

GEORGIA LAWS LIFE AGENT 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. How soon must an insurer investigate a claim in Georgia after receiving it?**
 - A. Within 30 days
 - B. Within 15 days
 - C. Within 7 days
 - D. Within 60 days
- 2. How many hours of the continuing education must be in ethics?**
 - A. 1 hour
 - B. 2 hours
 - C. 3 hours
 - D. 4 hours
- 3. What determines eligibility for a charitable gift annuity in Georgia?**
 - A. The charity must be located in Georgia
 - B. The charity must have a minimum annual income
 - C. The charity must be recognized as tax-exempt under IRS guidelines
 - D. The charity must offer multiple services
- 4. Which of the following is the maximum number of days for the grace period in life insurance?**
 - A. 20 days
 - B. 30 days
 - C. 45 days
 - D. 60 days
- 5. What is the maximum civil penalty for violating Georgia insurance laws?**
 - A. \$500 per violation, without a cap
 - B. \$1,000 per violation, with a cap of \$10,000 for multiple violations
 - C. \$5,000 per violation, without a cap
 - D. \$2,500 per violation, with a cap of \$20,000 for multiple violations
- 6. What is meant by "structured settlement" in life insurance?**
 - A. A one-time payment to the policyholder
 - B. Payments received over time instead of a lump sum
 - C. A type of endowment policy
 - D. A return of premium option

- 7. In a long-term care insurance policy, coverage limitations cannot apply to which condition?**
- A. Organ Failure
 - B. Cancer
 - C. Congenital Heart Disease
 - D. Diabetes
- 8. What is the maximum liability of the Association for any one life?**
- A. \$100,000
 - B. \$200,000
 - C. \$300,000
 - D. \$400,000
- 9. What is the maximum fine for each non-willful insurance code violation?**
- A. 1,000
 - B. 2,000
 - C. 5,000
 - D. 10,000
- 10. For how many years must insurers maintain copies of replacement notices?**
- A. 1 year
 - B. 2 years
 - C. 3 years
 - D. 5 years

Answers

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

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Explanations

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1. How soon must an insurer investigate a claim in Georgia after receiving it?

- A. Within 30 days
- B. Within 15 days**
- C. Within 7 days
- D. Within 60 days

In Georgia, insurers are required to investigate a claim within 15 days after receiving it. This regulation is in place to ensure timely processing of claims and to protect the interests of policyholders. The 15-day timeline allows insurers to gather necessary information, review the claim details, and communicate with the claimant if additional information is needed. This prompt requirement helps facilitate a smoother claims process and promotes accountability among insurance providers, ensuring that claims are handled in a fair and efficient manner. Such regulations reflect the broader commitment to consumer protection in the insurance industry in Georgia.

2. How many hours of the continuing education must be in ethics?

- A. 1 hour
- B. 2 hours
- C. 3 hours**
- D. 4 hours

In Georgia, licensed life insurance agents are required to complete continuing education to ensure they are up-to-date with industry standards and practices. Among the total number of hours mandated for continuing education courses, a specific portion is designated for ethics. The requirement states that agents must complete three hours of their continuing education in ethics. This emphasizes the importance of ethical practices in the insurance industry, reflecting the need for agents to understand ethical considerations not only in their professional conduct but also in their interactions with clients. Ethical training helps uphold integrity and fosters consumer trust, which is crucial in the field of insurance. Understanding the exact number of hours dedicated to ethics is vital for compliance with licensing requirements, as failing to meet this criterion can result in penalties or impact the agent's licensure status. Thus, the correct answer highlights the importance placed on ethics within the continuing education framework for life agents in Georgia.

3. What determines eligibility for a charitable gift annuity in Georgia?

- A. The charity must be located in Georgia
- B. The charity must have a minimum annual income
- C. The charity must be recognized as tax-exempt under IRS guidelines**
- D. The charity must offer multiple services

The eligibility for a charitable gift annuity in Georgia primarily hinges on the charity being recognized as tax-exempt under IRS guidelines. This designation is crucial because it confirms that the organization adheres to specific regulations that govern charitable entities, which are necessary for facilitating such financial arrangements. Tax-exempt status ensures that the charity operates for charitable purposes and that any agreements, such as gift annuities, meet regulatory standards allowing donors to receive tax benefits. When a charity is recognized as tax-exempt, donors can make contributions with the understanding that they are complying with tax laws and supporting an organization dedicated to public benefit. In contrast, being located in Georgia or having a minimum annual income does not necessarily determine eligibility for a charitable gift annuity, as charitable organizations can be situated outside the state and still compliance helps in fundraising and sound operational practices. Offering multiple services is also not a requirement for eligibility; what matters most is the tax-exempt status, which demonstrates that the organization is properly structured and regulated under tax law.

4. Which of the following is the maximum number of days for the grace period in life insurance?

- A. 20 days
- B. 30 days**
- C. 45 days
- D. 60 days

The maximum number of days for the grace period in life insurance is 30 days. This period is a critical aspect of life insurance policies, allowing policyholders to make premium payments without losing coverage. If a policyholder fails to pay their premium on the due date, they are granted this 30-day grace period to make the payment. If the premium remains unpaid after the grace period, the policy could lapse, meaning the insurer is no longer obligated to provide coverage. This provision benefits policyholders by providing them with extra time to fulfill their payment obligations, thereby maintaining their coverage and protecting their beneficiaries. Understanding the grace period is essential for life insurance policyholders to ensure they do not inadvertently lose their coverage due to a missed payment.

