

Georgia Adjuster 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. Within how many days must all resident and nonresident licensees notify the Commissioner in writing about a change in their business address?**
 - A. 15 days**
 - B. 30 days**
 - C. 45 days**
 - D. 60 days**
- 2. What is the definition of a surety bond?**
 - A. A type of insurance policy**
 - B. A guarantee for performance obligations**
 - C. A form of credit**
 - D. A document for property transactions**
- 3. Which of the following is NOT a claim settlement option for liability claims?**
 - A. General damages**
 - B. Special damages**
 - C. Contested excessive claims**
 - D. Policyholder negotiation**
- 4. What is a sublimit in an insurance policy?**
 - A. A specific limit for certain types of coverage within a policy**
 - B. The overall limit of the entire policy**
 - C. A minimum deductible amount**
 - D. The unique identifier for the policy**
- 5. Which of the following is essential for adjusters in maintaining ethical standards?**
 - A. Keeping personal records**
 - B. Maintaining statements of fees or commission received**
 - C. Sharing findings with competitors**
 - D. Offering premium discounts**

6. After a hearing, how soon must the Commissioner enter an "order" revealing their findings?

- A. No later than 15 days**
- B. No later than 30 days**
- C. No later than 60 days**
- D. No later than 90 days**

7. Which of the following coverages does NOT need to be added to a Garage Coverage form by endorsement?

- A. Liability coverage**
- B. Property damage coverage**
- C. Collision coverage**
- D. Comprehensive coverage**

8. What is the maximum number of boarders allowed on the premises for coverage under a standardized Dwelling policy?

- A. 3**
- B. 4**
- C. 5**
- D. 6**

9. What is the loss reserving method that establishes aggregate reserves for a single line of insurance called?

- A. Loss percentage method**
- B. Claim reserve method**
- C. Loss ratio method**
- D. Aggregate reserve method**

10. Which coverage protects against damages resulting from theft?

- A. Comprehensive coverage**
- B. Liability coverage**
- C. Collision coverage**
- D. Property damage coverage**

Answers

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

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Explanations

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1. Within how many days must all resident and nonresident licensees notify the Commissioner in writing about a change in their business address?

- A. 15 days**
- B. 30 days**
- C. 45 days**
- D. 60 days**

Licensees are required to notify the Commissioner in writing about a change in their business address within 30 days. This requirement ensures that the regulatory body maintains up-to-date information regarding licensee locations, which is crucial for effective communication, compliance verification, and regulatory oversight. Timely updates help prevent lapses in communication that could result from delays in reporting address changes, thus fostering a smoother operational environment for both the licensees and the regulatory authority. Maintaining accurate records is essential for the integrity of the licensing process and facilitates the regulation of the insurance market in Georgia.

2. What is the definition of a surety bond?

- A. A type of insurance policy**
- B. A guarantee for performance obligations**
- C. A form of credit**
- D. A document for property transactions**

A surety bond primarily serves as a guarantee for performance obligations, meaning it assures that certain duties, usually of a contractual nature, will be fulfilled by one party. If the party fails to meet their obligations, the surety bond provides a financial guarantee to the other party that they will be compensated for any losses incurred. This is essential in business and contracting contexts where performance is critical. In contrast, while a surety bond can have aspects of credit—since it guarantees payment or performance in a way that might require creditworthiness—its main function is not as a form of credit. The other options, such as a type of insurance policy or a document for property transactions, do not capture the essence of what a surety bond represents; it lies distinctly in the realm of guaranteeing performance and financial assurance for obligations.

3. Which of the following is NOT a claim settlement option for liability claims?

- A. General damages**
- B. Special damages**
- C. Contested excessive claims**
- D. Policyholder negotiation**

In the context of liability claims, the options for claim settlement typically encompass various categories of damages or negotiation strategies. General damages refer to compensation for non-economic losses, such as pain and suffering, while special damages pertain to quantifiable economic losses, such as medical bills or lost wages. Policyholder negotiation involves discussions between the policyholder and the insurer regarding the settlement amounts or terms of the claim. Contested excessive claims, however, are not a standard claim settlement option. Instead, this term implies that there is a dispute regarding the amount being claimed, specifically that it is perceived as excessive. In such cases, the claim is under contention, indicating that the parties are not yet in agreement or that the claim is being challenged. Therefore, it does not represent a proactive method for settling a claim, unlike the other choices, which facilitate resolution through established avenues.

4. What is a sublimit in an insurance policy?

- A. A specific limit for certain types of coverage within a policy**
- B. The overall limit of the entire policy**
- C. A minimum deductible amount**
- D. The unique identifier for the policy**

A sublimit in an insurance policy refers to a specific limit for certain types of coverage within the larger framework of the policy. This means that while the overall policy may have a total limit for claims, certain categories of coverage (such as personal property, jewelry, or fine art) may have reduced limits that are explicitly stated as sublimits. For instance, in a homeowners insurance policy, the total coverage for personal property may be \$100,000, but there could be a sublimit of \$10,000 for jewelry. This distinction is important for policyholders to understand because it defines the maximum amount that can be claimed for specific items, regardless of the overall policy limits. Knowing about sublimits helps insured parties comprehend potential gaps in their coverage and ensure they have adequate protection for valuable items.

