

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-702f(f), 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