

# Your Exam Content Outline

The following outline describes the content of one of the Pennsylvania insurance examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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 16-03 Pennsylvania Producer's Examination for Life, Accident and Health

150 questions – 2.5-hour time limit

### 1.0 Insurance Regulation 8%

#### 1.1 Licenses

- Process (40 P.S. §§ 310.3–310.14)
- Types of licensees (40 P.S. § 310.1)
  - Producer (40 P.S. §§ 310.3-310.5)
  - Nonresident (40 P.S. § 310.10)
  - Temporary (40 P.S. § 310.9)
  - Managers and exclusive general agents (40 P.S. § 310.31)
- Maintenance and duration
  - Renewal (40 P.S. § 310.8)
  - Reporting of actions (40 P.S. § 310.78)
  - Assumed names (40 P.S. § 310.7)
  - Address change (40 P.S. § 310.11(19))
  - Continuing education (40 P.S. § 310.8(b))
- Disciplinary actions
  - Cease and desist order (40 P.S. §§ 310.91, 1171.9)
  - Revocation, suspension, nonrenewal or denial of license (40 P.S. § 310.91)
  - Fines (40 P.S. §§ 310.12, 310.91, 1171.11)

#### 1.2 State regulation

- Commissioner's general duties and powers (40 P.S. §§ 310.2, 1171.7)
- Company regulation
  - Solvency (40 P.S. §§ 72, 112)
  - Rates (40 P.S. §§ 1181–1199, 1221–1238)
  - Policy forms (40 P.S. §§ 477b, 510, 776.1–776.7)
  - Unfair claims settlement practices (40 P.S. § 1171.5(a)(10); 31 Pa. Code Ch. 146)
- Producer regulation
  - Fiduciary responsibility (40 P.S. § 310.96)
  - Examination of books and records (40 P.S. § 323.3)
  - Commissions and fees (40 P.S. §§ 310.72–310.74)
  - Prohibited acts (40 P.S. § 310.11)
- Appointment of producers (40 P.S. § 310.71)
  - Producer as representative of insurer
  - Producer as representative of consumer — disclosure requirements

#### Unfair insurance practices

- (40 P.S. §§ 1171.4-1171.5)
  - Rebating (40 P.S. §§ 310.45, 1171.5(a)(8))
  - Misrepresentation (40 P.S. §§ 310.47–.48, 1171.5(a)(1),(2))
  - Twisting (40 P.S. §§ 310.47, 473)
  - False advertising (40 P.S. § 1171.5; 31 Pa. Code Ch. 51)
  - Defamation (40 P.S. § 1171.5(a)(3); 31 Pa. Code Ch. 51)
  - Boycott, coercion or intimidation (40 P.S. § 1171.5(a)(4))
  - Misappropriation of funds (40 P.S. §§ 310.11(4), 310.42)
  - Unfair discrimination (40 P.S. § 1171.5; 31 Pa. Code § 145.4)
  - Illegal inducement (40 P.S. §§ 310.46, 1171.5(a)(8))
- Privacy of consumer financial information (40 P.S. § 310.77(a); 31 Pa. Code §§ 146a.1–.44)
- Insurance fraud regulation (40 P.S. §§ 325.1–325.62; 18 Pa. C.S. § 4117)

#### 1.3 Federal regulation

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

### 2.0 General Insurance 6%

#### 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
- Reciprocals
- Lloyd's associations
- 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
- Powers and authority of producers
  - 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 Life Insurance Basics 8%

### 3.1 Insurable interest (40 P.S. § 512)

### 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
  - Coordination with Social Security, employee benefit plans, and other assets

### 3.4 Business uses of life insurance

- Buy-sell funding
- Key person
- Executive bonuses
- Deferred compensation funding
- Change of insured provision

### 3.5 Viatical and life settlements

- Viatical settlement broker authority and licensing
  - 40 P.S. § 626.3
  - Disclosure to consumers 40 P.S. §§ 626.7, 626.206
  - General rules 40 P.S. § 626.8
  - Definitions 40 P.S. § 626.2
    - Chronically ill
    - Fraudulent Viatical Settlement Act
    - Terminally ill
    - Viatical Settlement broker
    - Viatical Settlement provider
    - Viatical settlement purchaser
    - Viator

### 3.6 Classes of life insurance policies

- Group versus individual
- Ordinary versus industrial (home service)
- Permanent versus term
- Participating versus nonparticipating
- Fixed versus variable life insurance
  - General account versus separate account (40 P.S. § 506.2; 31 Pa. Code Ch. 82.41-.51)
  - Regulation of variable life insurance (31 Pa. Code Ch. 82.1, .14, .81)

