

Your Exam Content Outline

The following outline describes the content of one of the Utah insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

Utah Producer's Examination for Accident and Health Insurance Series 17-02

100 questions – Two-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103–105, 107, 302)
- Types of licensees (31A-23a-106, 203, 401)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201–203)
 - Policy forms (31A-21-201–203)
 - Producer appointment (31A-23a-115; Reg R590-244-1–14)
 - Termination of appointment (Reg R590-244-1–14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190–192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)
 - Shared commissions (31A-23a-504)

- Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))
 - False advertising (31A-23a-402(1))
 - Rebating (31A-23a-402(2))
 - Unfair discrimination (31A-23a-402(3))
 - Boycott, coercion or intimidation (31A-23a-402(4))
 - Illegal inducement (Reg R590-154-11)
 - Examination of records (31A-2-203–205; 31A-23a-412)
 - Privacy of Consumer Information (Reg R590-206)
 - Insurance fraud regulation (31A-31-103–106)
 - Personal liability for unpaid claims (31A-15-105)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681–1681d)
 - Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 10%

2.1 Concepts

- Risk management key terms
 - Risk
 - Exposure
 - Hazard
 - Peril
 - Loss
- Methods of handling risk
 - Avoidance
 - Retention
 - Sharing
 - Reduction
 - Transfer
- Elements of insurable risks
 - Adverse selection
 - Law of large numbers
 - Reinsurance

2.2 Insurers

- Types of insurers
 - Stock companies
 - Mutual companies
 - Fraternal benefit societies
 - Reciprocal
 - Lloyd's associations
 - Risk retention groups
- Private versus government insurers
- Admitted versus nonadmitted insurers
- Domestic, foreign and alien insurers
- Financial status (independent rating services)
- Marketing (distribution) systems

2.3 Producers and general rules of agency

- Insurer as principal
- Producer/insurer relationship
- Authority and powers of producer
 - Express
 - Implied
 - Apparent
- Responsibilities to the applicant/insured

2.4 Contracts

- Elements of a legal contract
 - Offer and acceptance
 - Consideration
 - Competent parties
 - Legal purpose
- Distinct characteristics of an insurance contract
 - Contract of adhesion
 - Aleatory contract
 - Personal contract
 - Unilateral contract
 - Conditional contract
- Legal interpretations affecting contracts
 - Ambiguities in a contract of adhesion
 - Reasonable expectations
 - Indemnity
 - Utmost good faith
 - Representations/misrepresentations
 - Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

3.0 Accident and Health Insurance Basics 20%

3.1 Definitions of perils

- Accidental injury (R590-126, 233)
- Sickness

3.2 Principal types of losses and benefits

- Loss of income from disability
- Medical expense
- Dental expense
- Long-term care expense

3.3 Classes of health insurance policies

- Individual versus group
- Private versus government
- Self-funded vs fully insured
- Limited versus comprehensive

3.4 Limited policies (R590-126)

- Limited perils and amounts
- Required notice to insured
- Types of limited policies
 - Accident-only
 - Specified (dread) disease
 - Hospital indemnity (income)
 - Credit disability
 - Blanket insurance (teams, passengers, other)
 - Prescription drugs
 - Vision care

3.5 Common exclusions from coverage

3.6 Licensee responsibilities in individual health insurance

Marketing requirements

- Advertising (Reg R590-130-4–16)
- Utah Life and Health Insurance Guaranty Association (31A-28-119(1))
- Sales presentations
- Outline of coverage (Reg R590-126-8, 233-8)
- Guaranty association disclosure (31A-28-119(2–4); Reg R590-155-2, 3)
- Compensation disclosure (31A-23a-501)
- Field underwriting
 - Nature and purpose
 - Disclosure of information about individuals
 - Application procedures
 - Requirements at delivery of policy
 - Utah individual and small employer health insurance application (R590-247)
 - Common situations for errors/omissions

3.7 Individual underwriting by the insurer

- Underwriting criteria
- Sources of underwriting information
 - Application
 - Licensee report
 - Attending physician statement
 - Investigative consumer (inspection) report
 - Medical Information Bureau (MIB)
 - Medical examinations and lab tests (including HIV consent) (Reg R590-132-3)
- Unfair discrimination (31A-23a-402(3))
 - Genetic Information and Nondiscrimination Act of 2008 (GINA)
- Classification of risks
 - Preferred
 - Standard
 - Substandard

3.8 Considerations in replacing accident and health insurance (Reg R590-126-9, 233)

- Pre-existing conditions (31A-22-605.1)
- Benefits, limitations and exclusions
- Underwriting requirements
- Licensee liability for errors and omissions

4.0 Individual Accident and Health Insurance Policy General Provisions 5%

4.1 Uniform required provisions (R590-126, 233)

- Incontestability (31A-22-609)
- Grace period (31A-22-607)
- Reinstatement (31A-22-608)
- Claim procedures (31A-21-312; 31A-22-614; 31A-26-301; Reg R590-192-1–14)

