

# EXAMINATION CONTENT OUTLINE

## LIFE, ACCIDENT & HEALTH PRODUCER COMBINED EXAMINATION

### SCOPE OF WORK

Portion	# of Items	Minimum Passing Score	Time Allowed
General	110	70% (77 correct)	180 minutes
State	20	70% (14 correct)	30 minutes
Both	130	70% (91 correct)	210 minutes

### GENERAL PORTION CONTENT OUTLINE

#### I. GENERAL PORTION: COMMON TO LIFE AND A&H 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
2. Purchasing Groups
3. Government Plans
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 (2 Items)

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
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

##### F. Industry Associations (1 Item)

1. NAIC
2. NCOIL (National Conference of Insurance Legislators)
3. Industry and Producer

#### II. LIFE INSURANCE BASICS

##### A. Insurable Interest (1 Item)

##### B. Personal Uses of Life Insurance (2 Items)

1. Survivor Protection
2. Estate Creation
3. Cash Accumulation
4. Liquidity
5. Estate Conservation
6. Debt Protection on Personal Mortgages

##### C. Viatical/Life Settlements (2 Items)

1. Nature and Purpose
2. Viatical Settlement, Broker Authority, and Licensing
3. Disclosure to Consumers
4. General Rules
5. Fraudulent Acts
6. Definitions
  - a. Chronically ill
  - b. Fraudulent Viatical Settlement Act
  - c. Terminally ill
  - d. Viatical Settlement broker
  - e. Viatical Settlement provider
  - f. Viatical settlement purchaser
  - g. Viator

##### D. Determining Amount of Personal Life Insurance (2 Items)

1. Human Life Value Approach
2. Needs Approach
  - a. Types of Information Gathered
  - b. Determining Lump-Sum Needs
  - c. Planning for Income Needs
3. Social Security Benefits

##### E. Business Uses of Life Insurance (1 Item)

1. Buy-Sell Funding
2. Key Person
3. Executive Bonuses

##### F. Classes of Life Insurance Policies (2 Items)

1. Group
2. Individual
3. Ordinary
4. Industrial (Home Service)
5. Term
6. Participating



- 7. Nonparticipating
- 8. Variable Life Insurance
  - a. Types of Variable Products
- 9. U.S. Government Plans
- G. Premiums (1 Item)**
  - 1. Factors in Premium Determination
    - a. Mortality
    - b. Interest
    - c. Expense
  - 2. Premium Concepts
    - a. Net Single Premium
    - b. Gross Annual Premium
  - 3. Premium Payment Mode
- H. Producer Responsibilities (2 Items)**
  - 1. Solicitation and Sales Presentations
    - a. Advertising
    - b. Illustrations
    - c. Policy Summary
    - d. Buyer's Guide
  - 2. Life Insurance Policy Cost Comparison Methods
  - 3. Replacement
  - 4. Use and Disclosure of Insurance Information
  - 5. Field Underwriting
    - a. Notice of Information Practices
    - b. Adverse Underwriting Decisions
    - c. Application Procedures
  - 6. Delivery
    - a. Policy Review
    - b. Effective Date of Coverage
    - c. Premium Collection
    - d. Statement of Good Health
- I. Individual Underwriting by the Insurer (2 Items)**
  - 1. Information sources and regulation
    - a. Applicant
    - b. Agent Report
    - c. Attending Physician Statement
    - d. Investigative Consumer (Inspection) Report
    - e. Medical Information Bureau (MIB)
    - f. Medical Examinations and Lab Tests (including HIV consent)
  - 2. Selection Criteria and Unfair Discrimination
  - 3. Classification of Risks
    - a. Preferred
    - b. Standard
    - c. Substandard
    - d. Declined

### III. LIFE INSURANCE POLICIES

- A. Term Life Insurance (1 Item)**
  - 1. Level Term
    - a. Annual Renewable Term
    - b. Level Premium Term
    - c. Convertible Term
  - 2. Decreasing Term
  - 3. Increasing Term
- B. Whole Life Insurance (2 Items)**
  - 1. Whole Life Premium (Straight Life)
  - 2. Limited Payment
  - 3. Indeterminate Premium
  - 4. Interest Sensitive - Current Assumption
  - 5. Modified Life
  - 6. Equity Indexed Life
  - 7. Graded Premium
  - 8. Single Premium

