

EXAMINATION CONTENT OUTLINE

ACCIDENT & HEALTH EXAMINATION

SCOPE OF WORK

| Portion | # of Items | Minimum Passing Score | Time Allowed |
|---------|------------|-----------------------|--------------|
| General | 60 | 70% (42 correct) | 90 minutes |
| State | 20 | 70% (14 correct) | 30 minutes |
| Both | 80 | 70% (56 correct) | 120 minutes |

GENERAL PORTION CONTENT OUTLINE

I. GENERAL INSURANCE

A. Concepts (2 Items)

1. Risk Management Key Terms
 - a. Risk
 - b. Loss
2. Methods of Handling Risk
 - a. Avoidance
 - b. Retention
 - c. Sharing
 - d. Reduction
 - e. Transfer
3. Elements of Insurable Risks
4. Adverse Selection
5. Law of Large Numbers
6. Reinsurance

B. Insurers (2 Items)

1. Types of Insurers
 - a. Stock Companies
 - b. Mutual Companies
 - c. Fraternal Benefit Societies
 - d. Self Insurers
 - e. Risk Retention Groups
2. Purchasing Groups
3. Government Insurers
4. Domestic, Foreign and Alien Insurers
5. Financial Status (Independent Rating Services) and Operating Results
6. Marketing (Distribution) Systems
7. Life and Health Insurance Guaranty Corporation

C. Producers and General Rules of Agency (1 Item)

1. Insurer as Principal
2. Agent of Insurer
3. Authority and Powers of Producers
 - a. Express
 - b. Implied
 - c. Apparent
4. Responsibilities to the Applicant/Insured

D. Contracts (1 Item)

1. Elements of a Legal Contract
 - a. Offer and Acceptance
 - b. Consideration
 - c. Competent Parties
 - d. Legal Purpose
2. Distinct Characteristics of an Insurance Contract
 - a. Unilateral Contract
 - b. Conditional Contract
3. Legal Interpretations Affecting Contracts

- a. Ambiguities in a contract of adhesion
- b. Reasonable expectations
- c. Indemnity
- d. Utmost good faith
- e. Representations/misrepresentations
- f. Warranties
- g. Fraud
- h. Waiver and estoppel

E. Federal Regulation (1 Item)

1. Fair Credit Reporting Act
2. Fraud and False Statements
3. Employee Retirement Income Security Act (ERISA)
 - a. Applicability
 - b. Fiduciary responsibilities
 - c. Reporting and disclosure
4. COBRA

F. Industry Associations (1 Item)

1. NAIC
2. NCOIL (National Conference of Insurance Legislators)

II. HEALTH INSURANCE BASICS

A. Definitions of Perils (1 Item)

1. Accidental Injury
2. Sickness

B. Principal Types of Losses and Benefits (2 Items)

1. Loss of Income from Disability
2. Medical Expense
3. Dental Expense
4. Long-Term Care Expense
5. Vision
6. Prescription
7. AD&D (Accidental Death and Dismemberment)
8. Specified Disease

C. Classes of Health Insurance Policies (1 Item)

1. Differences Between
 - a. Individual and Group
 - b. Private and Government
 - c. Limited and Comprehensive

D. Limited Policies (1 Item)

1. Limited Amounts
2. Required Notice to Insured
3. Types of Limited Policies
 - a. Accident-only
 - b. Specified (dread) disease
 - c. Hospital indemnity (income)
 - d. Blanket insurance (teams, passengers, other)
 - e. Prescription drugs
 - f. Vision care

E. Common Exclusions from Coverage (1 Item)

1. Pre-Existing Conditions
2. Intentionally Self-Inflicted Injuries
3. War or Act of War
4. Elective Cosmetic Surgery
5. Government Plans
6. Participation in a Felony or Illegal Occupation

F. Producer Responsibilities in Individual Health Insurance (1 Item)

1. Marketing Requirements
 - a. Advertising
 - b. Prohibited Advertising of Life and Health Insurance Guaranty Association
 - c. Sales Presentations
2. Field Underwriting
 - a. Nature and Purpose



- b. Disclosure of Information About Individuals
- c. Application Procedures
- d. Requirements at Delivery of Policy

