

# Your Exam Content Outline

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

## Series 14-54

### Texas Exam for General Lines Life, Accident and Health Agent

150 questions – 2.5-hour time limit

#### 1.0 Insurance Regulation 6%

##### 1.1 Licensing requirements

###### General provisions

Who are agents (Ins. 4001.003(1), .051)

Process (Ins. 4001.006, .102, .103, .105;  
Ins. 4002.001)

Types of licensees (Ins. 4001.003)

Individuals (Ins. 4001.105)

Partnerships (Ins. 4001.106)

Corporations (Ins. 4001.106)

Banks (Ins. 4001.107)

Nonresident agents (Ins. 4056.001–.004)

Life agent (Ins. 4054.301–.304)

Life and health insurance counselor  
(Ins. 4052.001)

###### Maintenance and duration

Expiration and renewal (Ins. 4003.001, .004,  
.006, .007)

Temporary license (Ins. 4001.151–.156)

Continuing education requirements (Ins.  
4004.051–.054; TAC 19.1001–19.1021)

###### Disciplinary actions

Denial of license (Ins. 4005.101, .102)

Cease and desist order (Ins. 83.001–.153;  
Ins. 541.108; TAC 1.901–.911)

Surrender of license (Ins. 4005.107;  
TAC 19.2)

Suspension, revocation or refusal to renew  
(Ins. 4001.254; Ins. 4005.101, .102, .105)

Penalties (Ins. 82.001–.056;  
Ins. 84.001–.051; Ins. 4005.102)

##### 1.2 State regulation

###### Commissioner's general duties and powers

(Art. 31.001, .002, .021; Ins. 201.004;  
Ins. 404.051–.053; Ins. 481.001–.009;  
Ins. 491.051–.052; Ins. 521.003–.004;  
Ins. 4001.005)

###### Company regulation

Certificate of authority (Ins. 801.051–.053)

Financial requirements (Ins. 401.001–.021)

Examination of records (Ins. 38.001;  
Ins. 86.001–.002; Ins. 401.051–.062)

###### Unfair claims settlement practices

(Ins. 541.060; Ins. 542.001–.014;  
TAC 21.201–.205)

###### Agent regulation

One agent, one license (TAC 19.902)

Acting without a license (Ins. 4001.101)

Unfair trade practices (TAC 21.3)

Misrepresentations (Ins. 541.051,  
.061; TAC 21.4)

False advertising (Ins. 541.052;  
TAC 21.115)

Defamation of insurer (Ins. 541.053)

Boycott, coercion and intimidation  
(Ins. 541.054)

False financial statements  
(Ins. 541.055)

Unfair discrimination (Ins. 541.057)

Rebates (Ins. 541.056; Ins.  
4005.053(c)(1), .101(b)(9))

Testimonials (TAC 21.107)

False use of statistics (TAC 21.108)

Unlawful inducement (TAC 21.109)

Disparagements (TAC 21.110)

Unfair comparisons (TAC 21.111)

Commissions and fees (Ins. 4001.157;  
Ins. 4005.053, .054)

Controlled business (Ins. 4001.104)

Joint advertising by similarly licensed agents  
(TAC 19.904)

Referral business and insurance company  
appointments (Ins. 4001.051 (d), 4005.053;  
TAC 19.905)

Reporting change of address (Ins. 4001.252,  
4003.009; TAC 19.906)

Reporting of actions (Ins. 4001.252)

Records maintenance (Ins. 4001.255)

Illegal conversion of funds (Ins.  
4005.101(b)(4))

Probation due to disability  
(Ins. 4006.001–.056; TAC 1.1501–1506)

Agent appointment (Ins. 4001.201)

Termination of appointment (Ins. 4001.206)

###### Life, Accident, Health and Hospital Service

Insurance Guaranty Association  
(Ins. 463.001–.451; TAC 21.6)

Insurance fraud regulation (Ins. 701.001–.154)

Consumer privacy regulation (TAC 22.1–.26)

### 1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)  
Fraud and false statements (18 USC 1033(e))

## 2.0 General Insurance 6%

### 2.1 Concepts

Risk management key terms

Risk  
Exposure  
Peril  
Loss

Elements of insurable risks  
Adverse selection  
Law of large numbers  
Reinsurance

