FLORIDA 2-20 INSURANCE AGENT LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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.

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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!

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Questions

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1. Who is generally NOT eligible for a homeowners policy?

A. Owner-occupants of a 1-6 family dwelling

B. Tenants in a rented apartment

C. Owner of a mobile home

D. Condo owners

2. In Joe's Ocean Marine Policy, what clause would cover damage to another boat if Joe collides with it?

A. Running Down Clause

B. Cargo Coverage Clause

C. Liability Coverage Clause

D. Collision Coverage Clause

3. What is true of the Broad Causes of Loss form?

A. Losses are covered on a "named peril" basis

B. Losses are covered on an open peril basis

C. Provides coverage for all risks

D. Covers only specific types of property

4. What type of liability is demonstrated when a handrail breaks and causes injury in a restaurant?

A. Professional liability

B. Premises and operations liability

C. Product liability

D. Advertising injury

5. Which of the following Special Limits cannot be increased?

A. Firearms from $2,500 to $10,000

B. Laptops from $1,500 to $2,500

C. Silverware from $2,500 to $5,000

D. Jewelry from $1,500 to $5,000

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6. Under the Florida Comprehensive Hurricane Damage Mitigation Program, which factor is NOT considered?

A. Roof design

B. Building materials

C. Previous damage history

D. Geographic location

7. What is the status of property confiscated or seized by order of a governmental authority under HO-3—Special Form?

A. Covered with limitations

B. Partially excluded under certain conditions

C. Excluded from coverage

D. Covered under liability provision

8. What is the coverage limit for nonowned trailers under Part D-Damage to Your Auto?

A. No coverage for nonowned trailers

B. Standard limit of $1,000

C. Coverage limited to liability only

D. Maximum of $3,000 in total damages

9. How many parties are typically involved in a surety contract?

A. Two

B. Three

C. Four

D. One

10. How does Part D-Damage to Your Auto apply to a nonowned vehicle?

A. Provides full coverage at market value

B. Covers only liability for damages incurred

C. Covers the broadest applicable coverage on an excess basis

D. Offers limited collision and comprehensive coverage

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Answers

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

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Explanations

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1. Who is generally NOT eligible for a homeowners policy?

A. Owner-occupants of a 1-6 family dwelling

B. Tenants in a rented apartment

C. Owner of a mobile home

D. Condo owners

Homeowners policies are designed primarily for owner-occupants of residential properties. The general intent of these policies is to provide insurance coverage for homeowners who live in the dwelling they own, thus protecting both the property structure and the personal belongings inside it. The owner of a mobile home is generally not eligible for a traditional homeowners policy because mobile homes are often insured under separate types of policies tailored specifically for them. This reflects the unique nature of mobile homes, which may have different exposures and risks compared to traditional single-family homes. In contrast, the other groups mentioned—owner-occupants of single-family dwellings, tenants in rented apartments, and condo owners—have specific policies available to them. For instance, owner-occupants can obtain a standard homeowners policy that covers their dwelling and contents, tenants can secure renters insurance to cover their personal belongings, and condo owners can typically purchase condo insurance that addresses the unique characteristics of condominium ownership, including shared spaces and property. Understanding the specific insurance needs of various types of occupants and property types is crucial for agents to offer the appropriate coverage solutions.

2. In Joe's Ocean Marine Policy, what clause would cover damage to another boat if Joe collides with it?

A. Running Down Clause

B. Cargo Coverage Clause

C. Liability Coverage Clause

D. Collision Coverage Clause

The Running Down Clause is specifically designed to cover damages incurred when a vessel collides with another vessel, which aligns with the scenario involving Joe's Ocean Marine Policy. This clause provides liability coverage for damages that the insured party is legally obligated to pay due to such collisions. It addresses the responsibilities of the insured for damages caused to third-party vessels, ensuring financial protection against claims resulting from an accident. In contrast, the Cargo Coverage Clause focuses on protecting the goods and cargo on board the insured vessel, rather than addressing liability for damages to other boats. Liability Coverage Clause, while it may seem relevant, typically covers legal responsibilities arising from bodily injury or property damage caused by the insured's operations or use of the vessel. The Collision Coverage Clause would provide coverage for damages to the insured's own boat in the event of a collision, not damages to another boat. Thus, the Running Down Clause is the most appropriate choice for covering Joe's liability in the event of a collision with another boat.

