

# Georgia Life, Accident and Sickness Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**This is a sample study guide. To access the full version with hundreds of 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.

# 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. Don't worry about getting everything right, 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, and take breaks to retain information better.**

## 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.**

## 7. Use Other Tools

**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. Automatic Premium Loan Provision helps insured individuals by:**
  - A. Immediate policy reinstatement**
  - B. Insurance coverage for unpaid premiums**
  - C. Covering medical expenses directly**
  - D. Converting term policies to permanent policies**
- 2. What does a workers' compensation insurance plan primarily provide?**
  - A. Life insurance for employees**
  - B. Treatment for medical emergencies**
  - C. Coverage for work-related injuries**
  - D. Disability benefits for retirees**
- 3. What happens if a policyholder does not pay their premium?**
  - A. The policy becomes null and void**
  - B. The policy is automatically renewed**
  - C. Grace period is initiated**
  - D. The insurer bears the loss**
- 4. Upon reinstatement of an accident insurance policy, when does coverage begin?**
  - A. After a waiting period of 30 days**
  - B. Immediately upon reinstatement**
  - C. Coverage resumes the next month**
  - D. After a new policy is issued**
- 5. How is the interest rate determined in a whole life policy?**
  - A. Market conditions**
  - B. Formula set by the insurer**
  - C. Government regulations**
  - D. Individual policyholder risk factors**

**6. Which settlement option allows a beneficiary to receive a fixed amount through an annuity?**

- A. Fixed-amount installment**
- B. Life income option**
- C. Cash payment**
- D. One-year term**

**7. How does the premium for a straight whole life policy compare to a term life policy?**

- A. It is usually higher**
- B. It is usually lower**
- C. It is exactly the same**
- D. It varies by age**

**8. Which option would not qualify as a valid insurance benefit adjustment?**

- A. Reducing benefits for high-risk jobs**
- B. Offering a rebate for policyholders**
- C. Increasing premiums for previous claims**
- D. Providing full benefits irrespective of risk changes**

**9. What type of policy states that certain events must happen before it becomes enforceable?**

- A. Unilateral**
- B. Adhesion**
- C. Conditional**
- D. Reinstatement**

**10. What happens to the benefits if an individual changes to a higher risk job without notifying the insurance company?**

- A. The insurer must pay full benefits regardless of the job change**
- B. The insurer will pay only what the premium covers at the rates for that job**
- C. The insurer will cancel the policy entirely**
- D. The benefits remain unchanged irrespective of the job risk**

## **Answers**

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

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## **Explanations**

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## 1. Automatic Premium Loan Provision helps insured individuals by:

- A. Immediate policy reinstatement
- B. Insurance coverage for unpaid premiums**
- C. Covering medical expenses directly
- D. Converting term policies to permanent policies

The Automatic Premium Loan Provision is a feature found in many life insurance policies that allows the insurer to automatically use the cash value of the policy to pay any overdue premiums. When an insured individual fails to pay a premium by the due date, rather than letting the policy lapse, this provision helps maintain the insurance coverage by automatically taking the necessary funds from the policy's cash value. This ensures that the policy remains active and provides continuous coverage even when the insured cannot make a payment on time. This provision is particularly beneficial because it protects the insured from losing their insurance coverage due to non-payment, which could have significant consequences. By leveraging the cash value in this way, the policyholder can avoid a lapse in coverage while they may be experiencing financial difficulties. In contrast, the other options do not accurately capture the purpose of the Automatic Premium Loan Provision. Immediate policy reinstatement typically refers to the process of restoring a policy after it has lapsed, while covering medical expenses or converting term policies to permanent ones involve different features and provisions that do not relate to the management of unpaid premiums. Therefore, the correct answer is that this provision provides insurance coverage for unpaid premiums, ensuring that the policyholder remains protected.

## 2. What does a workers' compensation insurance plan primarily provide?

- A. Life insurance for employees
- B. Treatment for medical emergencies
- C. Coverage for work-related injuries**
- D. Disability benefits for retirees

A workers' compensation insurance plan primarily provides coverage for work-related injuries. This type of insurance is specifically designed to assist employees who sustain injuries or illnesses as a direct result of their job. It ensures that affected workers receive medical benefits for treatment, compensation for lost wages during their recovery, and, in some cases, rehabilitation services to help them return to work. By focusing on injuries and illnesses that occur in the course of employment, workers' compensation serves as a safety net that aims to protect both employees and employers. Employees can receive timely care and monetary support without the need to prove negligence on the part of the employer, while employers benefit from the legal protection that limits further liability concerning workplace injuries. The other options do not align with the core function of workers' compensation. Life insurance for employees is a separate benefit, while treatment for medical emergencies is not specific to workplace injuries and typically falls under general health insurance. Lastly, disability benefits for retirees relate to an entirely different category of insurance, focusing on long-term support after a worker has left the workforce, rather than on injuries sustained while employed.