### 2.2 Insurers

Types of insurers

Stock companies  
Mutual companies  
Fraternal associations  
Reciprocal exchanges  
Lloyd's associations

Private versus government insurers  
Authorized versus unauthorized insurers  
Domestic, foreign and alien insurers  
Financial status (independent rating services)  
Marketing (distribution) systems

### 2.3 Agents and general rules of agency

Insurer as principal  
Agent/insurer relationship  
Authority and powers of agents  
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  
Aleatory contract  
Personal contract  
Unilateral contract  
Conditional contract  
Legal interpretations affecting contracts  
Reasonable expectations  
Indemnity  
Utmost good faith  
Representations/misrepresentations  
Warranties  
Concealment  
Fraud  
Waiver and estoppel

## 3.0 Life Insurance Basics 8%

### 3.1 Insurable interest

(Art. 3.49-3; Ins. 1103.053)

### 3.2 Personal uses of life insurance

Survivor protection  
Estate creation  
Cash accumulation  
Liquidity  
Estate conservation  
Viatical settlements

### 3.3 Determining amount of personal life insurance

Human life value approach  
Needs approach  
Types of information gathered  
Determining lump-sum needs  
Planning for income needs

### 3.4 Business uses of life insurance

Buy-sell funding  
Key person  
Executive bonuses

### 3.5 Classes of life insurance policies

Group versus individual  
Permanent versus term  
Participating versus nonparticipating  
Fixed versus variable life insurance and annuities  
Regulation of variable products (SEC, FINRA and Texas) (TAC 3.704, 3.806)

### 3.6 Premiums

Factors in premium determination  
Mortality  
Interest earnings  
Expense  
Premium concepts  
Net single premium  
Gross annual premium  
Premium payment mode

### 3.7 Agent responsibilities

Solicitation and sales presentations (TAC 21.104)  
Advertising (TAC 3.303; TAC 21.111, .114, .122)  
Policy summary  
Illustrations (TAC 21.2201–.2214)  
Life insurance policy cost comparison methods  
Use and disclosure of insurance information  
Field underwriting  
Notice of information practices  
Application procedures including backdating (TAC 3.120)  
Delivery  
Policy review  
Effective date of coverage  
Premium collection  
Statement of good health

### 3.8 Individual underwriting by the insurer

Information sources and regulation  
Application  
Agent report  
Attending physician statement  
Investigative consumer (inspection) report  
Medical Information Bureau (MIB)

- Medical examinations and lab tests including HIV (TAC 21.704(b)(8–10), 21.705)
- Selection criteria and unfair discrimination (TAC 21.702–.704)
- Classification of risks
  - Preferred
  - Standard
  - Substandard

#### **4.0 Life Insurance Policies 8%**

##### **4.1 Term life insurance**

- Level term
  - Annual renewable term
  - Level premium term
- Decreasing term

##### **4.2 Whole life insurance**

- Continuous premium (straight life)
- Limited payment
- Single premium
- Indeterminate premium (TAC 3.301–.305)

##### **4.3 Flexible premium policies**

- Adjustable life
- Universal life

##### **4.4 Group life insurance**

- Characteristics of group plans
- Eligible groups (Ins. 1131.002)
- Group underwriting requirements
- Conversion to individual policy (Ins. 1131.110–.112)

##### **4.5 Credit life insurance (individual versus group)**

##### **4.6 Nature of variable life insurance**

- Variable life versus variable universal life
- Fixed premium payment versus flexible payment
- Face value versus death benefit
- Contract charges and fees

#### **5.0 Life Insurance Policy Provisions, Options and Riders 9%**

##### **5.1 Required provisions (Ins. 1101.002)**

- Entire contract (Ins. 1101.003; TAC 3.103)
- Payment of premiums (Ins. 1101.004; TAC 3.101)
- Grace period (Ins. 1101.005; TAC 3.102)
- Reinstatement (TAC 3.111)
- Incontestable clause (Ins. 1101.006; TAC 3.104)
- Misstatement of age (Ins. 1101.008; TAC 3.106)
- Statements of the insured (Ins. 1101.007; TAC 3.105)
- Legal action (TAC 3.119)
- Payment of claims (Ins. 1101.011; TAC 3.112)

##### **5.2 Other provisions**

- Ownership
- Assignment (TAC 3.123)
- Modifications
- Right to examine (free look)
- Medical examination
- Exclusions

