

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 Certified Insurance Consultant's Examination for Life/Accident and Health Insurance Series 18-05

150 questions – 2.5-hour time limit

1.0 Insurance Regulation 5%

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 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
 - 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 Life Insurance Basics 5%

3.1 Insurable interest

3.2 Personal uses of life insurance

Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation
Life settlements (38a-465, 465a, 465f, 465g;
Reg 38a-465-1-10)

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

3.4 Business uses of life insurance

Buy-sell funding
Key person
Executive bonuses
Deferred compensation funding
Split dollar plans
Change of insured rider
Minimum deposit

3.5 Classes of life insurance policies

Group versus individual
Permanent versus term
Participating versus nonparticipating
Fixed versus variable life insurance and annuities

Regulation of variable products
(SEC, FINRA and Connecticut)
(38a-433; Reg 38a-433-1-11)

3.6 Premiums

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

3.7 Producer responsibilities

Solicitation and sales presentations
(Reg 38a-819-32-39)
Advertising (Reg 38a-819-21-31)
Life and Health Insurance Guaranty Association
(38a-859, 871(e))
Illustrations (Reg 38a-819-58-69)
Policy summary (Reg 38a-819-35(G))
Buyer's guide (Reg 38a-819-35 Appendix)
Life insurance policy cost comparison methods
(Reg 38a-819-35(F), Appendix)
Replacement (38a-435)
Use and disclosure of insurance information
(38a-988)
Field underwriting
Notice of information practices (38a-979, 981)
Application procedures (38a-442)
Delivery
Policy review
Effective date of coverage
Premium collection
Statement of good health

3.8 Individual underwriting by the insurer

Information sources and regulation
Application
Producer report
Attending physician statement
Investigative consumer (inspection) report
(38a-982)
Medical Information Bureau (MIB)
Medical examinations and lab tests including
HIV (RL 19a-583, 586)
Selection criteria and unfair discrimination
(38a-446, 447)
Classification of risks
Preferred
Standard
Substandard

4.0 Life Insurance Policies 5%

4.1 Term life insurance

Level term
Annual renewable term
Level premium term
Life expectancy contract
Term-to-65 (or older) contract
Decreasing term

4.2 Whole life insurance

- Continuous premium (straight life)
- Limited payment
- Single premium
- Graded premium
- Modified life
- Interest sensitive
- Equity index

4.3 Flexible premium policies

- Adjustable life
- 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
- Group underwriting requirements
- Conversion to individual policy (Bul S-4 (8-10))

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 7%

5.1 Standard provisions

- Ownership
- Assignment (38a-455)
- Entire contract
- Modifications
- Right to examine (free look) (38a-436)
- Payment of premiums
- Grace period
- Reinstatement
- Incontestability
- Misstatement of age
- Exclusions
- Interest on insurance proceeds (38a-452)

5.2 Beneficiaries

- Designation options
 - Individuals
 - Classes
 - Estates
 - Minors
 - Trusts
- Succession
- Facility of payment clause
- Revocable versus irrevocable
- Common disaster clause
- Spendthrift clause

5.3 Settlement options

- 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 loan 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

5.7 Disability riders

- Waiver of premium/waiver of stipulated premium (universal life)
- Waiver of cost of insurance
- Disability income benefit
- Payor benefit life/disability (juvenile insurance)

5.8 Living benefit provisions/riders

- Accelerated (38a-457; Reg 38a-457-1-11)
 - Conditions for payment
 - Effect on death benefit
- Long-term care (Reg 38a-458-1-12)
 - Conditions for payment
 - Effect on death benefit

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 and withdrawal 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 (types)

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) (Reg 38a-433-12-22)

6.5 Uses of annuities

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

6.6 Senior Protection in Annuity Transactions (38a-432a-1-7)

7.0 Federal Tax Considerations for Life Insurance and Annuities 11%

7.1 Taxation of personal life insurance

Amounts available to policyowner
Cash value increases
Dividends
Policy loans
Surrenders
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 accounts (IRAs)

