

# Georgia Life and Health Insurance Practice Exam (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. Which individual is licensed to sell and negotiate insurance contracts on behalf of an insurer?**
  - A. Broker**
  - B. Agent**
  - C. Adjuster**
  - D. Insurer**
  
- 2. What type of insurance protects against loss due to accidental bodily injury?**
  - A. Health insurance**
  - B. Accident insurance**
  - C. Disability insurance**
  - D. Life insurance**
  
- 3. What term refers to an applicant or insured with a higher than normal probability of loss who may face increased premiums?**
  - A. Risk**
  - B. Standard Risk**
  - C. Substandard**
  - D. Preferred**
  
- 4. What is the term for the difference between the Medicare approved amount for a service and the actual charge?**
  - A. Excess charge**
  - B. Medicare Gap**
  - C. Balance Billing**
  - D. Service Charge**
  
- 5. What type of insurance provides protection against loss due to sickness or bodily injury?**
  - A. Disability Insurance**
  - B. Health Insurance**
  - C. Life Insurance**
  - D. Property Insurance**

**6. What does "nonadmitted" refer to in the context of insurance companies?**

- A. Companies that have received approval to operate in a state**
- B. Companies that have applied and been denied a Certificate of Authority**
- C. Companies with limited coverage options**
- D. Established companies with a long operating history**

**7. What term best describes organizations providing support for underwriters and insurance risk acceptance?**

- A. Insurance Pools**
- B. Lloyds Associations**
- C. Reinsurance Companies**
- D. Insurance Syndicates**

**8. What is the purpose of a Buyers Guide in insurance?**

- A. To compare premium costs between different policies**
- B. To explain insurance policies and help applicants make informed decisions**
- C. To outline the claims process**
- D. To list all available insurance agents**

**9. What does the Parol Evidence Rule establish regarding contracts?**

- A. A contract can only be terminated with a verbal agreement**
- B. Contracts can be modified without any restrictions**
- C. A contract may not be altered without written consent of both parties**
- D. All contracts must be reviewed by a notary public**

**10. Which type of care is one step below skilled nursing care and is supervised by health professionals?**

- A. Basic Care**
- B. Intermediate Care**
- C. Continuing Care**
- D. Convalescent Care**

## **Answers**

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

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## **Explanations**

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**1. Which individual is licensed to sell and negotiate insurance contracts on behalf of an insurer?**

- A. Broker**
- B. Agent**
- C. Adjuster**
- D. Insurer**

An individual who is licensed to sell and negotiate insurance contracts on behalf of an insurer is referred to as an agent. Agents are authorized representatives of insurance companies and work directly with clients to provide them with policy options, help complete applications, and facilitate the acquisition of insurance coverage. Their primary role is to act in the best interest of both the insurer they represent and the clients they serve, ensuring that the clients understand the products being offered and assisting them in selecting appropriate coverage. In contrast, a broker typically represents the client rather than the insurer, helping clients find the best insurance policy across multiple companies. An adjuster deals with the assessment and settlement of insurance claims, not the sale of insurance contracts. The term "insurer" denotes the actual company providing the insurance coverage, which is distinct from the individuals who sell or negotiate the contracts. This distinction is central to understanding the roles within the insurance industry.

**2. What type of insurance protects against loss due to accidental bodily injury?**

- A. Health insurance**
- B. Accident insurance**
- C. Disability insurance**
- D. Life insurance**

Accident insurance is specifically designed to provide financial protection in the event of accidental bodily injury. This type of insurance typically covers medical expenses, lost income, and other costs that directly result from an accident. Unlike health insurance, which covers a wide range of medical issues—both acute and chronic—accident insurance focuses solely on injuries that are the result of accidents. Disability insurance offers income replacement if an individual becomes unable to work due to a disability, but it does not specifically cover medical expenses related to accidents. Life insurance provides a benefit to beneficiaries upon the death of the insured, which does not address the immediate financial needs that arise from an accidental injury. In summary, accident insurance is tailored to address the financial impact of injuries stemming from accidents, making it the most appropriate choice for protection against loss due to such bodily injuries.

