

# Georgia Personal Lines Agent Practice Exam (Sample)

## Study Guide



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

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

SAMPLE

# 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**

SAMPLE

- 1. For how many years is the insurance commissioner elected?**
  - A. 2 years
  - B. 4 years
  - C. 5 years
  - D. 6 years
  
- 2. What is the main purpose of Exclusions in an insurance contract?**
  - A. To provide discounts on premiums
  - B. To clarify coverage amounts
  - C. To specify what is not covered by the policy
  - D. To outline claims procedures
  
- 3. What type of damage does the term "BIG AFFECT" refer to in the context of insurance?**
  - A. Basic perils only
  - B. Broad form perils
  - C. Comprehensive perils
  - D. Minimal perils
  
- 4. For HO-6 policies, loss of use coverage is based on which percentage of Coverage C?**
  - A. 10%
  - B. 30%
  - C. 50%
  - D. 70%
  
- 5. If three people are injured in an accident and the auto liability policy has split limits of 15/30/5, what is the maximum payout for bodily injury?**
  - A. \$15,000
  - B. \$30,000
  - C. \$45,000
  - D. \$5,000

**6. Which individual is responsible for the guidance of insurance agents if the Commissioner position is vacant?**

- A. Chief deputy**
- B. Director of Insurance**
- C. Senior Agent**
- D. Insurance Auditor**

**7. Auto policy notice of cancellation or nonrenewal notice shall not be less than \_\_\_\_\_ days from the effective date of the cancellation.**

- A. 15**
- B. 20**
- C. 30**
- D. 60**

**8. Which of the following is NOT considered to be an unfair claims practice?**

- A. Misrepresenting pertinent facts or uninsured policy provisions relating to coverages at issue.**
- B. Refusing to pay claims without conducting a reasonable investigation based upon all available information.**
- C. Attempting to settle claims on the basis of an application that was altered without notice to or the knowledge of the insured.**
- D. Failing to honor an uncovered claim.**

**9. If an insurer is found to be in unsound financial condition, what action can the Commissioner take?**

- A. Fine the insurer**
- B. Renew their license**
- C. Revoke their Certificate of Authority**
- D. Issue a warning**

**10. Which type of authority allows an agent to perform all usual tasks required to sell and service insurance contracts?**

- A. Implied Authority**
- B. Express Authority**
- C. Agent Authority**
- D. Particular Authority**

## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. For how many years is the insurance commissioner elected?**

- A. 2 years**
- B. 4 years**
- C. 5 years**
- D. 6 years**

The insurance commissioner in Georgia is elected for a term of four years. This position is significant as the commissioner oversees the regulation of the insurance industry within the state, ensuring that companies adhere to laws and regulations that protect consumers. The four-year term allows for continuity in regulatory policies and practices, as it gives the elected commissioner a substantial time frame to implement changes, promote stability in the insurance market, and respond to evolving industry challenges.

**2. What is the main purpose of Exclusions in an insurance contract?**

- A. To provide discounts on premiums**
- B. To clarify coverage amounts**
- C. To specify what is not covered by the policy**
- D. To outline claims procedures**

The main purpose of exclusions in an insurance contract is to specify what is not covered by the policy. This is crucial for both the insurer and the insured because it clearly delineates the boundaries of coverage. Exclusions help prevent misunderstandings by explicitly stating the limitations and conditions under which coverage will not apply. This section of the policy establishes important expectations for the insured regarding their protection. By identifying what risks or events are excluded from coverage - such as certain natural disasters, pre-existing conditions, or specific high-risk activities - both parties can understand their responsibilities and limitations under the policy. Understanding exclusions is essential for policyholders, as they help in assessing the risks that they still face and guide them in making informed decisions about additional coverage or endorsements that might be necessary to address those gaps in protection.