### 3. What happens if a policyholder does not pay their premium?

- A. The policy becomes null and void**
- B. The policy is automatically renewed**
- C. Grace period is initiated**
- D. The insurer bears the loss**

When a policyholder fails to pay their premium, the typical consequence is that the policy can become null and void, meaning it is no longer in force. Insurance policies are contracts that require timely payments to remain valid; failure to adhere to this requirement usually results in a lapse of coverage. Most insurance policies include a grace period, which is a specified duration following the due date during which the policyholder can make the payment without losing coverage. However, if the premium remains unpaid after this grace period expires, the policy will be canceled, and coverage is effectively terminated. It's important for policyholders to understand their obligations regarding premium payments, as failing to meet these obligations can lead to significant financial risks, such as being unprotected from events that the insurance was meant to cover. In this context, the notion of the insurer bearing the loss does not apply, as the responsibility to maintain active coverage lies with the policyholder through their premium payments. Therefore, the correct understanding of what happens when premiums are not paid is that the policy becomes null and void after the grace period has elapsed without payment.

### 4. Upon reinstatement of an accident insurance policy, when does coverage begin?

- A. After a waiting period of 30 days**
- B. Immediately upon reinstatement**
- C. Coverage resumes the next month**
- D. After a new policy is issued**

When an accident insurance policy is reinstated, coverage begins immediately upon reinstatement. This means that as soon as the policyholder has completed the reinstatement process—which typically includes payment of any required premium and possibly providing evidence of insurability—coverage is in effect without a waiting period. This ensures that the policyholder is protected against any new accidents from that moment on, reinforcing the principle that reinstatement offers a seamless return to coverage for the individual. If an individual were to face a period of waiting or if coverage were to resume only in the next month, there could be gaps in protection which the reinstatement process aims to eliminate. Immediate coverage upon reinstatement is a standard practice in the insurance industry, allowing policyholders to feel secure that their benefits are back in place without unnecessary delay.

## 5. How is the interest rate determined in a whole life policy?

- A. Market conditions
- B. Formula set by the insurer**
- C. Government regulations
- D. Individual policyholder risk factors

In a whole life policy, the interest rate is determined primarily by a formula set by the insurer. This formula takes into consideration the needs of the insurance company to maintain a stable cash value, ensure that it can meet future policyholder obligations, and achieve profitability. The insurer establishes the interest rate based on various factors, including their investment strategy, expected returns on their investment portfolio, and the overall financial condition of the insurance company. The interest rate is not directly influenced by market conditions in a day-to-day sense, though overall economic conditions might indirectly affect the insurer's long-term investment yield. While other areas like government regulations may influence how insurance products are designed, they do not set specific interest rates for individual policies. Individual policyholder risk factors are more relevant in underwriting and determining premiums than in setting the interest rate. Thus, the insurer's formula is a critical mechanism for how returns on the policy's cash value are calculated, ultimately providing policyholders with a predictable growth of their policy's value.

## 6. Which settlement option allows a beneficiary to receive a fixed amount through an annuity?

- A. Fixed-amount installment**
- B. Life income option
- C. Cash payment
- D. One-year term

The fixed-amount installment option is a settlement method that provides a beneficiary with a predetermined and consistent amount of money over time, typically through an annuity arrangement. This option is particularly advantageous for beneficiaries who want a steady income stream rather than receiving a lump-sum payment. By establishing fixed amounts, the insurer guarantees that the beneficiary will receive these payments at regular intervals until the principal is exhausted or until a specific term is reached. This can be especially beneficial for managing financial needs and providing long-term security. In contrast, other options may offer different benefits or structures. For example, the life income option generally guarantees payments for the lifetime of the beneficiary but does not provide a fixed amount in the same way that installments do—it may vary based on life expectancy. Cash payment results in a lump-sum distribution, which may not suit those looking for ongoing support. The one-year term option usually pertains to a temporary coverage strategy and does not align with the concept of structured fixed payments through an annuity. Thus, the fixed-amount installment option uniquely fulfills the requirement of providing a consistent income stream through a structured payout plan.