**3. What term refers to an applicant or insured with a higher than normal probability of loss who may face increased premiums?**

- A. Risk**
- B. Standard Risk**
- C. Substandard**
- D. Preferred**

The term that applies to an applicant or insured who has a higher than normal probability of loss and may be subject to increased premiums is "substandard." In insurance terminology, a substandard risk is characterized by certain factors that indicate a greater likelihood of claims being filed. Such factors can include pre-existing medical conditions, lifestyle choices such as smoking, or hazardous occupations. When an individual is classified as a substandard risk, the insurer evaluates these risks and often charges higher premiums to offset the anticipated increased likelihood of loss. This classification helps the insurer manage risk more effectively while still providing coverage to those who may not meet the standard risk criteria. In contrast, a standard risk is someone deemed to have an average probability of loss, and they would typically receive standard premium rates. Preferred risks are those who are considered low risk and are offered lower premiums. The likelihood of loss significantly influences how insurers assess and charge for coverage, making the classification of an applicant crucial in determining policy terms.

**4. What is the term for the difference between the Medicare approved amount for a service and the actual charge?**

- A. Excess charge**
- B. Medicare Gap**
- C. Balance Billing**
- D. Service Charge**

The term for the difference between the Medicare approved amount for a service and the actual charge is referred to as an excess charge. This situation arises when a healthcare provider bills a patient for the amount that exceeds what Medicare determines is an acceptable charge for that service. It is important because Medicare has set limits on how much it will reimburse providers for specific services, and if a provider charges more than that, the additional cost becomes the responsibility of the patient, unless they are a participating provider who accepts Medicare. In Medicare, when a provider accepts assignment, they agree to accept Medicare's approved amount as full payment for services rendered. In cases where the provider does not accept assignment, they can charge the patient above the approved amount, which is classified as an excess charge. This terminology is essential for understanding patient responsibility in billing situations under Medicare, particularly in scenarios involving non-participating providers.

**5. What type of insurance provides protection against loss due to sickness or bodily injury?**

- A. Disability Insurance**
- B. Health Insurance**
- C. Life Insurance**
- D. Property Insurance**

Health insurance is designed specifically to provide financial protection against the costs of medical care resulting from sickness or bodily injury. This type of insurance typically covers a variety of health services, including hospital stays, outpatient care, surgeries, preventive care, and sometimes prescription medications. Health insurance aims to mitigate the financial burden of medical expenses, ensuring that individuals have access to necessary healthcare without incurring catastrophic costs. It plays a crucial role in maintaining overall public health and providing a safety net for individuals who require medical attention. Disability insurance, while also related to bodily injury, primarily replaces lost income if a policyholder is unable to work due to a disability, rather than covering medical expenses directly. Life insurance provides a payout to beneficiaries upon the insured's death, so it does not provide coverage for medical expenses related to sickness or injury. Property insurance protects against damage to or loss of physical assets, thus not relevant in terms of healthcare coverage.

**6. What does "nonadmitted" refer to in the context of insurance companies?**

- A. Companies that have received approval to operate in a state**
- B. Companies that have applied and been denied a Certificate of Authority**
- C. Companies with limited coverage options**
- D. Established companies with a long operating history**

In the context of insurance companies, "nonadmitted" refers to those that do not have a Certificate of Authority to operate in a particular state. These companies have either not applied for or have been denied the necessary approval from the state regulatory authority to conduct insurance business. Nonadmitted insurers are often able to offer specialized or higher-risk policies that admitted companies may not cover due to regulatory standards. This distinction is significant because consumers may seek policies from nonadmitted insurers when traditional insurance coverage is insufficient for their needs. However, nonadmitted insurance typically does not carry the same level of state protection as that of admitted insurers, which are regulated and backed by state guaranty associations, providing a safety net for policyholders in case of insolvency.

