

Your Exam Content Outline

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

Utah Producer's Examination for Accident and Health Insurance Series 17-02

100 questions – Two-hour time limit

1.0 Insurance Regulation 5%

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103-105, 107, 302)
- Types of licensees (31A-23a-106, 203, 401)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201-203)
 - Policy forms (31A-21-201-203)
 - Producer appointment (31A-23a-115; Reg R590-244-1-14)
 - Termination of appointment (Reg R590-244-1-14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190-192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)

- Shared commissions (31A-23a-504)
 - Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))
 - False advertising (31A-23a-402(1))
 - Rebating (31A-23a-402(2))
 - Unfair discrimination (31A-23a-402(3))
 - Boycott, coercion or intimidation (31A-23a-402(4))
 - Illegal inducement (Reg R590-154-11)
 - Examination of records (31A-2-203-205; 31A-23a-412)
 - Privacy of Consumer Information (Reg R590-206)
 - Insurance fraud regulation (31A-31-103-106)
 - Personal liability for unpaid claims (31A-15-105)
- #### 1.3 Federal regulation
- Fair Credit Reporting Act (15 USC 1681-1681d)
 - Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 5%

- #### 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 Accident and Health Insurance Basics 30%

3.1 Definitions of perils

Accidental injury (R590-126, 233)
Sickness, medical necessity and emergency
(31A-22-627)

3.2 Principal types of losses and benefits

Loss of income from disability (R590-126, 233)
Medical expense
Dental expense
Long-term care expense

3.3 Classes of health insurance policies

Individual versus group
Private versus government
Self-funded vs fully insured
Limited versus comprehensive
Employer group versus association group

3.4 Limited policies (R590-126)

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 (R590-126)

3.6 Licensee responsibilities in individual health insurance

Marketing requirements
Advertising (Reg R590-130-4-16)
Utah Life and Health Insurance Guaranty
Association (31A-28-119(1-4); R590-155)
Sales presentations
Outline of coverage (Reg R590-126-8, 233-8)
Compensation disclosure (31A-23a-501)
Field underwriting
Nature and purpose
Employee waiver form (31A-22-635;
R590-247)
Disclosure of information about individuals
(R590-126, 233)
Application procedures
Requirements at delivery of policy
Utah individual and small employer health
insurance application (R590-247)
Common situations for errors/omissions

3.7 Individual underwriting by the insurer

Underwriting criteria
Sources of underwriting information
Application
Licensee report
Attending physician statement
Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests (including
HIV consent) (Reg R590-132-3)
Unfair discrimination (31A-23a-402(3))
Genetic Information and Nondiscrimination Act
of 2008 (GINA)
Classification of risks
Preferred
Standard
Substandard

3.8 Considerations in replacing accident and health insurance (Reg R590-126-9, 233)

Pre-existing conditions (31A-22-605.1)
Benefits, limitations and exclusions
Underwriting requirements
Licensee liability for errors and omissions
Required notification

3.9 Other required, uniform and general provisions (R590-126, 133)

Incontestability (31A-22-609)
Grace period (31A-22-607)
Reinstatement (31A-22-608)
Claim procedures (31A-21-312; 31A-22-614;
31A-26-301; Reg R590-192-1-14)
Change of occupation (31A-22-613(1))
Misstatement of age (31A-22-613(2,3))
Coordination of benefits (31A-22-619)

- Right to examine (free look) (31A-22-606)
- Rights of spouse (31A-22-612)
- Insuring clause
- Consideration clause
- Entire contract; changes
- Physical examinations and autopsy
- Legal actions
- Change of beneficiary
- Unpaid premium
- Conformity with state statutes
- Illegal occupation
- Renewability clause (31A-30-107; Reg R590-126-5; Reg R590-233)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)

4.0 Disability Income and Related Insurance 5%

4.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- Loss of income (income replacement contracts)
- Definition of total disability (R590-126-3)
- Presumptive disability
- Requirement to be under physician care

4.2 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
- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
 - Return of premium
 - Cash surrender value
- Exclusions

4.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits

- Policy issuance alternatives

4.4 Group disability income insurance

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

4.5 Business disability insurance

- Key employee (partner) disability income
- Disability buy-sell policy

4.6 Social Security disability

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

4.7 Workers compensation

- Eligibility

5.0 Medical Plans 16%

5.1 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

5.2 Types of providers and plans

- Major medical insurance (indemnity plans)
 - Characteristics
 - Common limitations
 - Exclusions from coverage
 - Provisions affecting cost to insured
 - Defined contribution plans (31A-30-201-208)
- 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
 - Limited health plans (31A-8-101(6))
 - Open panel or closed panel
 - Types of parties to the provider contract
 - Utah NetCare Plan (31A-22-724)
- Point-of-service (POS) plans
 - Nature and purpose
 - Out-of-network provider access (open-ended HMO)
 - PCP referral (gatekeeper PPO)
 - Indemnity plan features

5.3 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Hospital outpatient benefits
 - Alternatives to hospital services
 - Maternity stay minimum limits (31A-22-610.2)

Utilization management
Prospective review
Concurrent review

5.4 Utah requirements (individual and group)

Eligibility requirements
Newborn child coverage (31A-22-610)
Dependent child age limit (31A-22-610.5)
Court ordered dependency coverage (31A-22-610.5)
Eligibility of dependent children not based solely on residency (31A-22-718)
Policy extension for handicapped children (31A-22-611)
Adoptions (31A-22-610.1)
Federal health care reform required dependent coverage
Benefit offers
Substance abuse coverage (31A-22-715)