**7. How does the premium for a straight whole life policy compare to a term life policy?**

- A. It is usually higher**
- B. It is usually lower**
- C. It is exactly the same**
- D. It varies by age**

In the context of life insurance, a straight whole life policy typically has a higher premium compared to a term life policy. This is because whole life policies provide coverage for the entirety of the insured's life, coupled with a savings or investment component known as cash value. The premiums are calculated to last for the lifetime of the insured, which involves higher initial and ongoing costs to ensure that the policy remains in force until death, at which point a death benefit is paid out. On the other hand, term life policies are designed to provide coverage for a specified period, such as 10, 20, or 30 years. They do not accumulate cash value, and once the term expires, the coverage ends without any payout unless the insured dies during the term. This makes term policies less expensive since the insurer is not obligated to pay out a benefit for the insured's entire lifetime and the financial risk is lower. Given these factors, individuals seeking permanent coverage and additional financial benefits will pay more for a whole life policy, making the premium for such a policy generally higher than that of a term life policy.

**8. Which option would not qualify as a valid insurance benefit adjustment?**

- A. Reducing benefits for high-risk jobs**
- B. Offering a rebate for policyholders**
- C. Increasing premiums for previous claims**
- D. Providing full benefits irrespective of risk changes**

Providing full benefits irrespective of risk changes does not qualify as a valid insurance benefit adjustment because it disregards the fundamental principle of insurance, which is to assess and manage risk appropriately. Insurance operates on the basis of evaluating the risk profile of policyholders and adjusting coverage or premiums accordingly to ensure the sustainability and profitability of the insurance product. When a company's policies do not take into account changes in risk—such as an individual taking on a high-risk job, for example—it exposes the insurer to potential losses without any adjustments to the benefits or costs associated with the policy. Valid adjustments typically involve some level of cost-benefit analysis and risk assessment, which is completely overlooked when full benefits are maintained despite higher risks. On the other hand, reducing benefits for high-risk jobs, offering rebates for policyholders, and increasing premiums for previous claims are all legitimate adjustments that align with risk management practices within the insurance industry. These actions reflect a response to the likelihood of claims being made and the financial viability of offering coverage.

**9. What type of policy states that certain events must happen before it becomes enforceable?**

- A. Unilateral**
- B. Adhesion**
- C. Conditional**
- D. Reinstatement**

The correct choice is conditional because a conditional policy specifies that certain conditions or events must occur for the policy to be effective or for benefits to be paid out. These conditions typically relate to the insured's actions or the occurrence of specific risks outlined in the policy. For instance, a life insurance policy may require the policyholder to make premium payments regularly for the policy to remain in force or for a claim to be payable upon death. This concept is crucial in insurance because it directly ties the insurer's obligations to the fulfillment of these specified conditions. The other types of policies listed have different defining characteristics. A unilateral policy involves only one party (the insurer) making a guarantee or promise, while an adhesion policy is one that is drafted by one party (the insurer), and the other party (the insured) must accept the terms without negotiation. A reinstatement policy refers to the process of restoring a lapsed insurance policy once certain conditions are met, usually involving back premium payments, but does not inherently define any specific events that must occur for the policy to become enforceable in the same way that a conditional policy does.

**10. What happens to the benefits if an individual changes to a higher risk job without notifying the insurance company?**

- A. The insurer must pay full benefits regardless of the job change**
- B. The insurer will pay only what the premium covers at the rates for that job**
- C. The insurer will cancel the policy entirely**
- D. The benefits remain unchanged irrespective of the job risk**

When an individual changes to a higher-risk job without notifying the insurance company, the correct outcome is that the insurer will pay only what the premium covers at the rates for that job. This is based on the principle of utmost good faith, which requires both the insured and the insurer to disclose all relevant information before a contract is finalized. When an insured party changes jobs and takes on a role that presents a higher risk of injury or illness, this change may necessitate a reassessment of the premium based on the new occupation's risk profile. If the individual fails to inform the insurance company, and a claim arises, the insurer will determine the benefit based on the original premium paid, which was calculated based on the risk associated with the individual's prior job. Therefore, any claims made following the job change could be limited to the benefits that would apply to the lower-risk occupation. The other possible results, such as full payment of benefits regardless of the job change or outright cancellation of the policy, do not align with industry practices related to undisclosed risk changes. Benefits being unchanged is also inaccurate, as the proper management of risk is fundamental in insurance contracts. Thus, option B accurately reflects the insurance provider's responsibility in adjusting payments according to the insured's accurate disclosures

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://galifeaccidentsickness.examzify.com>**

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

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