

# Your Exam Content Outline

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

## Connecticut Producer's Examination for Accident and Health Insurance Series 18-02

**100 questions – Two-hour time limit**

### 1.0 Insurance Regulation 10%

#### 1.1 Licensing

- Process (38a-702d, 702e, 769)
- Types of licensees (38a-702f(a), 769)
  - Resident producers (38a-782)
  - Certified insurance consultants (38a-731-733, 786)
  - Nonresident producers (38a-702g, 702n)
  - Temporary (38a-702j)
- Maintenance and duration
  - Renewal (38a-702f(b)(c), 784, 786(b))
  - Change in name or address (38a-771(a))
  - Reporting of actions (38a-702o, 771(b))
  - Assumed names (38a-702i)
  - Continuing education requirements, exemptions and penalties (Reg 38a-782a-2, 10, 13-15)
- Disciplinary actions
  - Cease and desist order (38a-817)
  - Hearings (38a-16, 817, 818)
  - Suspensions, revocations, refusal to issue or renew, fines (38a-2, 702k, 735, 774, 777, 817(b, e), 830)

#### 1.2 State regulation

- Commissioner's general duties and powers (38a-8, 10)
- Company regulation
  - Certificate of authority (38a-41)
  - Capital and surplus requirement (38a-72)
  - Unfair claim settlement practices (38a-816(6))
- Producer regulation
  - Controlled business (38a-782(b))
  - Commissions (38a-702l, 734)
  - Acting as an agent (38a-702m)
  - Representing an unauthorized insurer (38a-275, 703, 714)
  - Failure to remit premiums (38a-712)
- Unfair and prohibited practices
  - Misrepresentation (38a-816(1), (8))
  - False advertising (38a-816(1), (2))
  - Defamation of insurer (38a-816(3))

- Boycott, coercion and intimidation (38a-816(4))
- False financial statements (38a-816(5))
- Failure to maintain complaint record (38a-816(7))
- Unfair discrimination (38a-816(12), (13))
- Rebating (38a-816(9), 825)
- Twisting (38a-826)

- Examination of books and records (38a-769(f))
- Connecticut Insurance Information and Privacy Protection Act (38a-975-999a)

#### 1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (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
  - 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 producers
  - Express
  - Implied
  - Apparent

### **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
- Hospital/medical expense
- Dental expense
- Long-term care expense/home health care

### **3.3 Classes of health insurance policies**

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

### **3.4 Limited policies**

- Limited benefits (38a-482b, 513d)
- 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
  - Dental
  - Vision care
  - Medicare supplements

### **3.5 Common exclusions from coverage (38a-476; Reg 38a-505-7)**

### **3.6 Producer responsibilities in individual health insurance**

- Marketing requirements
  - Advertising (Reg 38a-819-1-20)
  - Life and Health Insurance Guaranty Association (38a-859,871(e))
  - Sales presentations
  - Outline of coverage (38a-505(f); Reg 38a-505-10(B-K))
- Field underwriting
  - Nature and purpose
  - Disclosure of information about individuals (38a-988)
  - Application procedures (38a-979, 981)
  - 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) (RL 19a-583, 586)
    - Prohibited use of genetic information (38a-816(19))
  - Unfair discrimination (38a-488)
  - Classification of risks
    - Preferred
    - Standard
    - Substandard
- ### **3.8 Considerations in replacing health insurance (38a-546; Reg 38a-505-11)**
- Pre-existing conditions (38a-476)
  - Credit for previously satisfied pre-existing condition exclusion (38a-476)
  - Benefits, limitations and exclusions
  - Underwriting requirements
  - Producer liability for errors and omissions

## **4.0 Individual Health Insurance Policy General Provisions 7%**

### **4.1 Required provisions (38a-483(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)

### **4.2 Optional provisions (38a-483(b))**

- Change of occupation (1)
- Misstatement of age (2)

- Other insurance in this insurer (3)
- Insurance with other insurers
  - Expense-incurred basis (4)
  - Other benefits (5)
- Unpaid premium (7)
- Cancellation (8)
- Conformity with state statutes (9)

#### **4.3 Other general provisions**

- Right to examine (free look)
  - (Reg 38a-505-10(A)(7))
- Insuring clause
- Consideration clause
- Renewability clause (Reg 38a-505-9(A))
  - Noncancelable
  - Guaranteed renewable
  - Conditionally renewable
  - Renewable at option of insurer
  - Nonrenewable (cancelable, term)
- Military suspense provision (Reg 38a-505-9(A)(5))

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

#### **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**

- Connecticut minimum benefit standards
  - (Reg 38a-505-9(F))
- 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 (38a-483(b)(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 20%**

#### **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 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) and point-of-service (POS) plans
  - General characteristics
  - In-network and out-of-network provider access
  - PCP referral
  - Indemnity plan features
- Connecticut children's health insurance plan (HUSKY) (RL 17b-289-292a, 294-304)
- High Deductible Health Plan