**7. What term best describes organizations providing support for underwriters and insurance risk acceptance?**

- A. Insurance Pools**
- B. Lloyds Associations**
- C. Reinsurance Companies**
- D. Insurance Syndicates**

The term that best describes organizations providing support for underwriters and insurance risk acceptance is not Lloyds Associations. Instead, the most appropriate choice would typically be reinsurance companies. Reinsurance companies play a crucial role in the insurance industry by allowing primary insurers to transfer portions of their risk to another entity. This process helps primary insurers manage their risk exposure and maintain financial stability while providing the capacity to underwrite new policies. By doing so, reinsurers effectively support the underwriting process by absorbing some of the risks that primary insurers might face. Lloyd's Associations, often associated with the Lloyd's of London market, consists of members who come together to pool and share risks, but they primarily focus on specialized coverage and niche markets rather than functioning as a stand-alone support system for underwriters on a broader scale. This highlights the unique and supportive role that reinsurance plays in the insurance industry, making it the best term for describing the organizations that support underwriters in the process of risk acceptance.

**8. What is the purpose of a Buyers Guide in insurance?**

- A. To compare premium costs between different policies**
- B. To explain insurance policies and help applicants make informed decisions**
- C. To outline the claims process**
- D. To list all available insurance agents**

The purpose of a Buyers Guide in insurance is to explain insurance policies and help applicants make informed decisions. This guide serves as an important educational tool for consumers by providing information about the different types of insurance products available, their features, benefits, and limitations. It aims to enhance understanding, enabling individuals to assess their insurance needs effectively and compare different options they might consider. By offering clear and comprehensive explanations of various terms, conditions, and policy structures, the Buyers Guide assists policyholders in making choices that align with their unique circumstances. This is particularly valuable in a complex field like insurance, where terminology and product offerings can often be confusing for those unfamiliar with the industry. Overall, the Buyers Guide is designed to empower consumers by equipping them with the knowledge necessary to navigate their insurance options confidently.

## 9. What does the Parol Evidence Rule establish regarding contracts?

- A. A contract can only be terminated with a verbal agreement**
- B. Contracts can be modified without any restrictions**
- C. A contract may not be altered without written consent of both parties**
- D. All contracts must be reviewed by a notary public**

The Parol Evidence Rule is a legal principle that limits the ability of parties to introduce oral or extrinsic evidence to change or contradict the terms of a written contract. When parties enter into a written agreement, the Parol Evidence Rule generally holds that the written document is the final and complete expression of their agreement. Therefore, any subsequent modifications to that contract must be made in writing and agreed upon by both parties. This ensures that there is a clear, documented understanding of any changes to the original contract, preventing disputes over what was verbally agreed upon after the fact. In the context of the options provided, the correct understanding is that a contract cannot be altered without the written consent of both parties. This supports the integrity of the written contract as the authoritative source of the parties' agreement, aligning perfectly with the Parol Evidence Rule.

## 10. Which type of care is one step below skilled nursing care and is supervised by health professionals?

- A. Basic Care**
- B. Intermediate Care**
- C. Continuing Care**
- D. Convalescent Care**

Intermediate care is defined as a type of care that provides a level of supervision and support that is one step below skilled nursing care. This type of care typically involves assistance with daily living activities and certain medical needs, but it does not require the extensive medical interventions characteristic of skilled nursing care. Intermediate care is often provided in facilities where patients may need ongoing assistance but do not require round-the-clock medical supervision. This level of care is ideal for individuals transitioning from a higher level of medical care to independent living or those who require ongoing support but do not need the intensive services provided by skilled nursing facilities. Health professionals oversee the care, ensuring that residents receive appropriate assistance and that their health needs are monitored regularly. In contrast, basic care generally refers to assistance with non-medical needs, continuing care encompasses a broader range of support services over time, and convalescent care specifically relates to the recovery period following an illness or surgery. These distinctions are critical in understanding the various levels of care available in health services and the specific needs they address.

# 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://galifehealthinsurance.examzify.com>**

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

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