G. Individual Underwriting by the Insurer (2 Items)

- 1. Underwriting Criteria
- 2. Sources of Underwriting Information
 - a. Application
 - b. Attending Physician Statement
 - c. Medical Information Bureau (MIB)
 - d. Medical Examinations and Lab Tests (Including HIV Consent)
- 3. Unfair Discrimination
- 4. Discrimination Against Victims of Domestic Violence
- 5. Privacy
- 6. Classification of Risks
 - a. Preferred
 - b. Standard
 - c. Substandard
 - d. Declined

H. Considerations in Replacing Health Insurance (1 Item)

- 1. Pre-Existing Conditions
- 2. Pre-Existing Condition Exclusion
- 3. Benefits, Limitations, and Exclusions
- 4. Underwriting Requirements

**III. INDIVIDUAL HEALTH INSURANCE POLICY
GENERAL PROVISIONS**

A. Uniform Required Provisions (~~3 Items~~ 2 items)

- 1. Entire Contract - Changes
- 2. Time Limit on Certain Defenses
- 3. Grace Period
- 4. Reinstatement
- 5. Notice of Claim
- 6. Claim Forms
- 7. Proofs of Loss
- 8. Time of Payment of Claims
- 9. Payment of Claims
- 10. Physical Examinations and Autopsy
- 11. Legal Actions
- 12. Change of Beneficiary
- 13. Cancellation by Insured

B. Uniform Optional Provisions (~~3 Items~~ 2 items)

- 1. Change of Occupation
- 2. Misstatement of Age
- 3. Other Insurance in this Company
- 4. Insurance with Other Companies
 - a. Expense-Incurred Basis
 - b. Other Benefits
- 5. Relation of Earnings to Insurance
- 6. Unpaid Premium
- 7. Cancellation by Company
- 8. Illegal Occupation
- 9. Intoxicants and Narcotics
- 10. Conformity of State Statutes

C. Other General Provisions (2 Items)

- 1. Right to Examine (Free Look)
- 2. Consideration Clause
- 3. Renewability Clause
 - a. Noncancelable
 - b. Guaranteed Renewable
 - c. Conditionally Renewable
 - d. Renewable at Option of Insurer
 - e. Nonrenewable (Cancelable, Term)
- 4. Interest on Claims Proceeds

5. Military Suspension Provision

IV. DISABILITY INCOME AND RELATED INSURANCE

A. Individual Disability Income Insurance (2 Items)

- 1. Basic Total Disability Plan
 - a. Income benefits (monthly indemnity)
 - b. Elimination and benefit periods
 - c. Waiver of premium feature
- 2. Partial Disability Insurance
 - a. Income Benefits (Monthly Indemnities)
 - b. Elimination and Benefit Periods
 - c. Waiver of Premium Benefit
- 3. Coordination with Social Insurance
 - a. Additional monthly benefit (AMB)
 - b. Social insurance supplement (SIS)
 - c. Occupational versus Nonoccupational coverage
- 4. Other Provisions Affecting Income Benefits
 - a. Cost of Living Adjustment (COLA) Rider
 - b. Future Increase Option (FIO) Rider
 - c. Annual Renewable Term Rider
 - d. Relation of Earnings to Insurance
 - e. Change of Occupation
- 5. Other Cash Benefits
 - a. Accidental Death and Dismemberment
 - b. Rehabilitation Benefit
 - c. Medical Reimbursement Benefit (Nondisabling Injury)
- 6. Refund Provisions
 - a. Return of Premium
- 7. Exclusions
- 8. Waiver of Premium

B. Qualifying for Disability Benefits (1 Item)

- 1. Inability to Perform Duties
 - a. Own Occupation
 - b. Any Occupation
- 2. Loss of Income (Income Replacement Contracts)
- 3. Presumptive Disability
- 4. Requirement to be Under Physician Care

C. Aspects of Individual Disability Underwriting (1 Item)

- 1. Occupation
- 2. Benefit Limits

D. Group Disability Income Insurance (1 Item)

- 1. Group Plans
- 2. Short-Term Disability (STD)
- 3. Long-Term Disability (LTD)