Traditional IRAs
Contributions 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
Distributions

7.5 Rollovers and transfers (IRAs and qualified plans)

7.6 Section 1035 exchanges

8.0 Qualified Plans 9%

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
Section 457 deferred compensation
403(b) tax-sheltered annuities (TSAs)

8.4 Special rules for life insurance

Incidental limitation
Taxation of economic benefit
Taxation of life insurance distributions

9.0 Health Insurance Basics 5%

9.1 Definitions of perils

Accidental injury
Sickness

9.2 Principal types of losses and benefits

Loss of income from disability
Hospital/medical expense
Dental expense
Long-term care expense/home health care

9.3 Classes of health insurance policies

Individual versus group
Private versus government
Limited versus comprehensive

9.4 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

9.5 Common exclusions from coverage (38a-476; Reg 38a-505-7)

9.6 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

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) (RL 19a-583, 586)
 - Prohibited use of genetic information (38a-816(19))
- Unfair discrimination (38a-488)
- Classification of risks
 - Preferred
 - Standard
 - Substandard

9.8 Considerations in replacing health insurance (38a-546; Reg 38a-505-11)

- Pre-existing conditions
- Credit for previously satisfied pre-existing condition exclusion
- Benefits, limitations and exclusions
- Underwriting requirements
- Producer liability for errors and omissions

10.0 Individual Health Insurance Policy General Provisions 5%

10.1 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)

10.2 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)

10.3 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))

11.0 Disability Income and Related Insurance 5%

11.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- Presumptive disability
- Requirement to be under physician care

11.2 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))
 - Annual renewable term rider
- 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
- Policy issuance alternatives

11.4 Group disability income insurance

- Short-term disability (STD)
- Long-term disability (LTD)

11.5 Business disability insurance

- Key person 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

11.7 Workers compensation

- Eligibility

Benefits

12.0 Medical Plans 5%

12.1 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

12.2 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

12.3 Cost containment in health care delivery

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

12.4 Connecticut requirements (individual and/or group)

Eligibility requirements
Dependent child age limit (38a-497, 554; 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)

12.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue
Pre-existing conditions
Creditable coverage
Renewability
Connecticut HIPAA Alternative-Health Reinsurance Association

13.0 Group Health Insurance 10%

13.1 Characteristics of group insurance

Group contract
Certificate of coverage (38a-182)
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)
Taft-Hartley Trusts
Associations (alumni, professional, other)

13.3 Marketing considerations

Advertising
Regulatory jurisdiction/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
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))

13.5 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)

13.6 Regulation of employer group insurance plans

Employee Retirement Income Security Act (ERISA)
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)

13.7 Types of funding and administration

- Conventional fully-insured plans
- Modified fully-insured plans
 - Premium-delay arrangements
 - Reserve-reduction arrangements
 - Retrospective-rating arrangements
- Partially self-funded plans
 - Stop-loss coverage
 - 501(c)(9) trust
- Administrative-services-only (ASO) arrangements
- Fully self-funded (self-administered) plans
 - Characteristics
 - Conditions suitable for self-funding
 - Benefits suitable for self-funding

14.0 Dental Insurance 3%

14.1 Types of dental treatment

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

14.2 Indemnity plans

- Choice of providers
- Benefit categories
 - Diagnostic/preventive services
 - Basic services
 - Major services
- Deductibles and coinsurance
- Combination plans
- Exclusions
- Limitations
- Predetermination of benefits

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 7%

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 (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)

15.3 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

15.4 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)

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

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

16.0 Federal Tax Considerations for Health Insurance 5%

16.1 Personally-owned health insurance

- Disability income insurance
- Medical expense insurance
- Long-term care 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 Medical expense coverage for sole proprietors, partners and limited liability corporations

16.4 Business disability insurance

- Key person disability income
- Buy-sell policy
- Business overhead expense

16.5 Health Savings Accounts (HSAs)

- Definition
- Eligibility
- Contribution limits