5.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility
Guaranteed issue
Pre-existing conditions
Creditable coverage
Renewability

5.6 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)

Definition
Eligibility
Contribution limits
Portability

5.7 HIPUtah (31A-29-101-107, 119-123)

Eligibility (31A-29-111)
Coverages and limits (31A-29-113)
Exclusions (31A-29-113)
Deductibles and coinsurance (31A-29-114)

5.8 Uniform health benefit plan information card (31A-22-635; Reg R590-257)

6.0 Group Accident and Health Insurance 16%

6.1 Characteristics of group insurance

Group contract
Certificate of coverage
Experience rating versus community rating

6.2 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)
Discretionary groups

6.3 Marketing considerations

Advertising
Regulatory jurisdiction/place of delivery

6.4 Employer group health insurance

Insurer underwriting criteria
Characteristics of group
Plan design factors
Persistency factors
Administrative capability
Eligibility for insurance
Annual open enrollment
Employee eligibility
Dependent eligibility
Coordination of benefits provision (Reg R590-131)
Change of insurance companies or loss of coverage
Coinsurance and deductible carryover
No-loss no-gain
Events that terminate coverage
Extension of benefits
Continuation of coverage under COBRA and Utah Mini-COBRA (31A-22-722)
Conversion rights (31A-22-723)
Reinstatement of coverage for military personnel (31A-22-717)

6.5 Small employer medical plans

Definition of small employer (31A-1-301)
Basic coverage (31A-22-613.5)
Availability of coverage (31A-30-108)
Rating of small employer plans (31A-30; Reg R590-167)
Benefit choices (31A-30-109)
Defined contribution arrangement market (31A-30, Part 2)
Renewability of coverage (31A-30-107)
Pre-existing conditions (31A-22-605.1)
Participation requirements (31A-30-112)
Surcharge for charging carriers (31A-30-106.7)
Open enrollment (Reg R590-176)

6.6 Regulation of employer group insurance plans

Employee Retirement Income Security Act (ERISA)
Applicability
Fiduciary responsibilities
Reporting and disclosure
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
Civil Rights Act/Pregnancy Discrimination Act
Applicability
Guidelines
Relationship with Medicare
Medicare secondary rules
Medicare carve-outs and supplements
Nondiscrimination rules (highly-compensated)

6.7 Types of funding and administration

Conventional fully-insured plans
Fully self-funded (self-administered) plans
Characteristics
Conditions suitable for self-funding

Benefits suitable for self-funding

6.8 Utah Health Exchange (31A-30-201-208; 31A-42; 63M-1-2501-2506)

7.0 Dental Insurance 2%

7.1 Categories of dental treatment

- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics
- Periodontics
- Prosthodontics
- Orthodontics

7.2 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

7.3 Employer group dental expense

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

8.0 Medicare 11%

8.1 Medicare standard policies

- 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

8.2 Medicare supplements

- Purpose
- Open enrollment (Reg R590-146-11)
- Standardized Medicare supplement plans
 - Core benefits (Reg R590-146-8(B))
 - Additional benefits (Reg R590-146-8(C))
- Utah regulations and required provisions
 - Standards for marketing (Reg R590-146-20)
 - Advertising (Reg R590-146-19)
 - Appropriateness of recommended purchase and excessive insurance (Reg R590-146-21)
 - Right to return (free look) (31A-22-620(6))
 - Replacement (Reg R590-146-18, 23)
 - Pre-existing conditions (Reg R590-146-23)

- Required disclosure provisions (Reg R590-146-17)

- Outline of coverage (Reg R590-146-17(C))
- Guide to Health Insurance for People with Medicare (Reg R590-146-17(A)(6)(a))
- Permitted compensation (Reg R590-146-16)
- New plans effective June 1, 2010 (Reg R590-146)
- Medicare Select (Reg R590-146-10)

8.3 Other options for individuals with Medicare

- Employer group health plans
 - Disabled employees
 - Employees with kidney failure (End Stage Renal Disease) (ESRD)
 - Individuals age 65 and older
- Medicaid
 - Eligibility
 - Benefits

8.4 Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

9.0 Long-Term Care Insurance 8%

9.1 Long-term care (LTC) policies

- Eligibility for benefits
- Federal reform - CLASS ACT
- 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
- Underwriting considerations
- Utah regulations and required provisions
 - Standards for marketing (Reg R590-148-18)
 - Advertising (Reg R590-148-20)
 - Shopper's guide (Reg R590-148-16)
 - Outline of coverage (31A-22-1409; Reg R590-148-15)
 - Appropriateness of recommended purchase (Reg R590-148-17)
 - Right to return (free look) (31A-22-1408)
 - Replacement (Reg R590-148-6(6))
 - Renewal provisions (Reg R590-148-6(1))
 - Continuation or conversion (Reg R590-148-10)
 - Required disclosure provisions (Reg R590-148-6)
 - Inflation protection (Reg R590-148-13)
 - Pre-existing conditions (31A-22-1406; Reg R590-148-6(3))

Protection against unintentional lapse
(Reg R590-148-11)
Prohibited provisions (31A-22-1405, 1407)
Rate disclosure form

10.0 Federal Tax Considerations for Accident and Health Insurance 2%

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)