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

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

#### **6.4 Connecticut requirements (individual and/or group)**

##### Eligibility requirements

Dependent child age limit (38a-497, 554; Bul HC-71)

Child enrollment; non-custodial parents (38a-497a)

Full-time students (38a-497, 554)

Physically or mentally handicapped dependents (38a-489, 515)

Newborn child coverage (38a-490, 516)

Adopted and prospective adopted children (38a-508, 549)

##### Benefit

Infertility coverage (38a-509, 536; Bul HC-64)

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

##### Eligibility

Guaranteed issue

Pre-existing conditions

Creditable coverage

Renewability

Connecticut HIPAA Alternative-Health Reinsurance Association

#### **7.0 Group Health Insurance 15%**

##### **7.1 Characteristics of group insurance**

Group contract

Certificate of coverage (38a-182)

Experience rating versus community rating

##### **7.2 Types of eligible groups**

Employment-related groups

Individual employer groups

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 coverage

Employee eligibility

Dependent eligibility — including domestic partners and civil unions (Bul IC-21)

Spousal coverage (38a-541)

Coordination of benefits provision (Reg 38a-554-1-6)

Change of insurance companies or loss of coverage

No-loss no-gain

Events that terminate coverage

Extension of benefits (Reg 38a-546-5(a))

Continuation of coverage under COBRA and Connecticut specific rules (38a-538, 546; Reg 38a-546-5(b))

Conversion privilege (38a-537(d), 554(d))

##### **7.5 Small employer medical plans**

Definition of small employer (38a-564(4))

Benefit plans offered (38a-565, 568)

Health care center (HMO) plans

Small employer carrier plans

Eligibility of employees (38a-564(3))

Renewability (38a-567)

##### **7.6 Regulation of employer group insurance plans**

Civil Rights Act/Pregnancy Discrimination Act Guidelines

Relationship with Medicare

Medicare secondary rules

Medicare carve-outs and supplements

#### **8.0 Dental Insurance 3%**

##### **8.1 Types of dental treatment**

Diagnostic and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics

##### **8.2 Indemnity plans**

Choice of providers

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

Open enrollment (Reg 38a-495a-8)

- Standardized Medicare supplement plans (Reg 38a-495a-6, 6(a))
  - Core benefits
  - Additional benefits
- Connecticut regulations and required provisions
  - Advertising (Reg 38a-495a-15)
  - Standards for marketing (Reg 38a-495a-16)
  - Permitted compensation (Reg 38a-495a-12)
  - Appropriateness of recommended purchase and excessive insurance (Reg 38a-495a-17)
  - Required disclosure provisions (Reg 38a-495a-13)
  - Reporting of multiple policies (Reg 38a-495a-18)
  - Buyer's guide (38a-495a-13(a)(6)(A))
  - Right to return (38a-495a-13(a)(5)(a))
  - Replacement (Reg 38a-495a-14, 19)
  - Benefit standards (Reg 38a-495a-5)
  - Pre-existing conditions (38a-495a(f))
  - Outline of coverage (38a-495a(l)(1), (2); Reg 38a-495a-13(d))
  - Plan offering to disabled (38a-495c)

**9.3 Other options for individuals with Medicare**

- Employer group health plans
  - Disabled employees
  - Employees with kidney failure
  - Individuals age 65 or older
- Medicaid
  - Eligibility
  - Benefits
- ConnMAP
- ConnPACE

**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
  - Hospice care
- Benefit periods
- Benefit amounts
- Optional benefits
  - Guarantee of insurability
  - Return of premium
- Qualified LTC plans
- Exclusions
- Underwriting considerations

- Connecticut regulations and required provisions
  - Standards for marketing (Reg 38a-501-16)
  - Suitability of recommended purchase (Reg 38a-501-17)
  - Shopper's guide (Reg 38a-501-18)
  - Outline of coverage (Reg 38a-501-21)
  - Non-forfeiture benefit offer (Reg 38a-501-19)
  - Required disclosure provisions (Reg 38a-501-13)
  - Replacement (Reg 38a-501-12, 22)
  - Right to return (Reg 38a-501-11(g))
  - Inflation protection (Reg 38a-501-20)
  - Connecticut Partnership for Long Term Care (Reg 38a-475-1-6; RL 17b-252)

**9.5 Connecticut Comprehensive Health Care Plan (38a-551-560)**

- Eligibility
- Coverages and limits
- Exclusions
- Deductibles and coinsurance

**10.0 Federal Tax Considerations for Health Insurance 4%**

**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, partners and limited liability corporations**

**10.4 Business disability insurance**

- Key person disability income
- Buy-sell policy

**10.5 Health Savings Accounts (HSAs)**

- Definition
- Eligibility
- Contribution limits