

# Your Exam Content Outline

The following outline describes the content of one of the New Hampshire 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.

## New Hampshire Adjuster's Examination for Life, Accident and Health Insurance Series 12-74

**150 questions – 2.5-hour time limit**

### 1.0 Insurance Regulation 4%

#### 1.1 Licensing requirements (402-B:1)

- Qualifications (402-B:3)
- Process (402-B:3)
- Licensing exemptions (402-B:2)
- Temporary adjuster permit (402-B:11)
- License display (402-B:9)

#### 1.2 Maintenance and duration

- Renewal (402-B:10-a)
- Examination of records (400-A:37(II))
- Continuing education requirements (402-B:5-a)

#### 1.3 Disciplinary actions

- Cease and desist order (417:12)
- Suspension or revocation (402-B:12)
- Penalties and fines (402-B:13)

#### 1.4 Claims settlement laws and regulations (417:4(XV); Reg 1001.01-.16)

#### 1.5 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (18 USC 1033, 1034)

### 2.0 Life Insurance Basics 5%

#### 2.1 Insurable interest (408:2, 2-a)

#### 2.2 Personal uses of life insurance

- Survivor protection
- Estate creation
- Cash accumulation
- Liquidity
- Estate conservation

#### 2.3 Business uses of life insurance

- Buy-sell funding
- Key person
- Executive bonuses

#### 2.4 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, NASD and New Hampshire) (408:30)

### 3.0 Life Insurance Policies 8%

#### 3.1 Term life insurance

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

#### 3.2 Whole life insurance

- Continuous premium (straight life)
- Limited payment
- Single premium

#### 3.3 Flexible premium policies

- Universal life

#### 3.4 Specialized policies

- Joint life (first-to-die)
- Survivorship life (second-to-die)

#### 3.5 Group life insurance

- Characteristics of group plans
- Group eligibility (408:15)
- Group underwriting requirements
- Standard provisions (408:16)
- Conversion to individual policy (408:16(VIII-X))
- Coverage during labor dispute (408:16-b)

### 4.0 Life Insurance Policy Provisions, Options and Riders 8%

#### 4.1 Standard provisions

- Ownership
- Assignment
- Entire contract (408:9; Reg 401.04(a)(3))
- Modifications
- Right to examine (free look) (Reg 401.04(f))
- Payment of premiums (Reg 401.04(a)(1))
- Grace period (Reg 401.04(a)(2))
- Reinstatement (Reg 401.04(d))
- Incontestability (408:10; Reg 401.04(a)(6,7))
- Misstatement of age or sex (Reg 401.04(a)(8))
- Exclusions (Reg 401.04(m))
- Interest on life insurance benefits (408:10-a)

#### 4.2 Beneficiaries

- Designation options
  - Individuals
  - Classes
  - Estates
  - Minors
  - Trusts
- Succession
- Revocable versus irrevocable

- Common disaster clause
- Spendthrift clause

#### **4.3 Settlement options**

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

#### **4.4 Nonforfeiture options**

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

#### **4.5 Policy loan and withdrawal options**

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

#### **4.6 Dividend options**

- Cash payment
- Reduction of premium payments
- Accumulation at interest
- Paid-up additions
- Paid-up insurance

#### **4.7 Disability riders**

- Waiver of premium
- Waiver of cost of insurance
- Disability income benefit
- Payor benefit life/disability (juvenile insurance)

#### **4.8 Accelerated (living) benefit provision/rider**

- Conditions for payment
- Effect on death benefit

#### **4.9 Riders covering additional insureds**

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

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

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

### **5.0 Annuities 5%**

#### **5.1 Annuity principles and concepts**

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

#### **5.2 Immediate versus deferred annuities**

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

#### **5.3 Annuity (benefit) payment options**

- Life contingency options
  - Pure life versus life with guaranteed minimum
  - Single life versus multiple life

- Annuities certain (types)

#### **5.4 Annuity products**

- Fixed annuities
  - General account assets
  - Interest rate guarantees (minimum versus current)
  - Level benefit payment amount
- Equity indexed annuities
- Market value adjusted annuities

