

Your Exam Content Outline

The following outline describes the content of one of the Oregon 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.

Oregon Producer's Examination for Health Insurance Series 12-02

100 questions – Two-hour time limit

PLEASE NOTE: All code and RL references refer to ORS, unless otherwise noted.

1.0 Insurance Regulation 10%

1.1 Licensing

- Purpose
- Process (744.058, .059, .062)
- Types of licensees
 - Producers (744.052, .053)
 - Consultants (744.605, .609, .626; OAR 836-071-0150)
 - Adjusters (744.531)
 - Nonresidents (744.063)
 - Temporary (744.073)
- Maintenance and duration
 - Renewal and nonrenewal (744.072, .074)
 - Continuing education requirements (744.072(4); OAR 836-071-0215–0250)
 - Reinstatement (744.018, .072(6))
 - Assumed business name (744.028(2), .068)
 - Change of address or telephone number (744.028(1), .068)
 - Reporting of actions (744.089)
- Disciplinary actions
 - Cease and desist orders (731.252)
 - License probation, suspension, revocation or refusal to issue or renew (744.074)
 - Civil penalty (731.988)
 - Criminal penalty (733.992)

1.2 State regulation

- Director's general duties and powers (731.236)
- Company regulation
 - Solvency (731.554(6))
 - Producer appointment (744.078)
 - Termination of appointment (744.079, .081)
 - Unfair claim settlement practices (746.230; OAR 836-080-0205–0250)
- Producer regulation
 - Fiduciary and trust account responsibilities (744.083; OAR 836-074-0020–0050)
 - Place of business/records maintenance (744.068)

- Controlled business (746.065, .160)
- Shared commissions (744.076, .077; OAR 836-071-0269–0277)
- Unfair trade practices
 - Misrepresentation (746.075, .100)
 - False advertising (746.110; OAR 836-080-0155)
 - Rebating (746.045)
 - Unfair discrimination (746.015; OAR 836-081-0005 and 0010)
 - Illegal inducement (746.035)
- Examination of records (744.068(2, 3))
- Privacy of Consumer Information (746.620)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements including 1033 waiver (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 Health Insurance Basics 6%

3.1 Definitions of perils

Accidental injury

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

Limited versus comprehensive

3.4 Limited policies

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 Producer responsibilities in individual health insurance

Marketing requirements

Advertising (OAR 836-020-2000–0305)

Oregon Life and Health Insurance Guaranty Association (734.750–.890)

Sales presentations

Outline of coverage (OAR 836-020-0305)

Field underwriting

Nature and purpose

Disclosure of information about individuals

Application procedures

Requirements at delivery of policy

Common situations for errors/omissions

3.7 Individual underwriting by the insurer

Underwriting criteria

Sources of underwriting information

Application

Producer report

Attending physician statement

Investigative consumer (inspection) report

Medical Information Bureau (MIB)

Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)

Unfair discrimination

Classification of risks

Preferred

Standard

Substandard

3.8 Considerations in replacing health insurance (743.766(2,3))

Pre-existing conditions

Benefits, limitations and exclusions

Producer liability for errors and omissions

4.0 Individual Health Insurance Policy General Provisions 5%

4.1 Uniform required provisions

Incontestability (743.414, .472)

Grace period (743.417)

Reinstatement (743.420)

Claim procedures (743.423–.435)

4.2 Uniform optional provisions

Change of occupation (743.450)

Misstatement of age (743.453)

4.3 Other general provisions

Right to examine (free look) (743.492)

Insuring clause (743.405)

Consideration clause

Entire contract; changes (743.411)

Physical examinations and autopsy (743.411, .438)

Legal actions (743.441)

Change of beneficiary (743.444)

Unpaid premium (743.468)

Conformity with state statutes (743.474)

Illegal occupation (743.477)

Renewability clause (743.495, .498, .766(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)
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 (743.465)
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

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 17%

6.1 Medical plan concepts

Fee-for-service basis versus prepaid basis
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
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 Oregon requirements (individual and group)

Eligibility requirements
Newborn child coverage (743.707)
Dependent child age limit (743.405(3))
Coverage for adopted children (743.707)
Benefit offers
Alcoholism treatment (743.412)

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

7.0 Group Health Insurance 20%

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)

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
Employee eligibility
Dependent eligibility
Coordination of benefits provision
(OAR 836-020-0770-0805)
Change of insurance companies or loss of coverage
No-loss no-gain
Events that terminate coverage
Extension of benefits
Continuation of coverage under COBRA and Oregon rules (743.610; OAR 836-052-0860)
Conversion rights for former spouse
(763.600-.602)

7.5 Small employer medical plans

Definition of small employer (743.730)
Basic coverage (743.730(4), .736)
Availability of coverage (743.752)
Renewability of coverage (743.737(5))
Pre-existing conditions (743.730(27), .737(1-3), .754)
Participation requirements (743.737(7))
Open enrollment

8.0 Dental Insurance 3%

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
Exclusions
Limitations

8.3 Employer group dental expense

Integrated deductibles versus stand-alone plans
Minimizing adverse selection

9.0 Insurance for Senior Citizens and Special Needs Individuals 14%

9.1 Medicare

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 (OAR 836-052-0103)
Open enrollment (OAR 836-052-0138)
Standardized Medicare supplement plans
Core benefits (OAR 836-052-0133)
Additional benefits
Oregon regulations and required provisions
Standards for marketing (OAR 836-052-0175)
Advertising (736.687; OAR 836-052-0170)
Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)
Right to return (free look) (743.686)
Replacement (743.013; OAR 836-052-0165, 0190)
Pre-existing conditions
Required disclosure provisions (743.685; OAR 836-052-0160)
Outline of coverage (743.685(2); OAR 836-052-0160, 0190)
Buyer's guide (743.685(6))
Permitted compensation (OAR 836-052-0156)
Medicare SELECT (OAR 836-052-0139)

9.3 Other options for individuals with Medicare

Employer group health plans
Disabled employees
Employees with kidney failure
Individuals age 65 and older

Medicaid

Eligibility
Benefits

9.4 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
- Oregon regulations and required provisions
 - Standards for marketing (OAR 836-052-0640)
 - Advertising (OAR 836-052-0620)
 - Shopper's guide (OAR 836-052-0610)
 - Outline of coverage (743.655(6); OAR 836-052-0600)
 - Appropriateness of recommended purchase
 - Right to return (free look) (743.655(5))
 - Replacement (OAR 836-052-0575, 0615)
 - Renewal provisions
 - Continuation or conversion
 - Required disclosure provisions (OAR 836-052-0605)
 - Inflation protection
 - Pre-existing conditions (743.655(3))
 - Protection against unintentional lapse
 - Prohibited provisions

**9.5 Oregon Medical Insurance Pool
(735.600–.650)**

- Eligibility
- Coverages and limits
- Exclusions
- Deductibles and coinsurance

10.0 Federal Tax Considerations for Health Insurance 7%

10.1 Personally-owned health insurance

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

10.2 Employer group health insurance

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

10.3 Medical expense coverage for sole proprietors and partners

10.4 Business disability insurance

- Key person disability income
- Buy-sell policy

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