4.2 Uniform optional provisions

- Change of occupation (31A-22-613(1))
- Misstatement of age (31A-22-613(2, 3))
- Coordination of benefits (31A-22-619)

4.3 Other general provisions

- Right to examine (free look) (31A-22-606)
- Insuring clause
- Consideration clause
- Entire contract; changes
- Physical examinations and autopsy

- Legal actions
- Change of beneficiary
- Unpaid premium
- Conformity with state statutes
- Illegal occupation
- Renewability clause
 - (31A-30-107; Reg R590-126-5)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)

5.0 Disability Income and Related Insurance 8%

5.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- Loss of income (income replacement contracts)
- Definition of total disability (R590-126-3)
- Presumptive disability
- Requirement to be under physician care

5.2 Individual disability income insurance

- Basic total disability plan
 - Income benefits (monthly indemnity)
 - Elimination and benefit periods
 - Waiver of premium feature
- Coordination with social insurance and workers compensation benefits
 - Additional monthly benefit (AMB)
 - Social insurance supplement (SIS)
 - Occupational versus nonoccupational coverage
- At-work benefits
 - Partial disability benefit
 - Residual disability benefit
- Other provisions affecting income benefits
 - Cost of living adjustment (COLA) rider
 - Future increase option (FIO) rider
 - Relation of earnings to insurance
- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
 - Return of premium
 - Cash surrender value
- Exclusions

5.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

5.4 Group disability income insurance

- Group versus individual plans
- Short-term disability (STD)
- Long-term disability (LTD)

5.5 Business disability insurance

- Key employee (partner) disability income

- Disability buy-sell policy

5.6 Social Security disability

- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

5.7 Workers compensation

- Eligibility

6.0 Medical Plans 12%

6.1 Medical plan concepts

- Fee-for-service basis versus prepaid basis
- Specified coverages versus comprehensive care
- Benefit schedule versus
 - usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants

6.2 Types of providers and plans

- Major medical insurance (indemnity plans)
 - Characteristics
 - Common limitations
 - Exclusions from coverage
 - Provisions affecting cost to insured
- Health maintenance organizations (HMOs)
 - General characteristics
 - Preventive care services
 - Primary care physician versus referral (specialty) physician
 - Emergency care
 - Hospital services
 - Other basic services
- Preferred provider organizations (PPOs)
 - General characteristics
 - Limited health plans (31A-8-101(6))
 - Open panel or closed panel
 - Types of parties to the provider contract
- Point-of-service (POS) plans
 - Nature and purpose
 - Out-of-network provider access (open-ended HMO)
 - PCP referral (gatekeeper PPO)
 - Indemnity plan features

6.3 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Hospital outpatient benefits
 - Alternatives to hospital services
- Utilization management
 - Prospective review
 - Concurrent review

6.4 Utah requirements (individual and group)

- Eligibility requirements
 - Newborn child coverage (31A-22-610)
 - Dependent child age limit (31A-22-610.5)
 - Court ordered dependency coverage (31A-22-610.5)
 - Eligibility of dependent children not based solely on residency (31A-22-718)

Policy extension for handicapped children
(31A-22-611)

Adoptions (31A-22-610.1)

Benefit offers

Substance abuse coverage (31A-22-715)

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue

Pre-existing conditions

Creditable coverage

Renewability

6.6 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)

Definition

Eligibility

Contribution limits

Portability

6.7 HIPUtah (31A-29-101–107, 119–123)

Eligibility (31A-29-111)

Coverages and limits (31A-29-113)

Exclusions (31A-29-113)

Deductibles and coinsurance (31A-29-114)

7.0 Group Accident and Health Insurance 10%

7.1 Characteristics of group insurance

Group contract

Certificate of coverage

Experience rating versus community rating

7.2 Types of eligible groups

Employment-related groups

Individual employer groups

Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)

Associations (alumni, professional, other)

Customer groups (depositors, creditor-debtor, other)

Discretionary groups

7.3 Marketing considerations

Advertising

Regulatory jurisdiction/place of delivery

7.4 Employer group health insurance

Insurer underwriting criteria

Characteristics of group

Plan design factors

Persistency factors

Administrative capability

Eligibility for insurance

Annual open enrollment

Employee eligibility

Dependent eligibility

Coordination of benefits provision (Reg R590-131)

Change of insurance companies or loss of coverage

Coinsurance and deductible carryover

No-loss no-gain

Events that terminate coverage

Extension of benefits

Continuation of coverage under COBRA and

Utah Mini-COBRA (31A-22-722)

Utah NetCare Plan

Conversion rights (31A-22-723)

Conversion rights for former spouse
(31A-22-612)

Reinstatement of coverage for military
personnel (31A-22-717)

7.5 Small employer medical plans

Definition of small employer (31A-1-301)

Basic coverage (31A-22-613.5; Reg R590-175)

Availability of coverage

Benefit choices (31A-30-109)