##### **5.3 Beneficiaries**

- Designation options
  - Individuals
  - Classes
  - Estates
  - Minors
  - Trusts
- Succession
- Revocable versus irrevocable
- Common disaster clause
- Spendthrift clause

##### **5.4 Settlement options**

- Cash payment
- Interest only
- Fixed-period installments
- Fixed-amount installments
- Life income
  - Single life
  - Joint and survivor

##### **5.5 Nonforfeiture options**

- Cash surrender value
- Extended term
- Reduced paid-up insurance

##### **5.6 Policy loan and withdrawal options**

- Cash loans
- Automatic premium loans
- Withdrawals or partial surrenders

##### **5.7 Dividend options**

- Cash payment
- Reduction of premium payments
- Accumulation at interest
- One-year term option
- Paid-up additions
- Paid-up insurance

##### **5.8 Disability riders**

- Waiver of premium
- Waiver of cost of insurance
- Disability income benefit

##### **5.9 Accelerated (living) benefit provision/rider (Ins. 1111.052, 1551.254; TAC 3.1708, 3.4301–.4317)**

- Conditions for payment
- Effect on death benefit

##### **5.10 Riders covering additional insureds**

- Spouse/other-insured term rider
- Children's term rider
- Family term rider

##### **5.11 Riders affecting the death benefit amount**

- Accidental death
- Guaranteed insurability
- Cost of living
- Return of premium

#### **6.0 Annuities 7%**

##### **6.1 Annuity principles and concepts**

- Accumulation period versus annuity period
- Owner, annuitant and beneficiary
- Insurance aspects of annuities

## 6.2 Immediate versus deferred annuities

- Single premium immediate annuities (SPIAs)
- Deferred annuities
  - Premium payment options
  - Nonforfeiture
  - Surrender charges
  - Death benefits

## 6.3 Annuity (benefit) payment options

- Life contingency options
  - Pure life versus life with guaranteed minimum
  - Single life versus multiple life
- Annuities certain (types)

## 6.4 Annuity products

- Fixed annuities
  - General account assets
  - Interest rate guarantees (minimum versus current)
  - Level benefit payment amount

## 6.5 Uses of annuities

- Lump-sum settlements
- Qualified retirement plans including group versus individual
- Personal uses
  - Individual retirement annuities (IRAs)
  - Tax-deferred growth
  - Retirement income
  - Education funds

## 7.0 Federal Tax Considerations for Life Insurance and Annuities 6%

### 7.1 Taxation of personal life insurance

- Amounts available to policyowner
  - Cash value increases
  - Dividends
  - Policy loans
  - Surrenders
- Amounts received by beneficiary
  - General rule and exceptions
  - Settlement options
- Values included in insured's estate

### 7.2 Modified endowment contracts (MECs)

- Modified endowment versus life insurance
- Seven-pay test
- Distributions

### 7.3 Taxation of non-qualified annuities

- Individually-owned
  - Accumulation phase (tax issues related to withdrawals)
  - Annuity phase and the exclusion ratio
  - Distributions at death
- Corporate-owned

### 7.4 Taxation of individual retirement annuities (IRAs)

- Traditional IRAs
  - Contributions and deductible amounts
  - Premature distributions (including taxation issues)
  - Annuity phase benefit payments

- Values included in annuitant's estate
- Amounts received by beneficiary
- Roth IRAs
  - Contributions and limits
  - Distributions

### 7.5 Rollovers and transfers (IRAs and qualified plans)

### 7.6 Section 1035 exchanges

## 8.0 Qualified Plans 5%

### 8.1 General requirements

### 8.2 Federal tax considerations

- Tax advantages for employers and employees
- Taxation of distributions (age-related)

### 8.3 Plan types, characteristics and purchasers

- Simplified employee pensions (SEPs)
- Profit-sharing and 401(k) plans
- SIMPLE plans
- 403(b) tax-sheltered annuities (TSAs)

## 9.0 Health Insurance Basics 6%

### 9.1 Definitions of perils

- Accidental injury (TAC 3.3008)
- Sickness (TAC 3.3009)

### 9.2 Principal types of losses and benefits

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

### 9.3 Classes of health insurance policies

- Individual versus group
- Private versus government
- Limited versus comprehensive

