

DIRECTIONS: Each question is followed by four suggested answers. In each case, select the **one** that best answers the question.

1. An Insurance Company chartered in Illinois doing business in Georgia would be considered by Georgians to be a/an
 - a. Alien Company
 - b. Domestic Company
 - c. Foreign Company
 - d. Standard Company
2. When a separate bank account is not kept by the agent for receiving insurance premiums that are due to insurers from his own personal funds, it is called:
 - a. Twisting
 - b. Creative Trust Accounting
 - c. Commingling
 - d. Fair Trade Practice
3. If an agent has his license revoked because he has committed a fraudulent act regarding the insurance business, how long must he wait after the revocation to file for another license?
 - a. Six (6) months
 - b. One (1) year
 - c. Five (5) years
 - d. There is no waiting period
4. A Temporary License is issued for an initial period of:
 - a. twenty-four (24) months
 - b. twelve (12) months
 - c. six (6) months
 - d. three (3) months
5. The Commissioner of Insurance in Georgia is elected to a term of office of:
 - a. two (2) years
 - b. four (4) years
 - c. six (6) years
 - d. eight (8) years
6. The premium for controlled business which a license is permitted to transact in any calendar year must be less than:
 - a. 25% of the total premiums on all business transacted
 - b. 50% of the total premiums on all business transacted
 - c. 15% of the total premiums on all business transacted
 - d. 5% of the total premiums on all business transacted
7. All the following are true about a property and casualty insurance binder, **except:**
 - a. it may be made orally
 - b. it may not be issued for a period greater than 90 days
 - c. it is not valid after the policy effective date
 - d. it does not have to provide the same coverage as the policy for which it is given
8. A Georgia Insurance Agent license may be issued to:
 - a. A Corporation
 - b. An Individual
 - c. A Partnership
 - d. all the above
9. An agent, agency or broker must keep a record of his business for:
 - a. five (5) years
 - b. until the insured cancels his business
 - c. five (5) years, or term of the policy, whichever is longer
 - d. until it is inspected by the Insurance Commissioner

10. Each of the following statements regarding the Georgia Insurance Code is true, **except**:
- the code is the basis for all insurance activity within the state
 - the code applies to the insurance producers
 - the code applies to insurance companies
 - the code applies to insurance transactions in the United States
11. Licensing exemptions apply to each of the following, **except**:
- Administrative employees of an insurance carrier
 - Attorneys who are advising their clients on insurance matters
 - An agent's employee who countersigns policies and collects premiums
 - A person applying for a Temporary Agent license
12. All the following are regulated areas of the insurance industry, **except**:
- Procedures
 - Rates and Policy forms
 - Trade Practices
 - Commissions
13. An agent is a legal representative of
- The Insured
 - The Insurer
 - Both Insured and Insurer
 - Insured, Insurer and Insurance Department
14. Employees of the Insurance Department may not have any financial interest in any insurer or insurance agency, **except**:
- as a partner
 - a policyholder or claimant
 - a stockholder
 - as a director
15. The document granting an insurer the privilege of transacting insurance business in Georgia is known as:
- a Certificate of Authority
 - an Insurers Registration
 - a Certificate of Administration
 - a Certificate of Approval
16. A reciprocal insurer in Georgia is not permitted to transact:
- Surety Insurance
 - Accident Insurance
 - Marine Insurance
 - Life Insurance
17. No authorized insurer shall issue a policy covering a subject of insurance located in Georgia unless the policy or countersignature endorsement attached has been countersigned by a:
- Company Officer
 - Licensed Solicitor
 - Licensed Resident Agent
 - person who sold the policy
18. To appeal a final order of the Commissioner, a person must file a petition with a(n):
- Magistrate Court
 - Superior Court
 - Supreme Court
 - Appellate Court
19. State Insurance Commissioner has the power & duty to do all the following, **except**:
- Issue, suspend and revoke insurance licenses
 - Develop and implement laws to regulate the insurance business
 - Conduct investigation and examination of individuals and companies who conduct insurance business
 - Make and enforce insurance rules and regulations

20. Before any rule or regulation becomes effective, the proposed action must have been on file as a matter of public record for at least:
- thirty (30) days and approved by the Commissioner
 - ten (10) days and approved by the Commissioner
 - thirty (30) days and approved by the Attorney General
 - ten (10) days and approved by the Attorney General
21. The regulations of the insurance industry rest primarily with:
- Governors Office
 - Department of Commerce & Finance
 - Private Insurers
 - State Insurance Department
22. An agent's license will be automatically revoked if it has been continuously on "inactive status" without a current Certificate of Authority on file to represent any insurer in this state for a period of:
- six (6) months
 - one (1) year
 - eighteen (18) months
 - two (2) years
23. The Commissioner shall examine each Domestic Organization licensed in Georgia whenever deemed necessary but at least every:
- three (3) years
 - four (4) years
 - five (5) years
 - whenever deemed necessary
24. The Chief Deputy Commissioner shall execute a bond in the amount of:
- \$50,000
 - \$25,000
 - \$15,000
 - \$5,000
25. Which of the following is **NOT** a goal of insurance rate regulation?
- Preventing inadequate rates
 - Preventing excessive rates
 - Preventing unfairly discriminatory rates
 - Preventing taxes from being collected and paid to the insurance companies