### 3.7 Premiums

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

### 3.8 Producer responsibilities

- Solicitation and sales presentations
  - Advertising (31 Pa. Code Ch. 51.1-.36)
  - Life and Health Insurance Guaranty Association (40 P.S. § 991.1717)
  - Life insurance disclosure statement (31 Pa. Code Ch. 83)
  - Illustrations (40 P.S. § 625.7-625.8)
  - Life insurance surrender comparison index disclosure (31 Pa. Code Ch. 83.51-.57)
  - Replacement (31 Pa. Code Ch. 81.1-.8)
  - Use and disclosure of insurance information
- Field underwriting
  - Notice of information practices
  - Application
- Delivery
  - Policy review
  - Effective date of coverage
  - Premium collection

Statement of good health  
Delivery receipt requirement (40 P.S. § 625.4)

### **3.9 Individual underwriting by the insurer**

Information sources and regulation  
Application  
Producer report  
Attending physician statement  
Investigative consumer (inspection) report  
Medical Information Bureau (MIB)  
Medical examinations and lab tests including HIV (35 P.S. § 7605, 31 Pa. Code Ch. 90c)  
Selection criteria and unfair discrimination (40 P.S. § 477a)  
Classification of risks  
Preferred  
Standard  
Substandard  
Declined

## **4.0 Life Insurance Policies 11%**

### **4.1 Term life insurance**

Level term  
Annual renewable term  
Level premium term  
Life expectancy contract  
Term-to-65 contract  
Decreasing term

### **4.2 Whole life insurance**

Continuous premium (straight life)  
Limited payment  
Single premium  
Graded premium  
Modified life  
Current assumption

### **4.3 Flexible premium policies**

Adjustable life  
Universal life  
Equity indexed universal life  
Variable universal life

### **4.4 Specialized policies**

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

### **4.5 Group life insurance**

Characteristics of group plans  
Types of plan sponsors  
Group underwriting requirements  
Conversion to individual policy (40 P.S. § 532.7)

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

## **5.0 Life Insurance Policy Provisions, Options and Riders 11%**

### **5.1 Standard provisions (40 P.S. § 510)**

Ownership  
Assignment  
Entire contract (d)  
Modifications

Right to examine (free look) (40 P.S. § 510c(a))  
Payment of premiums (a)  
Grace period (b)  
Reinstatement (k)  
Incontestability (c)  
Misstatement of age (e)  
Exclusions  
Payment of claims (l)  
Prohibited provisions including backdating (40 P.S. § 511)

### **5.2 Beneficiaries**

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

### **5.3 Settlement options**

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

### **5.4 Nonforfeiture options**

Cash surrender value  
Extended term  
Reduced paid-up insurance

### **5.5 Policy loans and withdrawal options**

Cash loans  
Automatic premium loans  
Withdrawals or partial surrenders

### **5.6 Dividend options**

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

### **5.7 Disability riders**

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

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

Conditions for payment (31 Pa. Code Ch. 90f.3)  
Effect on death benefit (31 Pa. Code Ch. 90f.3)  
Exclusions and restrictions (31 Pa. Code Ch. 90f.4)

### **5.9 Riders covering additional insureds**

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

## 5.10 Riders affecting the death benefit amount

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

## 6.0 Annuities 8%

### 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
  - Installments for a fixed period
  - Installments for a fixed amount

### 6.4 Annuity products

- Fixed annuities
  - General account assets
  - Interest rate guarantees (minimum versus current)
  - Level benefit payment amount
- Equity indexed annuities
- Market value adjusted annuities (modified guaranteed annuities) (40 P.S. § 71, 510a–510d)
- Variable annuities
  - Assets in a separate account (31 Pa. Code Ch. 85.21–.27)
  - Regulation of variable annuities (SEC, FINRA and Pennsylvania) (31 Pa. Code Ch. 85.1–.4)

### 6.5 Uses of annuities

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

## 7.0 Federal Tax Considerations for Life Insurance and Annuities 4%

### 7.1 Taxation of personal life insurance

- Amounts available to policyowner
  - Cash value increases
  - Dividends
  - Policy loans

- Surrenders
- Accelerated benefits
- Viatical settlements
- 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 plans

- Traditional IRAs
  - Contributions, limits 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
  - Qualified distributions

