating expenses. The calculation of premiums typically involves various factors, including the type of coverage, the risk level associated with the insured, and the company's underwriting standards. Overall, the premium is what secures the insured individual access to financial protection against specific risks outlined in their policy.

7. What is the primary role of an insurance adjuster?

- A. To sell insurance policies to potential clients
- B. To investigate claims and determine the amount of money the insurer should pay**
- C. To manage investment portfolios for the insurance company
- D. To provide legal advice regarding insurance disputes

The primary role of an insurance adjuster is to investigate claims and determine the amount of money the insurer should pay. This involves evaluating the details of the claim submitted by the policyholder, gathering relevant information such as statements from witnesses, inspecting damaged property, and reviewing police reports or medical records if applicable. The adjuster assesses the extent of the insurer's liability based on the policy terms and conditions, ensuring that claims are handled fairly and in accordance with the insurance contract. This process is critical as it directly impacts the insurer's financial responsibility and the policyholder's compensation. The adjuster serves as a mediator between the insurance company and the claimant, aiming to resolve claims efficiently and accurately.

8. Under what circumstances can Al recover \$10,000 from PIP in the given scenario?

- A. If Jim has a higher liability limit
- B. If Al's total damages exceed \$100,000
- C. If Al has Uninsured Motorist coverage
- D. If Al is injured in the accident**

In the context of Florida's Personal Injury Protection (PIP) laws, the eligibility to recover benefits is primarily tied to the occurrence of an injury resulting from a motor vehicle accident. PIP is designed to cover medical expenses, lost wages, and other related costs stemming from injuries sustained in an auto accident, regardless of who is at fault. In this scenario, the key factor for Al's ability to recover \$10,000 from PIP hinges on whether he sustained an injury in the accident. If Al is injured in the accident, he will be able to file a claim under his PIP coverage, which provides up to \$10,000 for medical expenses and other specified benefits. This aligns with Florida's no-fault insurance laws, which prioritize prompt medical treatment for all involved parties without needing to establish fault. Hence, the correct answer emphasizes the requirement for Al to have sustained an injury for PIP coverage to be applicable. The other considerations, such as Jim's liability limit, the amount of Al's total damages exceeding \$100,000, or whether Al has Uninsured Motorist coverage, do not directly affect the fundamental eligibility to recover PIP benefits in Florida.

9. Which of the following situations does NOT typically involve liability coverage from a homeowner's policy?

- A. Injury to a guest on the property
- B. Accidental damage caused by a family member
- C. Damage to a vehicle parked on the street**
- D. Injury caused by a pet

Liability coverage from a homeowner's policy is designed to protect the homeowner against claims for bodily injury or property damage that occur as a result of their activities on the property. In situations such as an injury to a guest on the property, accidental damage caused by a family member, or injury caused by a pet, the homeowner's policy would typically provide coverage because these incidents are connected to the homeowner's responsibility for maintaining safety and control over their property and household members, as well as animals. In contrast, damage to a vehicle parked on the street is not typically covered under a homeowner's liability policy. The liability coverage is intended for incidents that take place within the confines of the homeowner's property or involve the homeowner's direct actions. Damage to a vehicle, especially when it is outside the homeowner's property, usually falls under auto insurance rather than homeowner's insurance. Hence, this scenario does not align with the standard coverage provided by a homeowner's policy.

10. Which of the following is NOT a responsibility of the Office of Insurance Regulation?

- A. Instituting legal proceedings
- B. Enacting new insurance laws**
- C. Enforcing the Insurance Code
- D. Issuing certificates of authority

The role of the Office of Insurance Regulation is primarily to oversee and ensure compliance within the insurance industry in Florida. One of its main functions is to enforce the existing Insurance Code, which involves monitoring companies to ensure they operate within the law and protect consumers. Issuing certificates of authority is another key responsibility. It requires that insurance companies demonstrate their financial stability and compliance with regulatory requirements before they can legally operate in Florida. While instituting legal proceedings is also part of its responsibilities – as it can take action against companies that violate regulations – the enactment of new insurance laws falls outside the Office of Insurance Regulation's duties. Creating legislation is typically the role of the state legislature. The Office of Insurance Regulation focuses on enforcing existing laws rather than making new ones, which is why the option referencing the enactment of new insurance laws is not a responsibility of this office.

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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://floridapersonlines.examzify.com>

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

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