- C. Flexible Premium Policies (2 Items)**
  - 1. Adjustable Life
  - 2. Universal Life
- D. Specialized Policies (2 Items)**
  - 1. Family (Family Protection and Family Plan)
  - 2. Joint Life (First-to-Die)
  - 3. Survivorship Life (Second-to-Die)
  - 4. Juvenile - Student Life
- E. Group Life Insurance (2 Items)**
  - 1. Characteristics of Group Plans
  - 2. Types of Eligible Groups
    - a. Employer - Employee
    - b. Debtor Groups
    - c. Labor Union Groups
    - d. Credit Union or Credit Union Trusts
    - e. Association Plans

### IV. LIFE INSURANCE POLICY PROVISIONS, OPTIONS AND RIDERS

- A. Standard Provisions (2 Items)**
  - 1. Ownership
  - 2. Assignment
  - 3. Entire Contract
  - 4. Modifications
  - 5. Right to Examine (Free Look)
  - 6. Payment of Premiums
  - 7. Grace Period
  - 8. Reinstatement
  - 9. Incontestability
  - 10. Misstatement of Age
  - 11. Exclusions
  - 12. Suicide
  - 13. War Clause
  - 14. Interest on Proceeds
  - 15. Prohibited Provisions
- B. Beneficiaries (1 Item)**
  - 1. Designation Options
    - a. Individuals
    - b. Classes
    - c. Estates
    - d. Minors
    - e. Trusts
  - 2. Succession
  - 3. Revocable
  - 4. Irrevocable
  - 5. Annulment or Divorce
  - 6. Common Disaster Clause
  - 7. Spendthrift Clause
  - 8. Facility of Payment Clause
- C. Life Insurance Settlement Options (1 Item)**
  - 1. Cash Payment
  - 2. Interest Only
  - 3. Fixed-Period Installments
  - 4. Fixed-Amount Installments
  - 5. Life Income
    - a. Single Life
    - b. Joint and Survivor
- D. Nonforfeiture Options (2 Items)**
  - 1. Cash Surrender Value
  - 2. Extended Term
  - 3. Reduced Paid-Up Insurance
  - 4. Automatic Option Required
- E. Policy Loan and Withdrawal Options (1 Item)**
  - 1. Cash Loans



- 2. Automatic Premium Loans
- 3. Withdrawals or Partial Surrenders
- 4. Loan Interest
- F. Dividend Options (1 Item)**
  - 1. Cash Payment
  - 2. Reduction of Premium Payments
  - 3. Accumulation of Interest
  - 4. One-Year Term Option
  - 5. Paid-Up Additions
- G. Disability Riders (1 Item)**
  - 1. Waiver of Premium
  - 2. Waiver of Cost of Insurance
  - 3. Disability Income Benefit
  - 4. Payor Benefit
- H. Accelerated (Living) Benefit Provision - Rider (1 Item)**
  - 1. Conditions for Payment
    - a. Diagnosis of Terminal Illness
    - b. Diagnosis of Catastrophic Illness
    - c. Permanent Confinement (Long-Term Care)
    - d. Inability to Perform ADLs
  - 2. Disclosure
    - a. Written Disclosure Required
    - b. Effect on Death Benefit
    - c. Cash Value
    - d. Loans and Loan Interest
    - e. Tax Consequences
    - f. Premium
- I. Riders Covering Additional Insureds (1 Item)**
  - 1. Spouse - Other-Insured Term Rider
  - 2. Children's Term Rider
  - 3. Family Term Rider
- J. Riders Affecting the Death Benefit Amount (1 Item)**
  - 1. Accidental Death
  - 2. Guaranteed Insurability
  - 3. Cost of Living
  - 4. Return of Premium

## V. ANNUITIES

- A. Annuity Principles and Concepts (2 Items)**
  - 1. Accumulation Period versus Annuity Period
  - 2. Owner, Annuitant and Beneficiary
  - 3. Insurance Aspects of Annuities
  - 4. Suitability
- B. Immediate versus Deferred Annuities (1 Item)**
  - 1. Single Premium Immediate Annuities (SPIAs)
  - 2. Deferred Annuities
    - a. Premium payment options
    - b. Nonforfeiture
    - c. Surrender charges
    - d. Bail-Out Provisions
    - e. Death benefits
- C. Annuity (Benefit) Payment Options (1 Item)**
  - 1. Life Contingency Options
    - a. Pure Life versus Life with Guaranteed Minimum
    - b. Single Life versus Multiple Life
  - 2. Annuities Certain (Types)
    - a. Installments for a fixed period
    - b. Installments for a fixed amount
- D. Annuity Products (1 Item)**
  - 1. Fixed Annuities
    - a. General account assets
    - b. Interest rate guarantees (minimum versus current)