5. What is the maximum civil penalty for violating Georgia insurance laws?

- A. \$500 per violation, without a cap
- B. \$1,000 per violation, with a cap of \$10,000 for multiple violations**
- C. \$5,000 per violation, without a cap
- D. \$2,500 per violation, with a cap of \$20,000 for multiple violations

The maximum civil penalty for violating Georgia insurance laws is set at \$1,000 per violation, with a cap of \$10,000 for multiple violations. This means that while an individual violation can incur a penalty of up to \$1,000, if a person commits multiple violations, the total fines imposed for all violations combined cannot exceed \$10,000. This structured approach balances the seriousness of the violations with a limit on the total financial repercussions, providing a measure of fairness while still enforcing the law. Therefore, understanding this penalty structure is important for those involved in the insurance industry to ensure compliance and avoid significant financial consequences.

6. What is meant by "structured settlement" in life insurance?

- A. A one-time payment to the policyholder
- B. Payments received over time instead of a lump sum**
- C. A type of endowment policy
- D. A return of premium option

A structured settlement in life insurance refers specifically to a financial arrangement where payments are made over a specified period, rather than providing a single lump sum payment to the policyholder. This type of settlement is often used in cases involving personal injury claims or lawsuits, where the recipient may need ongoing financial support over time for various expenses such as medical bills, living expenses, or other financial needs. The structured settlement provides a series of payments at regular intervals, which can help ensure that the funds last longer and are managed more effectively compared to a lump sum that might be spent quickly. This arrangement can also provide tax benefits, as certain structured settlements can be tax-exempt under specific conditions, making it a financially prudent option for the recipient. In contrast, the other choices do not accurately describe a structured settlement. A one-time payment to the policyholder indicates a lump sum disbursement rather than structured payments. A type of endowment policy refers to a specific life insurance product that pays out a lump sum upon maturity, not a series of structured payments. Lastly, a return of premium option involves the policyholder receiving back some or all premiums paid if the policy is not claimed upon death, rather than setting up a structure of regular payments.

7. In a long-term care insurance policy, coverage limitations cannot apply to which condition?

- A. Organ Failure
- B. Cancer
- C. Congenital Heart Disease**
- D. Diabetes

In long-term care insurance policies, coverage limitations are often structured around specific pre-existing conditions or those that might significantly affect the longevity and financial viability of the policy. Congenital heart disease, being a hereditary condition, is specifically designed to have certain protections under these policies. The intent behind this stipulation is to ensure that individuals with congenital conditions, which are present from birth and generally do not evolve into more severe forms of disease due to lifestyle choices or interventions, are not unfairly discriminated against when being assessed for insurance coverage. Modern insurance regulations advocate for equality in access to coverages, making it crucial that congenital conditions are approached with a level of protection to ensure people can receive necessary care without being penalized. In contrast, conditions such as organ failure, cancer, and diabetes can potentially be linked to lifestyle choices or age-related factors, and thus may have more nuanced coverage limitations depending on the specifics of the policy. Therefore, the rules surrounding long-term care insurance are typically structured to foster inclusivity for congenital conditions, reflecting a broader trend towards equitable treatment in health and insurance coverage.

8. What is the maximum liability of the Association for any one life?

- A. \$100,000
- B. \$200,000
- C. \$300,000**
- D. \$400,000

The maximum liability of the Association for any one life is set at \$300,000. This amount reflects the protection that the Association provides to policyholders in the event that an insurance company becomes insolvent and cannot fulfill its obligations to its policyholders. The threshold is established to ensure that individuals have a financial safety net, allowing them to recover a portion of their policy values in such unfortunate scenarios. Understanding this limit is essential for life agents, as it impacts how they advise clients regarding policy amounts and the security of their insurance investments. The choice of \$300,000 as the limit is in accordance with the standards set by regulatory bodies, ensuring a baseline of consumer protection within the life insurance market.

9. What is the maximum fine for each non-willful insurance code violation?

- A. 1,000
- B. 2,000**
- C. 5,000
- D. 10,000

In the context of insurance regulations in Georgia, a non-willful violation typically refers to an infraction that occurs without any intention to violate the law. The maximum fine for such violations is set at \$2,000. This reflects a structured approach to enforce compliance while recognizing that certain violations may occur due to oversight rather than malice or blatant disregard for the law. Understanding this fine helps agents to be more aware of the potential consequences of non-compliance while encouraging adherence to regulatory standards. The other options present different penalties that apply to either more serious violations or to different circumstances in violation categories. A fine of \$1,000 may be too low for a non-willful violation, while higher amounts like \$5,000 or \$10,000 typically pertain to willful violations or other severe infractions against the insurance code. Thus, the \$2,000 fine serves as a balanced approach to incentivize adherence while providing a clear framework for penalties related to non-willful actions.

10. For how many years must insurers maintain copies of replacement notices?

- A. 1 year
- B. 2 years
- C. 3 years**
- D. 5 years

Insurers are required to maintain copies of replacement notices for a specified period to ensure compliance with regulatory standards and to provide a clear record of communications regarding policy changes. The correct answer indicates that insurers must keep these documents for three years. This duration allows for an adequate review period in case of disputes or inquiries related to policy replacement, ensuring that both agents and their clients are protected during financial transactions involving life insurance. The three-year retention period is designed to align with practices that promote transparency and accountability in the insurance industry, thereby safeguarding the interests of policyholders. It also helps in the process of any future audits or regulatory reviews that may arise.

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://galawslifeagent.examzify.com>

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

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