**3. What type of damage does the term "BIG AFFECT" refer to in the context of insurance?**

- A. Basic perils only**
- B. Broad form perils**
- C. Comprehensive perils**
- D. Minimal perils**

The term "BIG AFFECT" refers to the Broad form perils in the context of insurance. This terminology is often used to denote a specific set of risks that are covered under a broader insurance policy. Broad form perils include a variety of different risks, such as fire, theft, and vandalism, offering a greater scope of protection than basic forms, which cover only a limited set of specified hazards. In contrast to the other options, Broad form perils provide a more extensive coverage compared to Basic perils, which may include only fundamental risks. Comprehensive perils would typically extend beyond what Broad form covers, often including more nuanced risks. Minimal perils, as the name suggests, would provide the least amount of coverage. Thus, recognizing "BIG AFFECT" specifically as referring to Broad form perils captures the essence of the comprehensive protections that these types of insurance policies aim to provide.

**4. For HO-6 policies, loss of use coverage is based on which percentage of Coverage C?**

- A. 10%**
- B. 30%**
- C. 50%**
- D. 70%**

In the context of an HO-6 policy, which is a type of homeowners insurance designed primarily for condominium owners, loss of use coverage is crucial because it provides financial support for additional living expenses if the insured premises become uninhabitable due to a covered loss. This coverage helps policyholders cover expenses such as temporary housing and related costs while their unit is being repaired. In an HO-6 policy, loss of use coverage is typically set at 50% of Coverage C, which represents personal property. This percentage is significant because it is designed to reflect a reasonable amount of support for loss of use based on the typical expenses incurred in such situations. Since Coverage C is related to the insured's personal belongings, the calculation of 50% of this coverage ensures that the policyholder has adequate funds to cover their costs while finding a way to maintain their living situation during the repair period. Understanding this percentage is essential for agents and policyholders alike, as it allows for better financial planning and ensures that individuals are sufficiently covered in the event of unexpected incidents leading to the temporary loss of their primary residence.

**5. If three people are injured in an accident and the auto liability policy has split limits of 15/30/5, what is the maximum payout for bodily injury?**

- A. \$15,000**
- B. \$30,000**
- C. \$45,000**
- D. \$5,000**

The maximum payout for bodily injury in an auto liability policy with split limits of 15/30/5 is determined by understanding what the numbers indicate. In this case, the split limits are separated into three components: the first number represents the maximum payout for bodily injury per person, the second number represents the maximum payout for all bodily injury claims per accident, and the third number represents the limit for property damage. The second number, which is \$30,000, indicates that the insurance policy will cover up to \$30,000 in total for all bodily injuries per accident. This means that if multiple people are injured in the same accident, the total payout for all of their bodily injury claims combined cannot exceed this amount. Since there are three people injured, it's essential to consider that while the payout for each individual is limited to \$15,000, the total payout in the event of multiple injuries will not surpass \$30,000 due to the aggregate limits of the policy. Therefore, specifically focusing on the maximum amount available for covering bodily injuries from the accident as a whole supports that the correct answer is \$30,000.

**6. Which individual is responsible for the guidance of insurance agents if the Commissioner position is vacant?**

- A. Chief deputy**
- B. Director of Insurance**
- C. Senior Agent**
- D. Insurance Auditor**

The chief deputy plays a significant role in the supervision and guidance of insurance agents when the Commissioner is not in office. This individual typically has a deep understanding of the operations within the insurance department and can step in to ensure that regulatory requirements are still being enforced, and that agents receive the necessary support and guidance in their duties. The chief deputy is often well-equipped to oversee the activities of insurance agents, maintaining the continuity of the department's functions and its mission to protect consumers while ensuring a fair marketplace for insurance products. This position is designed for leadership continuity, which is essential for managing the workforce effectively during a transition period or vacancy at the Commissioner level. In contrast, the other roles mentioned, such as the Director of Insurance, Senior Agent, and Insurance Auditor, do not typically assume the responsibility of guiding agents in this context. The Director may have a more overarching administrative role, while Senior Agents and Auditors have specific duties that do not encompass the leadership responsibilities that would be required in the absence of the Commissioner.