- c. Level benefit payment amount
- 2. Variable Annuities
  - a. General Account Assets
  - b. Guarantees
  - c. Level Benefit Payment Amount
- 3. Equity Indexed Annuities
- 4. Market Value Adjusted Annuities
- E. Uses of Annuities (2 Items)**
  - 1. Lump-Sum Settlements
  - 2. Qualified Retirement Plans
    - a. Group versus individual annuities
  - 3. Personal Uses
    - a. Individual retirement plans
    - b. Tax-deferred growth
    - c. Retirement income
    - d. Education funds
  - 4. Business Uses

## VI. FEDERAL TAX CONSIDERATIONS FOR LIFE INSURANCE AND ANNUITIES

- A. Taxation of Personal Life Insurance (1 Item)**
  - 1. Amounts Available to Policyowner
    - a. Cash Value Increases
    - b. Dividends
    - c. Policy Loans
  - 2. Amounts Received by Beneficiary
    - a. General Rule and Exceptions
    - b. Settlement Options
  - 3. Values Included in Insured's Estate
- B. Modified Endowment Contracts (MECs) (2 Items)**
  - 1. Modified Endowment
  - 2. Seven-Pay Test
  - 3. Distributions
- C. Taxation of Non-Qualified Annuities (1 Item)**
  - 1. Individually-Owned
    - a. Accumulation Phase (Tax Issues Related to Withdrawals)
    - b. Annuity Phase and the Exclusion Ratio
    - c. Distributions at Death
  - 2. Corporate-Owned
- D. Taxation of Qualified Plans (2 Items)**
  - 1. Traditional IRAs
    - a. Contributions and Deductible Amounts
    - b. Premature Distributions (Including Taxation Issues)
    - c. Annuity Phase Benefit Payments
    - d. Values Included in the Annuitant's Estate
    - e. Amounts Received by Beneficiary
  - 2. Roth IRAs
    - a. Contributions and limits
    - b. Distributions
  - 3. TSAs
  - 4. 401ks
- E. Section 1035 Exchanges (1 Item)**
- F. Taxation of Business Life Insurance (1 Item)**

## VII. 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
  3. Errors and Omissions
- 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

## VIII. INDIVIDUAL HEALTH INSURANCE POLICY GENERAL PROVISIONS

### A. Uniform Required Provisions (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 (~~2 Items~~ 1 item)

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 item)

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

## IX. 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

### X. 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 Indemnity

#### 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

### XI. 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

XII. DENTAL INSURANCE

A. Dental Plans (1 Item)

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

XIII. 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

XIV. 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

XV. 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

XVI. STATE SPECIFIC PORTION COMMON TO LIFE and A&H INSURANCE REGULATION

*Ref: Maryland Insurance Code, unless otherwise noted*

A. Licensing (4 Items)

1. Purpose
2. Process

*Ref: Insurance Article Annotated Code- Sec. 10-118(b)(2); Sec. 10.109; 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. 14-403; 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; Sec. 10-116*
  - 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*

**B. State Regulation (6 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; 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; Sec. 31.15.02.12; Sec. 31.15.02.18(A); Sec. 31.15.02.02; Sec. 31.15.02.03(B)*
  - 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

**XVII. STATE PORTION: SPECIFIC TO LIFE INSURANCE**

*Ref: Maryland Insurance Code, unless otherwise noted*

**A. State Requirements (3 Items)**

- 1. Policy Replacement  
*Ref: COMAR- Sec. 31.09.05.10*
  - a. Definitions
  - b. Provisions and Disclosure
- 2. Group Life  
*Ref: Insurance Article Annotated Code- Sec. 17-201(a); Sec. 17-202(b); Sec. 17-209(a)(2)(i)(ii)*
  - a. Eligibility
  - b. Dependent Coverage
  - c. Standard Provisions
  - d. Conversion
  - e. Assignment of Proceeds
- 3. Life and Health Insurance Guaranty Corporation  
*Ref: Insurance Article Annotated Code- Sec. 9-405(a)(2); Sec. 9-409(b); Sec. 9-402*