Defined contribution arrangement market
(31A-30, Part 2)

Renewability of coverage (31A-30-107)

Pre-existing conditions (31A-22-605.1)

Participation requirements (31A-30-112)

Surcharge for charging carriers (31A-30-106.7)

Open enrollment (Reg R590-176)

7.6 Regulation of employer group insurance plans

Employee Retirement Income Security Act (ERISA)

Applicability

Fiduciary responsibilities

Reporting and disclosure

Age Discrimination in Employment Act (ADEA)

Applicability to employers and workers

Permitted reductions in insured benefits

Permitted increases in employee contributions

Requirements for medical expense coverage

Civil Rights Act/Pregnancy Discrimination Act

Applicability

Guidelines

Relationship with Medicare

Medicare secondary rules

Medicare carve-outs and supplements

Nondiscrimination rules (highly-compensated)

7.7 Types of funding and administration

Conventional fully-insured plans

Fully self-funded (self-administered) plans

Characteristics

Conditions suitable for self-funding

Benefits suitable for self-funding

8.0 Dental Insurance 2%

8.1 Categories of dental treatment

Diagnostic and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics

8.2 Indemnity plans

Choice of providers

Scheduled versus nonscheduled plans

Benefit categories

Diagnostic/preventive services

Basic services

Major services

Deductibles and coinsurance

- Combination plans
- Exclusions
- Limitations
- Predetermination of benefits

8.3 Employer group dental expense

- Integrated deductibles versus stand-alone plans
- Minimizing adverse selection

9.0 Medicare 10%

9.1 Medicare standard policies

- Nature, financing and administration
- Part A — Hospital Insurance
 - Individual eligibility requirements
 - Enrollment
 - Coverages and cost-sharing amounts
- Part B — Medical Insurance
 - Individual eligibility requirements
 - Enrollment
 - Coverages and cost-sharing amounts
 - Exclusions
 - Claims terminology and other key terms
- Part C — Medicare Advantage
- Part D — Prescription Drug Insurance

9.2 Medicare supplements

- Purpose
- Open enrollment (Reg R590-146-11)
- Standardized Medicare supplement plans
 - Core benefits (Reg R590-146-8(B))
 - Additional benefits (Reg R590-146-8(C))
- Utah regulations and required provisions
 - Standards for marketing (Reg R590-146-20)
 - Advertising (Reg R590-146-19)
 - Appropriateness of recommended purchase and excessive insurance (Reg R590-146-21)
 - Right to return (free look) (31A-22-620(6))
 - Replacement (Reg R590-146-18, 23)
 - Pre-existing conditions (Reg R590-146-23)
 - Required disclosure provisions (Reg R590-146-17)
 - Outline of coverage (Reg R590-146-17(C))
 - Guide to Health Insurance for People with Medicare (Reg R590-146-17(A)(6)(a))
 - Permitted compensation (Reg R590-146-16)
- Medicare Select (Reg R590-146-10)

9.3 Other options for individuals with Medicare

- Employer group health plans
 - Disabled employees
 - Employees with kidney failure (End Stage Renal Disease) (ESRD)
 - Individuals age 65 and older
- Medicaid
 - Eligibility
 - Benefits

9.4 Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

10.0 Long-Term Care Insurance 10%

10.1 Long-term care (LTC) policies

- Eligibility for benefits

- Levels of care
 - Skilled care
 - Intermediate care
 - Custodial care
 - Home health care
 - Adult day care
 - Respite care

Benefit periods

Benefit amounts

Optional benefits

- Guarantee of insurability
- Return of premium

Qualified LTC plans

Exclusions

Underwriting considerations

Utah regulations and required provisions

- Standards for marketing (Reg R590-148-18)
- Advertising (Reg R590-148-20)
- Shopper's guide (Reg R590-148-16)
- Outline of coverage (31A-22-1409; Reg R590-148-15)
- Appropriateness of recommended purchase (Reg R590-148-17)
- Right to return (free look) (31A-22-1408)
- Replacement (Reg R590-148-6(6))
- Renewal provisions (Reg R590-148-6(1))
- Continuation or conversion (Reg R590-148-10)
- Required disclosure provisions (Reg R590-148-6)
- Inflation protection (Reg R590-148-13)
- Pre-existing conditions (31A-22-1406; Reg R590-148-6(3))
- Protection against unintentional lapse (Reg R590-148-11)
- Prohibited provisions (31A-22-1405, 1407)

11.0 Federal Tax Considerations for Accident and Health Insurance 3%

11.1 Personally-owned health insurance

- Disability income insurance
- Medical expense insurance
- Long-term care insurance

11.2 Employer group health insurance

- Disability income (STD, LTD)
 - Benefits subject to FICA
- Medical and dental expense
- Long-term care insurance
- Accidental death and dismemberment

11.3 Medical expense coverage for sole proprietors and partners

11.4 Business disability insurance

- Key person disability income
- Buy-sell policy

11.5 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)