E. Business Disability Insurance (1 Item)

- 1. Key Employee (Partner) Disability Income
- 2. Business Overhead Expense Policy
- 3. Disability Buy-Sell Policy

F. Social Security Disability (1 Item)

- 1. Qualification for Disability Benefits
- 2. Definition of Disability
- 3. Waiting Period
- 4. Disability Income Benefits

V. MEDICAL PLANS

A. Medical Plan Concepts (2 Items)

- 1. Fee-for-Service Basis
- 2. Prepaid Basis
- 3. Specified Coverages
- 4. Comprehensive Care
- 5. Benefit Schedule
- 6. Usual - Reasonable - Customary Charges
- 7. Any Provider



8. Limited Choice of Providers
9. Insureds

B. Types of Providers (2 Items)

1. Insurers
2. Nonprofits Health Service Plans
3. Health Maintenance Organizations (HMOs)
 - a. Combined Health Care Delivery and Financing
 - b. Limited Service Area - Out of Area Benefits
 - c. Limited Choice of Providers
 - d. Gatekeeper Concept
 - e. Copayments
 - f. Prepaid Basis
 - g. Preventative Care Services
 - h. Primary Care Physician versus Referral (Specialty) Physician
 - i. Emergency Care
 - j. Hospital Services
 - k. Other Basic Services
4. High Risk Pool

C. Types of Plans (2 Items)

1. Preferred Provider Organizations (PPOs)
 - a. General characteristics
 - b. Open panel or closed panel
2. Point-Of-Service (POS) Plans
 - a. Nature and purpose
 - b. Out-of-network provider access (open-ended HMO)
 - c. PCP referral (gatekeeper PPO)
 - d. Indemnity plan features
3. Major Medical Insurance
 - a. Characteristics
 - b. Common limitations
 - c. Common exclusions from coverage
 - d. Deductibles
 - e. Coinsurance Feature
 - f. Stop-Loss Feature
 - g. Maximum Benefits
4. Fixed Indeminty

D. Cost Containment (1 Item)

1. Cost-Saving Services
 - a. Preventive Care
 - b. Hospital Outpatient Benefits
 - c. Alternatives to Hospital Services
2. Utilization Management
 - a. Prospective review
 - b. Concurrent review
3. Coordination of Benefits

E. HIPAA (Health Insurance Portability and Accountability Act) Requirements (1 Item)

1. Eligibility
 - a. Guaranteed Issue
 - b. Pre-Existing Conditions
 - c. Creditable Coverage
2. Guaranteed Renewal
3. Privacy and security

F. Patient Protection and Affordable Care Act (4 items)

1. Coverage of Children to Age 26
2. Preventative Care
3. Pre-existing Conditions
4. Lifetime and Annual Limits

5. Grandfathered vs. Non-Grandfathered Plans
6. Rescissions
7. Essential Health Benefits
8. Metal Levels
9. SHOP Payment and Billing
10. Internal Appeal and External Review
11. Subsidies/Tax Credits
12. Penalties and Fines

VI. GROUP HEALTH INSURANCE

A. Characteristics of Group Insurance (~~2 Items~~ 1 item)

1. Group Contract
2. Certificate of Coverage
3. Experience Rating
4. Community Rating

B. Defined Groups (1 Item)

1. Employer
2. Labor Union
3. Association
4. Multiple Employer Trust

C. Marketing Considerations (1 Item)

1. Advertising
2. Regulatory Jurisdiction - Place of Delivery

D. Employer Group Health Insurance (~~2 Items~~ 1 item)

1. Insurer Underwriting Criteria
 - a. Characteristics of the Group
 - b. Plan Design Factors
2. Eligibility for Insurance
 - a. Annual Open Enrollment
 - b. Employee Eligibility
 - c. Dependent Eligibility
3. Coordination of Benefits Provision
4. Change of Insurance Companies or Loss of Coverage
 - a. Coinsurance and deductible carryover
 - b. No-Loss No-Gain
 - c. Events that terminate coverage
 - d. Reinstatement of Coverage for Military Personnel
 - e. Notification of Medicare Eligibility
 - f. Extension of benefits
 - g. Continuation of coverage under COBRA
 - h. Conversion privilege
5. Continuation of Coverage
6. Special Enrollment Periods
7. Minimizing Adverse Selection