**XVIII. STATE PORTION: SPECIFIC TO ACCIDENT & HEALTH INSURANCE**

*Ref: Maryland Insurance Code, unless otherwise noted*

**A. Types of Providers (2 Items)**

- 1. Insurers  
*Ref: Annotated Code- Section 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*

**B. Medical Plans: State Requirements (4 Items)**

- 1. Eligibility Requirements  
*Ref: Insurance Article Annotated Code- Sec. 17-202(b)*
  - a. Dependent Child Age Limit



- b. Coverage for Adopted Children
- c. Newborn Child Coverage
- d. Unmarried Dependent Incapacitated Child Coverage

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

Ref: *COMAR Sec. 31.15.02.03; Sec. 31.15.02.12; Sec. 31.15.02.18(A); Sec. 31.15.02.02; Sec. 31.11.01.07(B); Sec. 31.12.07.06(D); ; Ref: Insurance Article Annotated Code- Sec. 15-309(C); Sec. 15-1301(k); Sec. 15-802(4); Sec. 8.301*

5. Small Employer Health Insurance

Ref: *Insurance Article Annotated Code- Sec. 15-1204 (special note)(b); Sec. 15-1205; Sec. 15-1208; 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

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*

Dictionary of Insurance Terms, Harvey W. Rubin, 2000, 4<sup>th</sup> Edition, John Wiley and Sons, Inc., (201) 748-6000, <http://barronseduc.com>.

*Life & Health Pathfinder*, William H. Cummings, J. Mack Spears, 2003, 14<sup>th</sup> Edition, Pathfinder Publishers, (800) 592-4242, [www.pathfinderedu.com](http://www.pathfinderedu.com), ISBN 0135357810

*McGill's Life Insurance*, Edward E. Graves, 2005, 5<sup>th</sup> Edition, The American College, (888) 263-7265, [www.theamericancollege.edu](http://www.theamericancollege.edu)

18 USC 1033 (Title 18: Crimes and Criminal Procedure, Part I: Crimes, Chapter 47: Fraud and False Statements, Section 1033: Crime) 2005, GPO Access, (202) 512-1530, [www.access.gpo.gov/uscode/index.html](http://www.access.gpo.gov/uscode/index.html)

*Life Insurance Handbook*, Louis S. Shuntich, 2003, Marketplace Books, [www.marketplacebooks.com](http://www.marketplacebooks.com), ISBN 1592800572

*Life & Health Insurance*, Kenneth Black, Jr., Harold D. Skipper, Jr., 2000, 13<sup>th</sup> Edition, Prentice-Hall, (800) 382-3419, [www.prenhall.com](http://www.prenhall.com), ISBN 0138912505

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

*Health Concepts*, 2006, 18<sup>th</sup> Edition, Kaplan Financial, (800) 824-8742, [www.kaplanfinancial.com](http://www.kaplanfinancial.com), ISBN 1-4195-3788-1

Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), 1986, U.S. Social Security Administration, (800) 772-1213, [www.ssa.gov](http://www.ssa.gov) <http://www.ssa.gov>

Health Insurance Portability and Accountability Act of 1996, 1996, U.S. Department of Health and Human Services, [www.cms.hhs.gov](http://www.cms.hhs.gov) <http://www.cms.hhs.gov>

*The Essentials of Life, Accident, and Health Insurance-Maryland*, 2007, Securities Training Corporation, (800) STC-1223, [www.stcusa.com](http://www.stcusa.com)

For State Portion:

Maryland Laws

[www.dsd.state.md.us/comar](http://www.dsd.state.md.us/comar)  
<http://mgaleg.maryland.gov>

Insurance Article - Annotated Code of Maryland

[www.dsd.state.md.us/comar](http://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://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](http://www.dsd.state.md.us/comar)

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:

*Life Concepts*, 2006, 18<sup>th</sup> Edition, Kaplan Financial, (800) 824-8742, [www.kaplanfinancial.com](http://www.kaplanfinancial.com), ISBN 1-4195-3997-3