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3. What is true of the Broad Causes of Loss form?

A. Losses are covered on a "named peril" basis

B. Losses are covered on an open peril basis

C. Provides coverage for all risks

D. Covers only specific types of property

The Broad Causes of Loss form provides coverage for losses that are specifically identified in the policy, which means it operates on a "named peril" basis. This means that only the perils explicitly mentioned in the policy are covered. The Broad form typically includes coverage for a wider array of risks compared to basic policies, often including perils such as fire, explosion, theft, and specific weather-related events. In contrast to an open peril basis, which would cover all risks except those that are explicitly excluded, the "named peril" basis is much more restrictive as it limits coverage to only those specifically listed causes of loss. This distinction is crucial for understanding the level of protection provided by such insurance forms. Choice B, which mentions losses covered on an open peril basis, does not accurately describe the Broad Causes of Loss, while option C claiming coverage for all risks inaccurately represents the actual limitations inherent in this form. Choice D is also incorrect since the coverage is not limited to specific types of property, but rather applies to losses resulting from specified perils regardless of the type of property, as long as it is covered under the terms of the policy.

4. What type of liability is demonstrated when a handrail breaks and causes injury in a restaurant?

A. Professional liability

B. Premises and operations liability

C. Product liability

D. Advertising injury

The situation describes a liability scenario involving an injury caused by a broken handrail in a restaurant, which is indicative of premises and operations liability. This type of liability arises from accidents or injuries that occur on a property owned or maintained by a business due to unsafe conditions. In this case, the restaurant is responsible for the safety of its premises, which includes ensuring that handrails and other fixtures are well-maintained to prevent accidents. Premises and operations liability encompasses various risks associated with physical locations and the activities conducted there, making it highly relevant in situations involving patrons on a business's property. If a patron is injured because of a broken handrail, it demonstrates a failure to maintain safe conditions, which is the crux of premises liability claims. The other types of liability do not fit this scenario; for instance, professional liability pertains to errors or omissions in professional services rendered by individuals in fields such as healthcare or legal professions. Product liability involves injuries caused by defective products, and advertising injury relates to damages stemming from misleading advertisements or other harms related to marketing activities. Thus, the correct assessment of the liability in this scenario is clearly premises and operations liability.

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5. Which of the following Special Limits cannot be increased?

A. Firearms from $2,500 to $10,000

B. Laptops from $1,500 to $2,500

C. Silverware from $2,500 to $5,000

D. Jewelry from $1,500 to $5,000

In insurance policies, certain categories of property, especially valuable items, often come with Special Limits that often cannot be increased due to the high-risk nature of insuring such items. Special Limits are predefined caps set by the insurer to limit exposure to claims for specific types of property. In this case, firearms are typically classified under a Special Limit that is non-increaseable by most insurers and policies. This is largely due to the liability concerns and regulations surrounding the ownership and operation of firearms, which can vary greatly from state to state and can create higher risks for insurers. Since the preset limit for firearms is anchored at $2,500, any attempt to increase this limit to a higher amount such as $10,000 would typically be outside the scope of insurer's policies. On the other hand, items like laptops, silverware, and jewelry often have adjustable limits in many policy situations, allowing insured individuals to raise their coverage amounts to better reflect their value. This flexibility is more common for personal property that is not governed by the same regulatory constraints as firearms, thus those limits can often be higher or increased as needed by the policyholder.

6. Under the Florida Comprehensive Hurricane Damage Mitigation Program, which factor is NOT considered?

A. Roof design

B. Building materials

C. Previous damage history

D. Geographic location

The Florida Comprehensive Hurricane Damage Mitigation Program aims to evaluate and enhance the resilience of structures against hurricane damage. Within this framework, several factors are crucial in assessing how well a building can withstand hurricane conditions. Roof design is critical since different designs can perform better or worse under high winds. Similarly, the choice of building materials directly impacts the durability and strength of the structure during a hurricane. Geographic location is another essential consideration, as areas closer to the coast may experience more severe winds and flooding. However, previous damage history is not a primary factor considered in this mitigation program. While a structure's past performance during storms can provide some insight, the program focuses more on the current structural integrity and intended resilience features rather than its historical experience with damage. This approach ensures that the program is proactive, emphasizing design and materials that could prevent future damage rather than relying on past incidents.