#### **5.5 Uses of annuities**

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

### **6.0 Federal Tax Considerations for Life Insurance and Annuities 6%**

#### **6.1 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

#### **6.2 Modified endowment contracts (MECs)**

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

#### **6.3 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

#### **6.4 Taxation of individual retirement annuities (IRAs)**

- Traditional IRAs
  - Contributions and deductible amounts
  - Premature distributions including taxation issues
  - Annuity phase benefit payments
  - Values included in the annuitant's estate
  - Amounts received by beneficiary
- Roth IRAs
  - Contributions and limits
  - Distributions

#### **6.5 Rollovers and transfers (IRAs and qualified plans)**

#### **6.6 Section 1035 exchanges**

## **7.0 Health Insurance Basics 19%**

### **7.1 Definitions of perils**

Accidental injury  
Sickness

### **7.2 Principal types of losses and benefits**

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

### **7.3 Classes of health insurance policies**

Individual versus group  
Private versus government  
Limited versus comprehensive

### **7.4 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)

### **7.5 Common exclusions from coverage (415-A:5)**

### **7.6 Considerations in replacing health insurance (Reg 1901.07)**

Pre-existing conditions (Reg 1901.03(k))  
Pre-existing condition exclusion regulation (1901.04(c))  
Benefits, limitations and exclusions  
Underwriting requirements

### **7.7 Health insurance claims**

Insured's notice  
Standard claim forms  
Insurer's provision of claim forms  
Insured's submission of proof of loss  
Insurer's investigation/verification of loss  
Insurer's settlement of claim  
Physical examination and autopsy  
Legal actions

## **8.0 Understanding the Language of Medical Reports 5%**

### **8.1 Medical terminology and abbreviations**

Location terms  
Movement terms  
Prefixes, suffixes and root words  
Abbreviations used in medical reports  
Medical specialties

### **8.2 Basic human anatomy**

Skeletal structure  
Nervous system  
Respiratory system  
Cardiovascular system  
Abdominal organs

### **8.3 Injuries and diseases**

Strains and sprains  
Dislocations

Fractures  
Soft tissue injuries  
Brain injuries  
Burn classifications  
Cumulative trauma  
Repetitive motion injuries  
Lung diseases  
Diabetes mellitus  
Glaucoma  
Hypertension  
Osteoarthritis  
Osteomyelitis  
Osteoporosis  
Stroke  
Tachycardia  
Atherosclerosis  
Coronary thrombosis

### **8.4 Medical tests**

Laboratory  
Radiography (X-ray)  
Magnetic resonance imaging (MRI)  
Computerized tomography (CT or CAT)  
Electromyography (EMG)  
Nerve conduction studies  
Myelography  
Arthroscopy  
Electrocardiogram (EKG or ECG)  
Electroencephalography (EEG)

## **9.0 Disability Income and Related Insurance 7%**

### **9.1 Qualifying for disability benefits**

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

### **9.2 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 (415:6(II)(6))  
Other cash benefits  
    Accidental death and dismemberment

- Rehabilitation benefit
- Medical reimbursement benefit (nondisabling injury)

- Refund provisions
  - Return of premium
  - Cash surrender value
- Exclusions

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

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

### **9.4 Group disability income insurance**

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

### **9.5 Business disability insurance**

- Key person disability income
- Disability buy-sell policy

### **9.6 Social Security disability**

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

### **9.7 Workers compensation**

- Eligibility
- Benefits

## **10.0 Medical Plans 17%**

### **10.1 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

### **10.2 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

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

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

### **10.4 New Hampshire requirements (individual and group)**

- Eligibility requirements
  - Newborn children (415:22)
  - Adopted children (415:22-a)
  - Child enrollment; noncustodial parents (RL 161-H:2)
- Benefit offers
  - Maternity coverage (415:6-d)

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

- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

## **11.0 Group Health Insurance 1%**

### **11.1 Characteristics of group insurance**

- Group contract
- Certificate of coverage
- Experience rating versus community rating