**7. Auto policy notice of cancellation or nonrenewal notice shall not be less than \_\_\_\_\_ days from the effective date of the cancellation.**

- A. 15**
- B. 20**
- C. 30**
- D. 60**

In Georgia, an auto insurance policyholder must be given a notice of cancellation or nonrenewal that is at least 30 days prior to the effective date of cancellation. This requirement is in place to ensure that policyholders have adequate time to seek alternative coverage if necessary and to reduce any potential gaps in insurance. Insurance regulations typically mandate such notice periods to protect consumers and ensure transparency in the insurance process. By requiring a 30-day notice, the state aims to balance the interests of both the insurers and the policyholders, giving insurers enough time to manage their risks while also allowing consumers to make informed decisions regarding their insurance coverage. This is particularly relevant for auto insurance, where having continuous coverage is essential for driving legally and avoiding penalties.

**8. Which of the following is NOT considered to be an unfair claims practice?**

- A. Misrepresenting pertinent facts or uninsured policy provisions relating to coverages at issue.**
- B. Refusing to pay claims without conducting a reasonable investigation based upon all available information.**
- C. Attempting to settle claims on the basis of an application that was altered without notice to or the knowledge of the insured.**
- D. Failing to honor an uncovered claim.**

Failing to honor an uncovered claim is the correct choice because it does not constitute an unfair claims practice. In insurance, an uncovered claim refers to a situation where the circumstances of the claim do not fall within the terms and conditions outlined in the policy. Insurance companies are not obligated to pay claims that are clearly outside the scope of coverage provided in the policy. The other options represent actions that are considered unfair claims practices because they involve misrepresentation, negligence in investigation, or unethical manipulation of claims processes. For example, misrepresenting important facts can mislead policyholders about their coverage, while refusing to pay claims without adequate investigation disregards the obligation to thoroughly assess claims based on all relevant information. Similarly, settling claims based on altered applications without the policyholder's knowledge undermines the trust necessary in the insurance contract. Each of these behaviors violates ethical and legal standards set forth to protect the rights of policyholders and ensure fair treatment in claims processes.

**9. If an insurer is found to be in unsound financial condition, what action can the Commissioner take?**

- A. Fine the insurer**
- B. Renew their license**
- C. Revoke their Certificate of Authority**
- D. Issue a warning**

When an insurer is deemed to be in an unsound financial condition, the Commissioner of Insurance holds the authority to take significant actions to protect policyholders and maintain market stability. One of the most critical actions is to revoke the insurer's Certificate of Authority. This certificate serves as the insurer's license to operate within the state, and revocation effectively eliminates their ability to conduct insurance business, thereby safeguarding consumers from potential losses due to the insurer's financial instability. Revocation is a serious action typically taken only after careful consideration of the insurer's financial practices and obligations. It operates in the best interest of the public, preventing an insolvent company from continuing to write policies and collect premiums without the means to honor future claims. By revoking the Certificate of Authority, the Commissioner ensures that policyholders are not left vulnerable to financially unstable insurance providers.

**10. Which type of authority allows an agent to perform all usual tasks required to sell and service insurance contracts?**

- A. Implied Authority**
- B. Express Authority**
- C. Agent Authority**
- D. Particular Authority**

The concept of authority in the context of an insurance agent refers to the powers granted to the agent to act on behalf of an insurance company. In this case, express authority is the correct choice because it is specifically defined as the explicit powers that an insurance company grants to its agents through a contract or agreement. This authority includes the ability to perform all tasks necessary to sell and service insurance contracts, which encompasses activities such as negotiating policies, collecting premiums, and providing customer services. Express authority is crucial for maintaining the relationship between the agent and the insurer as it clearly delineates the extent of powers the agent has. This allows agents to operate confidently within the scope of their responsibilities without needing additional approval for every action they undertake, ensuring efficient operations in the sale and servicing of insurance. Implied authority, while related, encompasses the powers that are not explicitly stated but are necessary for the agent to perform their job effectively. It supports express authority but does not cover the full range of tasks an agent can perform. Other options like agent authority and particular authority are not standard terms commonly recognized in this context, making them less relevant to describing the full scope of an agent's responsibilities as governed by express authority.

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

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

**SAMPLE**