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7. What is the status of property confiscated or seized by order of a governmental authority under HO-3—Special Form?

A. Covered with limitations

B. Partially excluded under certain conditions

C. Excluded from coverage

D. Covered under liability provision

Property that is confiscated or seized by order of a governmental authority is considered excluded from coverage under the HO-3—Special Form policy. This policy is designed to protect homeowners against a variety of risks, but it has specific exclusions outlined in its provisions. The exclusion of property that has been confiscated or seized reflects the understanding that insurance is not intended to cover losses resulting from governmental action that removes property ownership or rights. In this context, the policy aims to provide coverage primarily for unforeseen events or accidents, while maintaining boundaries on liability for circumstances that fall within the purview of governmental authority. As a result, if a homeowner's property is seized for legal reasons, such as for noncompliance with laws or for public safety issues, the insurance will not provide compensation for such losses, emphasizing the limitations of coverage typically associated with actions taken by governmental entities.

8. What is the coverage limit for nonowned trailers under Part D-Damage to Your Auto?

A. No coverage for nonowned trailers

B. Standard limit of $1,000

C. Coverage limited to liability only

D. Maximum of $3,000 in total damages

In the context of Part D - Damage to Your Auto, nonowned trailers are not covered under standard auto insurance policies. This means that if you are using a trailer that you do not own, the insurance coverage afforded by your auto policy does not extend to include that trailer for any damages incurred. The rationale behind this exclusion is based on the principle that coverage is intended to apply to vehicles and equipment that you own, ensuring that the risks are managed for assets under your control. Since nonowned trailers fall outside of this purview, policyholders must look for alternative sources of coverage, such as separate trailer insurance, if they wish to be protected against damages. This understanding is crucial for agents and clients alike to ensure clarity during discussions regarding coverage options and to avoid potential gaps in insurance protection.

9. How many parties are typically involved in a surety contract?

A. Two

B. Three

C. Four

D. One

In a surety contract, there are three essential parties involved: the principal, the obligee, and the surety. The principal is the party that requires a bond and is responsible for fulfilling an obligation, such as completing a contract or adhering to certain regulations. The obligee, on the other hand, is the party that requires the bond and is usually the entity requesting performance or adherence to terms, like a project owner or regulatory body. The surety is the party that provides the guarantee, assuring the obligee that the principal will fulfill their obligation. If the principal fails to meet their obligations, the surety is responsible for covering any losses, which might involve completing the work or compensating the obligee. This tripartite structure is essential in establishing the relationship and responsibilities among the parties involved, ensuring that there is a reliable means of recourse if the principal defaults.

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10. How does Part D-Damage to Your Auto apply to a nonowned vehicle?

A. Provides full coverage at market value

B. Covers only liability for damages incurred

C. Covers the broadest applicable coverage on an excess basis

D. Offers limited collision and comprehensive coverage

Part D - Damage to Your Auto provides coverage for damages to a nonowned vehicle on an excess basis, which is why the selected answer is appropriate. This means that if a policyholder is involved in an accident while driving a vehicle that they do not own, the coverage will apply only after any other available insurance for that vehicle has been exhausted. Essentially, this provision serves to protect the insured in situations where they may be liable for damage to a vehicle that is not theirs, yet it does so in a manner that is secondary to any primary insurance that may be in effect for that nonowned vehicle. This ensures that the insured has some level of financial protection without duplicating coverage that is already available through the vehicle's owner. The specifics of how coverage applies can vary based on the terms of the insurance policy itself, but the key principle remains that the coverage acts on an excess basis when it comes to nonowned vehicles, thereby setting it apart from other types of coverage details. This is fundamental in understanding the nuances of personal auto insurance and how it interacts with vehicles that are not owned by the policyholder.

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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://florida220insuranceagents.examzify.com

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

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