### **11.2 Types of eligible groups**

- Individual employer groups
- Associations (alumni, professional, other)
- Customer groups (depositors, creditor-debtor, other)

### **11.3 Marketing considerations**

- Advertising
- Regulatory jurisdiction/place of delivery

### **11.4 Employer group health insurance**

- Insurer underwriting criteria
  - Characteristics of group
  - Plan design factors
  - Administrative capability
- Eligibility for coverage
  - Annual open enrollment
  - Employee eligibility
  - Part-time employees (415:18(I)(q))
  - Dependent eligibility
- Coordination of benefits provision (Reg 1904.05-.07)
- Change of insurance companies or loss of coverage
  - Coinsurance and deductible carryover
  - No-loss no-gain
  - Events that terminate coverage
  - Extension of benefits
  - Cancellation or nonrenewal (415:18-b)

Continuation of coverage under COBRA and  
New Hampshire specific rules  
(415:18(VII)(g))  
Conversion privilege (415:18(VII)(a-f); Reg  
1901.06(a)(11))

### **11.5 Small employer group medical plans**

Definition of small employer (420-G:2(XVI))  
Renewability of coverage (420-G:6)  
Pre-existing conditions (420-G:7)  
Participation requirements (420-G:9)  
Open enrollment and late enrollment (420-G:8)  
Prohibited underwriting practices (420-G:4(I)(b);  
5)

### **11.6 Regulation of employer group insurance**

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  
Relationship with Medicare  
Medicare secondary rules  
Medicare carve-outs and supplements

## **12.0 Dental Insurance 1%**

### **12.1 Types of dental treatment**

Diagnostic and preventive  
Restorative  
Oral surgery  
Endodontics  
Periodontics  
Prosthodontics  
Orthodontics

### **12.2 Indemnity plans**

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

### **12.3 Employer group dental expense**

Integrated deductibles versus stand-alone plans  
Minimizing adverse selection

## **13.0 Insurance for Senior Citizens and Special Needs Individuals 13%**

### **13.1 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

### **13.2 Medicare supplements**

Purpose (Reg 1905.01)

Open enrollment (Reg 1905.10)

Standardized Medicare supplement plans  
(Reg 1905.08)

Core benefits

Additional benefits

New Hampshire regulations and required  
provisions

Standards for marketing (Reg 1905.19)

Advertising (Reg 1903.06, 1905.18)

Appropriateness of recommended purchase  
and excessive insurance (Reg 1905.20)

Guaranteed issue for eligible persons (Reg  
1905.11)

Buyer's guide (Reg 1903.07, 1905.16(a)(6))

Outline of coverage (Reg 1905.16(c))

Right to return (free look) (Reg  
1905.16(a)(5))

Replacement (Reg 1905.17, .22)

Required disclosure provisions (Reg 1905.16)

Permitted compensation (Reg 1905.15)

Notice of change (Reg 1905.16(b))

Benefit standards (Reg 1905.07)

Prohibited practices (Reg 1905.22)

Medicare Select (Reg 1905.09)

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

Employer group health plans

Employees with disabilities and their covered  
spouses

Employees with kidney failure

Individuals age 65 and older

Medicaid

Eligibility

Benefits

### **13.4 Long-term care (LTC) insurance**

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

Inflation protection

Guarantee of insurability

Return of premium

Qualified LTC plans

Exclusions

Underwriting considerations  
New Hampshire regulations and required provisions

- Outline of coverage (415-D:8)
- Right to return (free look) (415-D:7)
- Benefit standards (415-D:3(V), 5)
- Continuation of coverage/conversion (415-D:6)
- Pre-existing conditions (415-D:5(III))

**13.5 New Hampshire high risk health insurance pool (404-G:5a-5f)**

**14.0 Federal Tax Considerations for Health Insurance 1%**

**14.1 Personally-owned health insurance**

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

**14.2 Employer group health insurance**

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

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

**14.4 Business disability insurance**

- Key person disability income
- Buy-sell policy