### 9.4 Limited policies

- Limited perils and amounts
- Required notice to insured
- Types of limited policies
  - Accident-only including Texas minimum standards (TAC 3.3076)
  - Specified (dread) disease including Texas minimum standards (TAC 3.3077)
  - Hospital indemnity (income)
  - Credit disability
  - Blanket insurance (teams, passengers, other) (Ins. 1251.351–.359)
  - Prescription drug plans
  - Vision care

### 9.5 Common exclusions from coverage (TAC 3.3018, 3.3054)

### 9.6 Agent responsibilities in individual health insurance

- Marketing requirements
  - Advertising (Art. 21.20-2; TAC 3.303, TAC 21.101–.113)
  - Outline of coverage (TAC 3.3090–.3093)
- Field underwriting
  - Nature and purpose
  - Disclosure of information about individuals

Application procedures  
Delivery of policy  
Common situations for errors/omissions

#### **9.7 Individual underwriting by the insurer**

Underwriting criteria  
Sources of underwriting information  
Application  
Agent reports  
Attending physician statement  
Investigative consumer (inspection) report  
Medical Information Bureau (MIB)  
Medical examinations and lab tests including  
HIV (TAC 21.704(b)(8–10), 21.705)  
Unfair discrimination (TAC 21.702–.704)  
Genetic testing information (Ins. 546.051, .052)  
Classification of risks  
Preferred  
Standard  
Substandard  
Declined

#### **9.8 Considerations in replacing health insurance (TAC 3.3061)**

Pre-existing conditions (TAC 3.3018, 3.3054, 3.3061(c)(1))  
Benefits, limitations and exclusions  
Underwriting requirements  
Agent liability for errors and omissions

### **10.0 Individual Health Insurance Policy General Provisions 5%**

#### **10.1 Required standard provisions**

Entire contract; changes (Ins. 1201.207)  
Time limit on certain defenses (Ins. 1201.208)  
Grace period (Ins. 1201.209)  
Reinstatement (Ins. 1201.210)  
Claim procedures (Ins. 1201.211–.215)  
Physical examinations and autopsy (Ins. 1201.216)  
Legal actions (Ins. 1201.217)  
Change of beneficiary (Ins. 1201.218)

#### **10.2 Other provisions**

Change of occupation (Ins. 1201.219)  
Misstatement of age (Ins. 1201.220)  
Other insurance in this insurer (Ins. 1201.221)  
Unpaid premium (Ins. 1201.223)  
Cancellation (Ins. 1201.224)  
Conformity with state statutes (Ins. 1201.225)  
Illegal occupation (Ins. 1201.226)  
Intoxicants and narcotics (Ins. 1201.227)

#### **10.3 Other general provisions**

Right to examine (free look) (Ins. 1201.058)  
Insuring clause  
Consideration clause  
Renewability clause (TAC 3.3050)  
Noncancelable (TAC 3.3019)  
Guaranteed renewable (TAC 3.3020)  
Conditionally renewable  
Renewable at option of insurer

Nonrenewable (cancelable, term)  
Military suspense provision (TAC 3.3057(e))

#### **10.4 Prohibited policy provisions (TAC 3.3040)**

### **11.0 Disability Income and Related Insurance 3%**

#### **11.1 Qualifying for disability benefits (TAC 3.3012)**

Inability to perform duties  
Own occupation  
Any occupation  
Pure loss of income (income replacement contracts)  
Presumptive disability  
Requirement to be under physician care

#### **11.2 Individual disability income insurance**

Texas minimum benefit standards (TAC 3.3075)  
Basic total disability plan  
Income benefits (monthly indemnity)  
Elimination and benefit periods  
Waiver of premium feature  
Coordination with social insurance benefits  
Additional monthly benefit (AMB)  
Social insurance supplement (SIS)  
Occupational versus nonoccupational coverage  
At-work benefits  
Partial disability benefit (TAC 3.3013)  
Residual disability benefit (TAC 3.3014)  
Other provisions affecting income benefits  
Cost of living adjustment (COLA) rider  
Future increase option (FIO) rider  
Relation of earnings to insurance (Ins. 1201.222)  
Other cash benefits  
Accidental death and dismemberment  
Rehabilitation benefit  
Medical reimbursement benefit (nondisabling injury)  
Refund provisions  
Return of premium (TAC 3.3040(c))  
Cash surrender value  
Exclusions