VII. DENTAL INSURANCE

A. Dental Plans (1 Item)

1. Choice of Providers
2. Deductibles, Coinsurance, and Copayments
3. Exclusions
4. Predetermination of Benefits

VIII. HEALTH INSURANCE FOR SENIOR CITIZENS AND SPECIAL NEEDS INDIVIDUALS

A. Medicare (2 Items)

1. Hospital Insurance
 - a. Individual Eligibility Requirements
 - b. Enrollment
 - c. Coverages and Cost-Sharing Amounts
2. Medical Insurance
 - a. Individual Eligibility Requirements
 - b. Enrollment



- c. Coverages and Cost-Sharing Amounts
- d. Exclusions
- e. Claims Terminology and Other Key Terms

- 3. Medicare Advantage
- 4. Medicare Part D (Prescription Drugs)

B. Medicare Supplement Insurance (2 Items)

- 1. Purpose
- 2. Open Enrollment
- 3. Rating of Medicare Supplement Plans
 - a. Attained Age
 - b. Issue Age
 - c. Community Rated
- 4. Standardized Medicare Supplement Plans
 - a. Core benefits
 - b. Additional benefits
 - c. High Deductible Plans

C. Other Options for Individuals with Medicare (1 Item)

- 1. Employer Group Health Plans
 - a. Disabled employees
 - b. Employees with kidney failure
 - c. Individuals age 65 and older

IX. FEDERAL TAX CONSIDERATIONS FOR HEALTH INSURANCE

A. Personally-Owned Health Insurance (1 Item)

- 1. Disability Income Insurance
- 2. Medical Expense Insurance
- 3. Long-Term Care Insurance

B. Employer Group Health Insurance (1 Item)

- 1. Disability Income (STD, LTD)
- 2. Medical, Dental, and Vision Expense
- 3. Long-Term Care Insurance
- 4. Accidental Death and Dismemberment
- 5. IRC Section 125 - Pretax Employee Contributions

C. Business Disability Insurance (1 Item)

- 1. Key Person Disability Income
- 2. Business Overhead Expense
- 3. Buy-Sell Policy

D. HSAs and HRAs (1 Item)

- 1. Health Savings Accounts
- 2. Health Reimbursement Accounts
- 3. High Deductible Plans

X. LONG-TERM CARE (LTC) POLICIES

A. Contract Terms (2 Items)

- 1. LTC, Medicare and Medicaid Compared
- 2. Eligibility for Benefits
- 3. Levels of Care
 - a. Skilled Care
 - b. Intermediate Care
 - c. Custodial Care
 - d. Home Health Care
 - e. Adult Day Care
 - f. Respite Care
- 4. Benefit Periods
- 5. Benefit Amounts
- 6. Optional Benefits
 - a. Inflation Protection
 - b. Nonforfeiture
- 7. Qualified and Nonqualified
- 8. Exclusions
- 9. Underwriting Considerations
- 10. Partnership

B. Interaction with Other Coverage (1 Item)

- 1. Medicare

- 2. Medicaid
- 3. Medical Insurance

STATE PORTION CONTENT OUTLINE

XI. INSURANCE REGULATION

Ref: Maryland Insurance Code, unless otherwise noted

A. Licensing (5 Items)

- 1. Purpose
- 2. Process

Ref: Insurance Article Annotated Code- Sec. 10-118(b)(2); Sec. 10-103(c)(1)

- a. Initial Licensure Qualifications
- b. Examination
- c. License fee & application

3. Types of Licenses

Ref: Insurance Article Annotated Code- Sec. 1-101(u)(1)

- a. Producers
- b. Advisers
- c. Nonresidents
- d. Business Entities
- e. Temporary

4. Maintenance

- a. Address and/or name changes
- b. Assumed names/trade names
- c. Requirement to report felony convictions

5. Renewal

Ref: Insurance Article Annotated Code- Sec. 10-211(e)(2)(i); Sec. 10-115; Sec. 10-1-05; Sect. 10-116(a)(2)(i);