5. Which of the following is essential for adjusters in maintaining ethical standards?

- A. Keeping personal records**
- B. Maintaining statements of fees or commission received**
- C. Sharing findings with competitors**
- D. Offering premium discounts**

Maintaining statements of fees or commission received is essential for adjusters in upholding ethical standards because it promotes transparency and accountability in their financial dealings. By accurately documenting and maintaining these records, adjusters can ensure that their compensation is disclosed and that they operate within the legal and ethical parameters set by the industry. This is vital to avoid potential conflicts of interest and to maintain trust with clients and insurers alike. Transparency in financial matters helps to prevent any perception of impropriety, as clients and employers can review how adjusters are compensated for their work. This ethical standard also encourages fair practices and can protect both the adjusters and their clients from misunderstandings regarding fees. Without such documentation, it would be challenging to defend against allegations of unethical behavior or to prove that all compensation involves honest and fair practices.

6. After a hearing, how soon must the Commissioner enter an "order" revealing their findings?

- A. No later than 15 days**
- B. No later than 30 days**
- C. No later than 60 days**
- D. No later than 90 days**

The timeframe within which the Commissioner must enter an "order" revealing their findings after a hearing is established for efficient case resolution and to ensure that all parties involved receive timely communication regarding the outcomes of their hearings. Entering an order no later than 30 days maintains a balance between allowing sufficient time for a thorough review of the evidence presented and informing the parties expeditiously of the decision. This 30-day requirement helps uphold transparency and accountability in the administrative process, ensuring that stakeholders can rely on prompt decisions and can plan their next steps based on those outcomes.

7. Which of the following coverages does NOT need to be added to a Garage Coverage form by endorsement?

- A. Liability coverage**
- B. Property damage coverage**
- C. Collision coverage**
- D. Comprehensive coverage**

The correct answer is collision coverage, as this type of insurance typically does not need to be added to a Garage Coverage form by endorsement because it is generally intended for the physical damage to the insured vehicles. Garage Coverage is primarily designed for businesses that engage in automotive services, and it provides necessary protection, including liability and property damage, without needing to add collision coverage as a separate endorsement. Collision coverage generally applies to personal auto policies rather than business-related garage operations, which is why it is not included by default in the Garage Coverage form. The other types of coverages mentioned usually need to be added by endorsement to ensure comprehensive protection under a Garage Coverage form. Liability and property damage coverage are essential and commonly included to cover potential claims that arise from garage operations, while comprehensive coverage provides protections related to damages from events other than collisions, such as theft or vandalism.

8. What is the maximum number of boarders allowed on the premises for coverage under a standardized Dwelling policy?

- A. 3**
- B. 4**
- C. 5**
- D. 6**

In a standardized Dwelling policy, coverage is typically designed for properties that serve as residential homes rather than commercial establishments. The policy includes specific limitations on the number of boarders or renters that can reside on the premises while still ensuring coverage under the terms of the policy. Generally, the limit on the number of boarders is set at five. This means that any residential property with five or fewer boarders qualifies for the specified coverage under the Dwelling policy, while properties with more than that may need a different type of insurance to cover the additional risks associated with having more occupants. This limitation allows the insurance provider to manage risk more effectively, as having too many tenants can complicate loss assessments and increase the likelihood of claims. Therefore, the maximum number of boarders for coverage under this type of policy is accurately identified as five.

9. What is the loss reserving method that establishes aggregate reserves for a single line of insurance called?

- A. Loss percentage method**
- B. Claim reserve method**
- C. Loss ratio method**
- D. Aggregate reserve method**

The loss reserving method that establishes aggregate reserves for a single line of insurance is known as the loss ratio method. This approach calculates the reserves needed based on the relationship between the losses incurred and the premiums earned. Essentially, it analyzes the overall financial performance of that line of insurance by comparing losses to the amount of premium collected, thus providing insights into the sufficiency of the reserves. Using the loss ratio method, insurers can project future losses based on historical data and expected trends. This method helps ensure that there are adequate funds set aside to cover future claims, thereby promoting financial stability and regulatory compliance within the insurance company. The other methods mentioned serve different purposes or apply to different aspects of loss reserving. For example, the claim reserve method is focused on individual claims instead of the aggregate exposure of an entire line of business, while the aggregate reserve method is more general and does not specifically refer to a single line of insurance. The loss percentage method provides a simpler percentage of estimated losses based on earned premiums but doesn't establish an aggregate reserve in the same detailed manner as the loss ratio method.

10. Which coverage protects against damages resulting from theft?

- A. Comprehensive coverage**
- B. Liability coverage**
- C. Collision coverage**
- D. Property damage coverage**

Comprehensive coverage is designed to protect your vehicle against a variety of risks, including theft, vandalism, fire, natural disasters, and other non-collision-related incidents. This type of coverage is essential for vehicle owners who want to mitigate the risks associated with loss or damage that does not arise from a collision with another vehicle. When it comes to theft specifically, comprehensive coverage will typically cover the loss of the vehicle itself or any stolen personal property inside the vehicle, depending on the policy. This makes comprehensive coverage the most relevant option for protecting against theft, as it encompasses a broad range of risks beyond just collision damages. Other coverage types, such as liability, collision, and property damage coverage, do not provide protection specifically for incidents of theft. Liability coverage focuses on damages you cause to another party's property or bodily injury, collision coverage is limited to accidents involving another vehicle or object, and property damage coverage generally pertains to damages inflicted on other people's property rather than your own vehicle or possessions.

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://georgiaadjuster.examzify.com>

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

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