#### **11.3 Unique aspects of individual disability underwriting**

Occupational considerations  
Benefit limits  
Policy issuance alternatives

#### **11.4 Group disability income insurance**

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

#### **11.5 Business disability insurance**

Key person disability income  
Disability buy-sell policy

#### **11.6 Social Security disability**

Qualification for disability benefits  
Definition of disability  
Waiting period

Disability income benefits

## **12.0 Medical Plans 8%**

### **12.1 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

### **12.2 Types of providers and plans**

Major medical insurance (indemnity plans)  
    Characteristics  
    Texas minimum standards (TAC 3.3074)  
    Common limitations  
    Exclusions from coverage  
    Provisions affecting cost to insured  
Preferred provider organizations (PPOs)  
    (TAC 3.3701–.3706)  
    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)  
    Indemnity plan features  
Texas Child Health Plan (H&S 62.001–.055,  
    .058–.158)

### **12.3 Cost containment in health care delivery**

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

### **12.4 Texas requirements (individual and group)**

Eligibility requirements  
    Dependent child age limit (Ins. 1201.065)  
    Newborn child coverage (Ins. 1367.003;  
    TAC 3.3403)  
    Adopted children (Ins. 1201.061)  
    Step children (Ins. 1201.064)  
    Medical child support order (Ins. 1201.063;  
    TAC 21.2004)  
    Grandchildren (Ins. 1201.062)  
Benefit offers  
    In-vitro fertilization (Ins. 1366.003)  
    Speech and hearing impairments  
    (Ins. 1365.003)  
    Mental illness (Ins. 1355.004)  
    Home health care (Ins. 1351.005–.007)

### **12.5 HIPAA (Health Insurance Portability and Accountability Act) requirements**

Eligibility  
Pre-existing conditions  
Creditable coverage

Renewability  
Privacy issues

### **12.6 Special savings plans (definition, eligibility, and contribution limits)**

Flexible savings accounts (FSAs)  
Health savings accounts (HSAs)  
Health reimbursement accounts (HRAs)  
Consumer driven plans

### **12.7 Texas Health Insurance Risk Pool (Ins. Ch 1506)**

Eligibility (Ins. 1506.152)  
Coverages and limits (Ins. 1506.151, .154)  
Exclusions (Ins. 1506.155)  
Deductibles and coinsurance (Ins. 1506.151)

## **13.0 Health Maintenance Organizations (HMOs) 3%**

### **13.1 HMOs and cost control**

Access to providers  
Preventive care  
Utilization management  
Capitation

### **13.2 HMO and other medical plans compared**

Provider choice  
    Service area  
    Gatekeeper  
    Network  
    Any provider  
Preventive care emphasis  
Cost-sharing methods  
    Copayments  
    Deductibles and coinsurance

### **13.3 HMO services and general provisions**

Preventive care services  
Physician services  
    Primary care physician (PCP)  
    Referral (specialty) physician  
Emergency care (Ins. 1271.155)  
Hospital services  
Other basic services  
Additional plans and services  
    Dental services  
    Vision care

### **13.4 HMO certification and regulation**

Certification  
    Certificate of authority (Ins. 843.071)  
    Officers and employees bond (Ins. 843.402)  
    Financial requirement (Ins. 843.403, .404)  
    Violations (Ins. 843.406)  
    Notice of hearing (Ins. 843.406)  
    Suspension or revocation of certificate of  
    authority (Ins. 843.406(a)(1))  
Regulation of reports and records  
    Annual report (Ins. 843.155)  
    Complaint system (Ins. 843.251)  
    Examination of records (Ins. 843.156)  
Prohibited practices

Confidentiality of medical and health information  
(Ins. 843.007)

## **14.0 Group Health Insurance 8%**

### **14.1 Characteristics of group insurance**

Group contract  
Certificate of coverage

### **14.2 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, other)  
Self-funded plans

### **14.3 Marketing considerations**

Advertising  
Regulatory jurisdiction/place of delivery

### **14.4 Employer group health insurance**

Insurer underwriting criteria  
Characteristics of group  
Plan design factors  
Persistency factors  
Administrative capability  
Eligibility for coverage  
Annual open enrollment  
Employee eligibility  
Dependent eligibility  
Coordination of benefits provision (Ins. 1203.002)  
Change of insurance companies or loss of coverage  
Coinsurance and deductible carryover  
Events that terminate coverage  
Extension of benefits (Ins. 1252.102)  
Continuation of coverage under COBRA and Texas continuation rules (Ins. 1251.251)  
Conversion privilege (TAC 3.501–.518; TAC 3.3602)