- a. Duration and Termination
- b. Continuing Education

6. Appointment Procedures

Ref: Insurance Article Annotated Code- Sec. 1-101; Sec. 10-118; Sec. 27-209

- a. Producer's Appointment with Insurer
- b. Individual Producer's Appointment versus Business Entity's Appointment
- c. Solicitation Prior to Appointment
- d. Notice of Appointment
- e. Termination of Appointment/Notice to Producer

7. Disciplinary Actions

Ref: Insurance Article Annotated Code- Sec. 1-301; Sec. 10-126(e); Sec. 27-202

- a. Probation, Denial, Suspension, Revocation or Refusal to Renew
- b. Cease and desist order
- c. Penalties
- d. Hearings/Notice of Hearings

8. Fraud

Ref: Insurance Article Annotated Code- Sec. 27-216(a)(1)(i); Sec. 2-401

XII. STATE REGULATION

Ref: Maryland Insurance Code, unless otherwise noted

A. State Regulation (3 Items)

- 1. State Insurance Commissioner General Duties and Powers

Ref: Insurance Article Annotated Code- Sec. 2-102(a); Sec. 2-103(a)(4); Sec. 2-204(b)(1); Sec. 14-404, 16-601; Sec. 1-301; Sec. 2-101(2)



2. Insurer Regulation
Ref: Insurance Article Annotated Code- Sec. 15-204(B); Sec. 15-208(A)(1); Sec. 15-211(A); Sec. 14-412(a)(1); Sec. 18-105(1); Sec. 18-106(b)(1); Sec. 6-103(1); Sec. 27-501(a)(1); Sec. 15-201(2)(ii); Sec. 15-911; Sec. 18-108; Sec. 18-110; Ref: COMAR- Sec. 31.14.01.04(A)(1)(a)
 - a. Forms
 - b. Rates
 - c. Unfair Claims Settlement Practices
 - d. Complaint Record
 - e. Certificate of Authority
3. Producer Regulation
Ref: Insurance Article Annotated Code- Sec. 27-209; Sec. 10-105; Ref: COMAR- Sec. 31.03.03
 - a. Record Retention
 - b. Activities of Unlicensed Individuals
 - c. Payment and Sharing of Commissions
 - d. Charging of Fees
 - e. Fiduciary Capacity
 - f. Responsibility of Trust Accounts
 - g. Commingling of Funds
 - h. Advertising
4. Unfair Trade Practices
Ref: Insurance Article Annotated Code- Sec. 27-304 Sec. 27-213; Sec. 27-305(a); Sec. 27-504(b)(1)
 - a. Misrepresentation
 - b. False Advertising
 - c. Defamation
 - d. Boycott, Coercion and Intimidation
 - e. False Financial Statements
 - f. Prohibited Inducements
 - g. Unfair Discrimination
 - h. Rebating
 - i. Twisting
5. Insurance Information and Privacy Protection

XIII. PROVIDERS

Ref: Maryland Insurance Code, unless otherwise noted

A. Types of Providers (3 Items)

1. Insurers
Ref: Annotated Code- Sec. 1-101
2. Non Profits Health Service Plans
Ref: Insurance Article Annotated Code- Sec. 14-101 and 14-102
3. Health Maintenance Organizations (HMOs)
Ref: COMAR Sec. 31.12.07.02(B)(3); Ref: Health General Article Annotated Code-Title 19 Subtitle 7- Sec. 19-701; Sec. 19-705
4. Maryland Health Insurance Plan
Ref: Insurance Article Annotated Code- Sec. 14-501(h), 14-502; Sec. 14-505

XIV. STATE REQUIREMENT

Ref: Maryland Insurance Code, unless otherwise noted

A. Medical Plans: State Requirements (8 Items)

1. Eligibility Requirements
 - a. Dependent Child Age Limit
 - b. Coverage for Adopted Children
 - c. Newborn Child Coverage
 - d. Unmarried Dependent Incapacitated Child Coverage

Ref: Insurance Article Annotated Code- Sec. 15-401, 402

2. Mandated or Required Offers
Ref: Insurance Article Annotated Code- Sec. 15-407, 15-408, 15-409; Sec. 15-801, 15-802, 15-810, 15-839