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

### 7.6 Section 1035 exchanges

## 8.0 Qualified Plans 2%

### 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
- Pension plans
- 403(b) tax-sheltered annuities (TSAs)

### 8.4 Special rules for life insurance

- Taxation of economic benefit
- Taxation of life insurance distributions

## 9.0 Health Insurance Basics 7%

### 9.1 Definitions of perils

- Accidental injury
- Sickness

### 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
  - Specified (dread) disease  
(31 Pa. Code Ch. 88.169, .193)
  - Hospital indemnity (income)
  - Credit disability
  - Blanket insurance (teams, passengers, other)
  - Prescription drugs
  - Vision care

### 9.5 Common exclusions from coverage (31 Pa. Code Ch. 88.84)

- Pre-existing conditions
- Intentionally self-inflicted injuries (1)(ii)
- War or act of war (1)(i)
- Elective cosmetic surgery (1)(vii)
- Conditions covered by workers compensation (1)(iii)
- Government plans (2)(viii)
- Commission of or attempt to commit a felony

### 9.6 Producer responsibilities in individual health insurance

- Marketing requirements
  - Advertising standards for accident and health insurance (31 Pa. Code Ch. 51.1–.36, .42)
  - Life and Health Insurance Guaranty Association (40 P.S. § 991.1717)
  - Sales presentations
  - Outline of coverage (40 P.S. § 991.1111; 31 Pa. Code Ch. 88.181)
- Field underwriting
  - Nature and purpose
  - Disclosure of information about individuals
  - Application procedures
  - Requirements at delivery of policy
- Common situations for errors/omissions

### 9.7 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) (35 P.S. § 7605(h))
- Classification of risks
  - Preferred
  - Standard
  - Substandard
  - Declined

### 9.8 Considerations in replacing health insurance

- Pre-existing conditions
- Waiting periods
- Benefits, limitations and exclusions
- Underwriting requirements
- Producer's liability for errors and omissions
- Pennsylvania replacement requirements  
(31 Pa. Code Ch. 88.101–.103)

## 10.0 Individual Health Insurance Policy General Provisions 5%

### 10.1 Required provisions (40 P.S. § 753(A))

- Entire contract; changes (1)
- Time limit on certain defenses (2)
- Grace period (3)
- Reinstatement (4)
- Claim procedures (5–9)
- Physical examinations and autopsy (10)
- Legal actions (11)
- Change of beneficiary (12)

### 10.2 Other provisions (40 P.S. § 753(B))

- Change of occupation (1)
- Misstatement of age (2)
- Other insurance in this insurer (3)
- Insurance with other insurers
  - Expense-incurred benefits (4)
  - Other benefits (5)
- Unpaid premium (7)
- Cancellation (8)
- Conformity with state statutes (9)
- Illegal occupation (10)
- Intoxicants and narcotics (11)

### 10.3 Other general provisions

- Right to examine (free look)  
(40 P.S. § 752(A)(10); 31 Pa. Code Ch. 89.73)
- Insuring clause
- Consideration clause
- Renewability clause
  - Noncancelable
  - Guaranteed renewable
  - Conditionally renewable
  - Renewable at option of insurer
  - Nonrenewable (cancelable, term)

## 11.0 Disability Income and Related Insurance 4%

### 11.1 Qualifying for disability benefits

- Inability to perform duties  
(31 Pa. Code Ch. 88.137)
  - 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

- Pennsylvania minimum benefit standards (31 Pa. Code Ch. 88.167)
- 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 (31 Pa. Code Ch. 88.138)
  - Residual disability benefit (31 Pa. Code Ch. 88.139)
- Other provisions affecting income benefits
  - Cost of living adjustment (COLA) rider
  - Future increase option (FIO) rider
  - Relation of earnings to insurance (40 P.S. § 753(B)(6))
  - Annual renewable term rider
  - Change of occupation
- Other cash benefits
  - Accidental death and dismemberment
  - Rehabilitation benefit
  - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
  - Return of premium
  - Cash surrender value
- Exclusions

## 11.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Starter plans for professionals
- 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 employee (partner) disability income
- Disability buy-sell policy
- Business overhead expense policy
- Disability reducing term policy

