

GEORGIA ADJUSTER PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. If a total loss occurs to a one or two family dwelling after the policy has been in effect for 30 or more days, what must the insurance company do according to Georgia's valued policy law?**
 - A. Pay partial damage coverage
 - B. Pay the full amount of insurance on the dwelling
 - C. Repair the dwelling
 - D. Provide temporary housing

- 2. Which type of losses does physical damage coverage under BAP NOT protect against?**
 - A. Vandalism
 - B. Collision damage
 - C. Falling objects
 - D. Theft

- 3. Which type of insurance is specifically NOT covered by the NAIC Model Unfair Claim Settlement Practice Act?**
 - A. Health insurance
 - B. Surety bonding
 - C. Dwelling insurance
 - D. Automobile insurance

- 4. Which coverage protects against damages resulting from theft?**
 - A. Comprehensive coverage
 - B. Liability coverage
 - C. Collision coverage
 - D. Property damage coverage

- 5. What does replacement cost insurance cover?**
 - A. The cost of repairs minus depreciation
 - B. The cost to replace damaged property without deducting for depreciation
 - C. The direct cash payout for total loss
 - D. The estimated future value of property

- 6. In liability claims, what are "special damages" typically associated with?**
- A. Pain and suffering
 - B. Legal fees
 - C. Medical expenses and lost wages
 - D. Property damage
- 7. Standard and Poor's, A.M. Best and Moody's provide what type of services?**
- A. Insurance brokerage services
 - B. Independent rating services
 - C. Regulatory compliance services
 - D. Claims processing services
- 8. In an insurance policy, what do policy exclusions refer to?**
- A. Specific situations not covered by the policy
 - B. The total exclusions in premium calculation
 - C. Clarifications of policy terms
 - D. Details on policy renewal processes
- 9. What does the term "twisting" refer to in the insurance industry?**
- A. Switching an insurance provider for better rates
 - B. Inducing a policy owner to drop a policy using misrepresentations
 - C. Consulting with multiple agencies before renewing
 - D. Encouraging clients to take unnecessary coverage
- 10. If the Agreed Value option of the Business Income form is selected, what happens to the coinsurance requirement?**
- A. Increases
 - B. Remains unchanged
 - C. Waived
 - D. Reduced by half

Answers

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

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Explanations

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1. If a total loss occurs to a one or two family dwelling after the policy has been in effect for 30 or more days, what must the insurance company do according to Georgia's valued policy law?

- A. Pay partial damage coverage
- B. Pay the full amount of insurance on the dwelling**
- C. Repair the dwelling
- D. Provide temporary housing

In Georgia, the valued policy law mandates that if a total loss occurs to a one or two-family dwelling after the insurance policy has been in effect for at least 30 days, the insurance company is required to pay the full amount of insurance on the dwelling. This law serves to protect policyholders by ensuring they receive the full value of their coverage in the event of a total loss. The rationale behind this requirement is to provide assurance to property owners that their investment is sufficiently insured. The law reinforces the commitment of the insurer to honor the terms of the policy, effectively eliminating the potential for disputes regarding the payout amount in the case of total loss. This provision does not pertain to partial damage coverage, repairs by the insurance company, or the provision of temporary housing, as it specifically addresses circumstances of total loss and the obligation of the insurer to pay the agreed-upon amount for the dwelling itself.

2. Which type of losses does physical damage coverage under BAP NOT protect against?

- A. Vandalism
- B. Collision damage
- C. Falling objects**
- D. Theft

Physical damage coverage under the Business Auto Policy (BAP) is designed to offer protection for a vehicle against various types of losses, including vandalism, collision damage, and theft. However, the specific type of loss that is typically not covered under this particular section of the policy is damage caused by falling objects. This is due to the nature of how physical damage coverage is structured within the BAP. While the policy generally protects against direct physical damage to the insured vehicle resulting from certain risks, falling objects often fall under broader liability issues or have specific exclusions outlined in the policy. For instance, in many cases, falling objects may be seen as part of environmental factors or situations that the policy does not cover comprehensively. Understanding this distinction is crucial for policyholders to ensure they are aware of the limitations of their coverage and to take appropriate measures to prevent or mitigate any potential gaps. In contrast, types of losses such as vandalism, collision, and theft are commonly included under the physical damage coverage umbrella, ensuring that policyholders have support in those scenarios.

3. Which type of insurance is specifically NOT covered by the NAIC Model Unfair Claim Settlement Practice Act?

- A. Health insurance
- B. Surety bonding**
- C. Dwelling insurance
- D. Automobile insurance

The NAIC Model Unfair Claim Settlement Practice Act was designed to establish standards for the fair settlement of claims made by policyholders. It primarily aims to ensure that insurers act in good faith and handle claims accurately and efficiently. Specific types of insurance are addressed by this act, but surety bonding is not included. Surety bonds serve as a guarantee that specific obligations will be fulfilled, primarily in business contexts, rather than providing coverage for direct losses like typical insurance policies. Therefore, it operates under different legal and regulatory frameworks. The absence of surety bonding in the act indicates that while the NAIC focuses on direct insurance practices, surety bonding does not fall under its purview, which distinguishes it from other types of insurance such as health, dwelling, and automobile insurance that are covered by the act.

4. 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.