### **14.5 Small employer medical plans (TAC 26.1, 26.3–.26)**

Definition of small employer (Ins. 1501.002(14))  
Employer contribution and participation requirements (Ins. 1501.153, .154; TAC 26.8)  
Benefit plans offered (Ins. 1501.252)  
Basic coverage benefit plan  
Other benefit plans  
Guaranteed issue (Ins. 1501.151; TAC 26.7, .8)  
Renewability of coverage (Ins. 1501.108; TAC 26.15, .16)  
Prohibited marketing practices (Ins. 1501.352; TAC 26.13)  
Dependent offering (TAC 26.9)  
Pre-existing conditions (Ins. 1501.102)

## **15.0 Dental Insurance 2%**

### **15.1 Types of dental treatment**

Diagnostic and preventive  
Restorative  
Oral surgery

Endodontics  
Periodontics  
Prosthodontics  
Orthodontics

### **15.2 Indemnity plans**

Choice of providers  
Scheduled plans versus nonscheduled plans  
Benefit categories  
Diagnostic/preventive services  
Basic services  
Major services  
Deductibles and coinsurance  
Combination plans  
Exclusions  
Limitations  
Predetermination of benefits

### **15.3 Employer group dental expense**

Integrated deductibles versus stand-alone plans  
Minimizing adverse selection

## **16.0 Insurance for Senior Citizens and Special Needs Individuals 7%**

### **16.1 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

### **16.2 Medicare supplements (TAC 3.3301–.3310, .3312–.3313, .3315–.3325)**

Purpose (TAC 3.3301)  
Open enrollment (TAC 3.3324)  
Standardized Medicare supplement plans  
Core benefits (TAC 3.3306(2))  
Additional benefits (TAC 3.3306(3))  
Texas regulations and required provisions  
Prohibited policy provisions (TAC 3.3305)  
Minimum benefit standards (TAC 3.3306)  
Required disclosure provisions (TAC 3.3308)  
Replacement (TAC 3.3309)  
Guaranteed issue (TAC 3.3312)  
Advertising (TAC 3.3313)  
Permitted compensation arrangements (TAC 3.3317)  
Standards for marketing (TAC 3.3319)  
Appropriateness of recommended purchase (TAC 3.3320)  
Medicare Select (TAC 3.3325)

### **16.3 Other options for individuals with Medicare**

Employer group health plans

- Disabled employees
- Employees with kidney failure
- Individuals age 65 and older

- Medicaid
  - Eligibility
  - Benefits

**16.4 Long-term care (LTC) insurance**  
**(Ins. 1651.003; TAC 3.3801–.3807, .3810, .3812, .3815, .3818–.3850)**

- LTC, Medicare and Medicaid compared
- 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
- Cancellation (TAC 3.3823)
- Exclusions (TAC 3.3826)
- Indemnity versus reimbursement
- Waiver of premium
- Underwriting considerations
- Texas regulations and required provisions
  - Required disclosure provisions (TAC 3.3829)
  - Replacement (TAC 3.3830)
  - Requirement to offer inflation protection (TAC 3.3820)
  - Requirement to offer nonforfeiture benefits (TAC 3.3844)
  - Outline of coverage (TAC 3.3832)
  - Advertising (TAC 3.3838)
  - Standards for marketing (TAC 3.3839)
  - Shopper's guide (TAC 3.3840)
  - Appropriateness of recommended purchase (TAC 3.3842)
  - Pre-existing conditions provisions (TAC 3.3824)
  - Unintentional lapse (TAC 3.3841)
  - Guaranteed renewability (TAC 3.3807)

**17.0 Federal Tax Considerations for Health Insurance 3%**

**17.1 Personally-owned health insurance**

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

**17.2 Employer group health insurance**

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

**17.3 Medical expense coverage for sole proprietors and partners**

**17.4 Business disability insurance**

- Key person disability income
- Buy-sell policy

**17.5 Special Savings Plans**

- Health Savings Accounts
- Health Reimbursement Accounts
- Flexible Spending Accounts
- Consumer-Driven Plans