

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 Consultant's Examination for Health Insurance Series 12-09

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 (744.619, .635; OAR 836-071-0150)
- Types of licensees
 - Producers (744.052., 053)
 - Consultants (744.605, .609, .626)
 - Adjusters (744.531)
 - Nonresident consultants (744.026, .621)
- Maintenance and duration
 - Renewal and nonrenewal (744.008, .009; OAR 836-071-0130)
 - Reinstatement (744.018)
 - 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 (744.013)
 - Civil penalty (733.988)
 - Criminal penalty (733.992)

1.2 State regulation

- Director's general duties and powers (731.236)
- Company regulation
 - Solvency (731.554 (6))
 - Unfair claim settlement practices (746.230; OAR 836-080-0205–0250)
- 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, .0010)
 - Illegal inducement (746.035)
- Examination of records (744.024, .026)
- 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 11%

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 8%

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 7%

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 19%

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 14%

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 13%

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
 - Pre-existing conditions (743.013; OAR 836-052-0165, 0190)
 - 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
- Renewal provisions (OAR 836-052-0575, 0615)
- 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 5%**

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)**