## 11.6 Social Security disability

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

## 12.0 Medical Plans 7%

### 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
  - 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

### 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 Pennsylvania mandated benefits (individual and group)

- Postpartum coverage (40 P.S. § 1583)
- Routine pap smears (40 P.S. § 1574(2))
- Treatment for alcohol abuse and dependency (40 P.S. §§ 908-1-908-8)
- Serious mental illness (40 P.S. § 764q)
- Annual gynecological examinations (40 P.S. § 1574(1))
- Cancer therapy (40 P.S. § 764b)
- Mammography coverage (40 P.S. § 764c)
- Childhood immunizations (40 P.S. § 3503)
- Dependent child age limit (31 Pa. Code Ch. 88.32)
- Coverage of adopted children (40 P.S. § 775.1)
- Newborn child coverage (40 P.S. §§ 771-775.2; 31 Pa. Code Ch. 89.201-.209)
- Physically handicapped/mentally retarded children (40 P.S. § 752(A)(9))

**12.5 HIPAA (Health Insurance Portability and Accountability Act) requirements (40 P.S. § 981-1)**

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

**13.0 Group Health Insurance 5%**

**13.1 Characteristics of group insurance**

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

**13.2 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)

**13.3 Marketing considerations**

- Advertising
- Regulatory jurisdiction/acceptable place of delivery

**13.4 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
- Change of insurance companies or loss of coverage
  - Coinsurance and deductible carryover
  - Pre-existing conditions (31 Pa. Code Ch. 89.402-.406)
  - Events that terminate coverage
  - Extension of benefits
  - Continuation of coverage under COBRA
  - Conversion privilege (40 P.S. §§ 756.2, 981-9)

**13.5 Regulation of employer group insurance plans**

- Employee Retirement Income Security Act (ERISA)
  - Applicability
  - Fiduciary responsibilities
  - Reporting and disclosure

**14.0 Dental Insurance 1%**

**14.1 Categories of dental treatment**

- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics

- Periodontics
- Prosthodontics
- Orthodontics

**14.2 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

**14.3 Employer group dental expense**

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

**15.0 Insurance for Senior Citizens and Special Needs Individuals 10%**

**15.1 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

**15.2 Medicare supplements**

- Purpose
- Open enrollment (31 Pa. Code Ch. 89.778)
- Standardized Medicare supplement plans
  - Core benefits
  - Additional benefits
- Pennsylvania regulations and required provisions
  - Standards for marketing (31 Pa. Code Ch. 89.786)
  - Advertising (31 Pa. Code Ch. 89.785)
  - Appropriateness of recommended purchase and excessive coverage (31 Pa. Code Ch. 89.787)
  - Replacement (40 P.S. § 3108; 31 Pa. Code Ch. 89.784, .789)
  - Minimum benefit standards (40 P.S. § 3105)
  - Required disclosure provisions (40 P.S. § 3107; 31 Pa. Code Ch. 89.783)
  - Permitted compensation arrangements (31 Pa. Code Ch. 89.782)
  - Guaranteed issue (31 Pa. Code Ch. 89.790)

### 15.3 Other options for individuals with Medicare

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

- Medicaid
  - Eligibility
  - Benefits

### 15.4 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
  - Guarantee of insurability
  - Return of premium
- Qualified LTC plans
- Exclusions
- LTC Partnerships
- Underwriting considerations
- Pennsylvania regulations and required provisions
  - Outline of coverage (40 P.S. § 991.1111;  
31 Pa. Code Ch. 89a.107, 126)
  - Right to examine (free look)  
(40 P.S. § 991.1110)
  - Pre-existing conditions  
(40 P.S. §§ 991.1105(c), 1107)
  - Continuation and conversion  
(31 Pa. Code Ch. 89a.105)
  - Unintentional lapse (31 Pa. Code Ch. 89a.106)
  - Required disclosure provisions  
(31 Pa. Code Ch. 89a.107)
  - Inflation protection (31 Pa. Code Ch. 89a.112)
  - Nonforfeiture benefit  
(31 Pa. Code Ch. 89a.123)
  - Benefit triggers (31 Pa. Code Ch. 89a.124,  
125)
  - Replacement (31 Pa. Code Ch. 89a.113, 122)
  - Standards for marketing  
(31 Pa. Code Ch. 89a.120)
  - Suitability of recommended purchase  
(31 Pa. Code Ch. 89a.121)
  - Shopper's guide (31 Pa. Code Ch. 89a.127)
  - Permitted compensation arrangements  
(31 Pa. Code Ch. 89a.129)
  - Penalties (31 Pa. Code Ch. 89a.128)

## 16.0 Federal Tax Considerations for Health Insurance 3%

### 16.1 Personally-owned health insurance

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

### 16.2 Employer group health insurance

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

### 16.3 Business disability insurance

- Key person disability income
- Buy-sell policy

### 16.4 Health Spending Accounts

- Health Savings Plan (individual and group)
- Health Reimbursement Account (group)