

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 Producer's Examination for Accident and Health Insurance Series 12-62

100 questions - 120-minute time limit

1.0 Insurance Regulation 16%

1.1 Licensing

- Process (402-J:5, 6)
- Types of licensees
 - Producer (402-J:2, 14)
 - Producer with appointment (402-J:14)
 - Business entity (402-J:6)
 - Financial institutions (406-C:1–19)
 - Resident versus nonresident (402-J:8, 16)
 - Temporary (402-J:11)
- Maintenance and duration
 - Renewal (402-J:7(II–IV))
 - Change of address (402-J:7(VI))
 - Reporting of actions (402-J:17)
 - Assumed names (402-J:10)
 - Continuing education requirements (Reg 1302.03, 1302.04, 1304.03)
- Disciplinary actions
 - Cease and desist order (417:12)
 - Denial, suspension or revocation (402:49; 402-J:12)
 - Penalties and fines (400-A:15(III); 402:42, 48; 402-J:12(IV); 417:10, 13)

1.2 State regulation

- Commissioner's general duties and powers (400-A:3, 15; 417:5, 14)
- Company regulation
 - Producer appointment (402-J:14)
 - Termination of appointment (402-J:15)
- Producer regulation
 - Acting without a license (402-J:3,13)
 - Commissions (402-J:13)
 - Conversion of funds by producer (402:53)
 - Referrals (402:16-B)
 - Controlled business (402:74)

- Fiduciary requirements (Reg 4301.01–4301.09)
 - License to transact business (402:12)
 - Unfair claim settlement practices (417:4(XV); Reg 1001.01–.11, Reg 1002.01–.20)
 - Unfair insurance trade practices
 - Misrepresentation (402:46; 417:4(I, II))
 - Twisting (402:47; 417:4(I))
 - False information and advertising (417:4(III))
 - Defamation (417:4(IV))
 - Boycott, coercion and intimidation (417:4(V))
 - Illegal inducement (417:4(VII))
 - Unfair discrimination (417:4(VIII))
 - Rebating (402:39–41; 417:4(IX))
 - Examination of books and records (400-A:37)
 - Insurance fraud regulation (400-A:36-b(II); 417:23; RL 638:20)
 - Consumer privacy regulation (Reg 3001–3006)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681–1681d)
 - Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 13%

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
- Risk retention groups
- Surplus lines
- Private versus government insurers
- Authorized versus unauthorized 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 producers

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 12%

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)

3.5 Common exclusions from coverage (415-A:5)

3.6 Producer responsibilities in individual health insurance

- Marketing requirements
 - Advertising (Reg 2601–2604)
 - Life and Health Insurance Guaranty Association (408-B:19(I))
 - Sales presentations
 - Outline of coverage (415-A:4; Reg 1901.06)
 - Guaranty association disclaimer (408-B:19(II–IV))
- 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 (417:4(XIX); Reg 1103.01, .02)
- Unfair discrimination (415:15)
- Classification of risks
 - Preferred
 - Standard
 - Substandard

3.8 Considerations in replacing health insurance (Reg 1901.07)

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

3.9 New Hampshire mandated provisions

4.0 Individual Health Insurance Policy General Provisions 9%

4.1 Required provisions

- Entire contract; changes (415:6(I)(1))
- Time limit on certain defenses (415:6(I)(2))
- Grace period (415:6(I)(3))
- Reinstatement (415:6(I)(4))
- Claim procedures (415:6(I)(5–9))
- Physical examinations and autopsy (415:6(I)(10))
- Legal actions (415:6(I)(11))
- Change of beneficiary (415:6(I)(12))
- Loss of time benefits (415:6(I)(13))
- Refund upon cancellation (415:6(I)(14))

4.2 Other provisions

- Change of occupation (415:6(II)(1))
- Misstatement of age (415:6(II)(2))
- Other insurance in this insurer (415:6(II)(3))
- Insurance with other insurers
 - Expense-incurred basis (415:6(II)(4))
 - Other than expense-incurred basis (415:6(II)(5))
- Unpaid premium (415:6(II)(7))
- Cancellation; refusal to renew (415:6(II)(8))
- Conformity with state statutes (415:6(II)(9))

4.3 Other general provisions

- Right to examine (free look) (Reg 401.04(f), 1901.06(a)(11))
- Insuring clause
- Consideration clause
- Renewability clause (Reg 1901.05)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)
- Military suspense provision (Reg 1901.05(a)(7))

5.0 Disability Income and Related Insurance 9%

5.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- 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 (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

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 person 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
- Benefits

6.0 Medical Plans 8%

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 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 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)

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue

Pre-existing conditions

Creditable coverage

Renewability

7.0 Group Health Insurance 10%

7.1 Characteristics of group insurance

Group contract

Certificate of coverage

Experience rating versus community rating

7.2 Types of eligible groups

Individual employer groups (Bulletin INs. 08-068-AB)

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

Administrative capability

Eligibility for coverage

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

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-b); Reg 1901.06(a)(11))

7.5 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)

7.6 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 coverage rules

Medicare carve-outs and supplements

8.0 Dental Insurance 2%

8.1 Types of dental treatment

Diagnostic and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics

8.2 Indemnity plans

Benefit categories

Diagnostic/preventive services

Basic services

Major services

Deductibles and coinsurance

Combination plans

Exclusions

Limitations

Predetermination of benefits

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 (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 1905.06, .18)
- Appropriateness of recommended purchase and excessive insurance (Reg 1905.20)
- Guaranteed issue for eligible persons (Reg 1905.11)
- Buyer's guide (Reg 1905.16(a)(6))
- Outline of coverage (Reg 1905.16(d))
- 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)

9.3 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

9.4 Long-term care (LTC) insurance

- 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))

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

10.0 Federal Tax Considerations for Health Insurance 8%

10.1 Personally-owned health insurance

- Disability income insurance
- Medical expense insurance

- Long-term care insurance
- Settlement options

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