3. Mandated or Required Benefits [GENERAL KNOWLEDGE ONLY]

Ref: COMAR Sec. 31.10.06.08(B)(12); Ref: Insurance Article Annotated Code- Sec. 15-804(3); Sec. 15-802, 15-838, 15-841

4. Other Requirements

5. Small Employer Health Insurance

Ref: Insurance Article Annotated Code- Sec. 15-1204 (special note)(b); Sec. 15-1205; Sec. 15-1208(C); Sec. 15-1201(e); Sec. 15-1203(b)(1)(i)

6. Medicare Supplement Insurance

Ref: Insurance Article Annotated Code- Sec. 15-901; Sec. 15-906; Sec. 15-909; Sec. 15-910

- a. Purpose and Definitions
- b. Minimum Standards and Provisions
- c. Eligibility
- d. Disclosure and Marketing

7. Maryland Health Benefit Exchange

- a. SHOP vs. Individual Exchange
- b. Open Enrollment/Special Enrollment
- c. Employer Choice Options in SHOP Exchange
- d. Mandated Referrals

XV. LTC

Ref: Maryland Insurance Code, unless otherwise noted

C. Long-Term Care Tax Credits (1 Item)

1. Deductibility of Premiums for LTC Insurance for State Income Tax Purposes

Ref: Tax General Article 10-710 - Sec. 10-718; Ref: Insurance Article Annotated Code- Sec. 18-101; Sec. 18-104; Sec. 18-105

REFERENCE LIST

The following list of reference materials were used to verify the accuracy of the test items for the examinations. They are listed for the purpose of test validation and do NOT constitute an endorsement or recommendation by PSI or the MIA. Other publications are also available to study for the examinations.

Candidates may use a silent, nonprinting, non-programmable calculator in the examination center.

This examination is CLOSED BOOK.

The following reference materials are not allowed in the examination center:

For General Portion:

All About HSAs, 2007, U.S. Treasury Department, (800) 829-4933, www.ustreas.gov/offices/public-affairs/hsa/

Health Concepts, 2006, 18th Edition, Kaplan Financial, (800) 824-8742, www.kaplanfinancial.com, ISBN 1-4195-3788-1



Dictionary of Insurance Terms, Harvey W. Rubin, 2000, 4th Edition, John Wiley and Sons, Inc., (201) 748-6000, www.barronseduc.com.

Life & Health Insurance, Kenneth Black, Jr., Harold D. Skipper, Jr., 2000, 13th Edition, Prentice-Hall, (800) 382-3419, www.prenhall.com, ISBN 0138912505

Life & Health Pathfinder, William H. Cummings, J. Mack Spears, 2003, 14th Edition, Pathfinder Publishers, (800) 592-4242, www.pathfinderedu.com, ISBN 0135357810

McGill's Life Insurance, Edward E. Graves, 2005, 5th Edition, The American College, (888) 263-7265, www.theamericancollege.edu

18 USC 1033 (Title 18: Crimes and Criminal Procedure, Part I: Crimes, Chapter 47: Fraud and False Statements, Section 1033: Crime), GPO Access, (202) 512-1530, <http://trac.syr.edu/laws/18/18USC01033.html>

Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), 1986, U.S. Social Security Administration, (800) 772-1213, www.ssa.gov

Health Insurance Portability and Accountability Act of 1996, 1996, U.S. Department of Health and Human Services, www.cms.hhs.gov

For Maryland State Specific Portion:

Maryland Laws

www.dsd.state.md.us/comar
<http://mgaleg.maryland.gov>

Insurance Article - Annotated Code of Maryland

www.dsd.state.md.us/comar
<http://mgaleg.maryland.gov>

Tax General Article 10-710 (just for Long Term Care)

<http://www.lexisnexis.com/hottopics/mdcode/>

Health General Article - Title 19 Subtitle 7- Annotated Code of Maryland (just for HMO's)

www.dsd.state.md.us/comar
<http://mgaleg.maryland.gov>

COMAR - Office of the Secretary of State: Division of State Documents www.dsd.state.md.us/comar