5. What does replacement cost insurance cover?

- A. The cost of repairs minus depreciation
- B. The cost to replace damaged property without deducting for depreciation**
- C. The direct cash payout for total loss
- D. The estimated future value of property

Replacement cost insurance specifically covers the cost to replace damaged property or belongings without factoring in any depreciation. This means that if an insured item is damaged or destroyed, the insurer will reimburse the policyholder for the amount it would take to purchase a new item of similar kind and quality at current market prices. This type of coverage supports policyholders by ensuring they can restore or replace their property as it was before the loss occurred, promoting a sense of financial security and aiding in recovery after a loss. In contrast to other types of policies, such as those that consider depreciation, replacement cost insurance provides a more comprehensive financial safety net for the insured.

6. In liability claims, what are "special damages" typically associated with?

- A. Pain and suffering
- B. Legal fees
- C. Medical expenses and lost wages**
- D. Property damage

Special damages in liability claims refer specifically to the quantifiable financial losses that a claimant has incurred due to an incident. This includes medical expenses, which encompass hospital bills, surgeries, rehabilitation costs, and any other medical care required as a result of injuries sustained. Additionally, lost wages are considered a component of special damages, as they account for the income lost due to the inability to work following the incident. These damages are distinct from general damages, which relate to non-economic impacts like pain and suffering. By focusing on tangible, numerical losses, special damages allow injured parties to recover specific amounts for what they have directly lost, creating a clear link between the accident and the economic impact on the individual. In contrast, other categories like pain and suffering or general distress, while important in a claim, are not classified as special damages because they cannot be easily quantified in monetary terms.

7. Standard and Poor's, A.M. Best and Moody's provide what type of services?

- A. Insurance brokerage services
- B. Independent rating services**
- C. Regulatory compliance services
- D. Claims processing services

Standard and Poor's, A.M. Best, and Moody's are renowned for their independent rating services, which evaluate the creditworthiness and financial stability of various entities, including insurance companies. These ratings are crucial for investors, policyholders, and regulators, as they provide insights into an insurer's ability to meet its financial obligations and pay claims. Independent rating agencies analyze financial data, industry conditions, and other relevant factors to assign ratings that reflect the insurer's risk level. This helps consumers make informed decisions when choosing insurance providers and allows investors to assess the financial viability of companies in which they might invest. Therefore, the designation of these organizations as providers of independent rating services accurately reflects their primary function in the financial and insurance sectors.

8. In an insurance policy, what do policy exclusions refer to?

- A. Specific situations not covered by the policy**
- B. The total exclusions in premium calculation
- C. Clarifications of policy terms
- D. Details on policy renewal processes

Policy exclusions specifically refer to particular situations, conditions, or types of losses that are not covered by the insurance policy. These exclusions are critical as they outline the boundaries of coverage and clarify what the insurer is not obligated to pay for under the terms of the policy. Understanding policy exclusions is essential because they help policyholders manage their expectations on what risks are covered and which are not, ensuring they are fully informed about their coverage limits. The other options highlight aspects related to insurance policies but do not accurately define exclusions. For instance, details on premium calculations or renewal processes pertain to other administrative aspects of an insurance policy rather than specific coverage limitations. Clarifications of policy terms relate to definitions and interpretations within the policy itself, which also does not encompass exclusions. Thus, the response that identifies specific situations not covered by the policy accurately captures the essence of what policy exclusions entail.

9. What does the term "twisting" refer to in the insurance industry?

- A. Switching an insurance provider for better rates
- B. Inducing a policy owner to drop a policy using misrepresentations**
- C. Consulting with multiple agencies before renewing
- D. Encouraging clients to take unnecessary coverage

In the insurance industry, "twisting" specifically refers to the unethical practice of inducing a policyholder to drop their current insurance policy based on misrepresentations or incomplete information. This often involves agents or companies convincing clients to switch their insurance provider under false pretenses, such as overstating the benefits of the new policy while downplaying or misrepresenting the drawbacks of the existing one. This practice is considered harmful not only because it can lead to financial loss for the policyholder due to lapses in coverage or less favorable terms but also because it undermines trust in the insurance industry as a whole. Because of the serious implications involved, regulatory bodies often impose penalties on those found to be engaging in twisting behaviors, reinforcing the importance of ethical conduct within the field. The other choices do not correctly define the term "twisting." For instance, switching providers for better rates could be a legitimate practice, and consulting with multiple agencies before renewing is a common way to ensure competitive pricing without any deceptive tactics. Encouraging unnecessary coverage, while potentially unethical, does not fit the specific definition of twisting as it pertains to misrepresentation related to policy cancellation and switching.

10. If the Agreed Value option of the Business Income form is selected, what happens to the coinsurance requirement?

- A. Increases
- B. Remains unchanged
- C. Waived**
- D. Reduced by half

When the Agreed Value option is selected for the Business Income form, the coinsurance requirement is waived. This means that the business and insurer agree on a specific amount of coverage for the business's income loss, which eliminates the need to meet a certain percentage of coverage in relation to potential losses. In standard situations where there is no Agreed Value, the coinsurance clause typically requires the insured to carry a minimum level of coverage to avoid penalties in the event of a claim. However, by opting for the Agreed Value, both parties acknowledge and agree upon the coverage amount needed, providing more certainty and protecting the policyholder from potential financial hits if they do not meet the coinsurance percentage. This approach allows businesses to have peace of mind knowing that they won't face additional penalties even if they underinsure their income.

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:

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

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