

YOUR EXAM CONTENT OUTLINE

for examinations on or after March 1, 2006.

If you do not receive all five pages of this outline, please contact Prometric.

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 – Two-hour time limit

1.0 Insurance Regulation 17%

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; Reg 1301.06)

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 1302.04)

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:13)

Commissions (402-J:13)

Conversion of funds by producer (402:53)

Controlled business (402:74)

License to transact business (402:12)

Unfair claim settlement practices
(417:4(XV); Reg 1001.01–.16)

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

Reciprocal

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
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 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
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 2601.01–2616.01)
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
Declined

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

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 401.01(b)(1)o, 1901.06(a)(11))
 - Insuring clause
 - Consideration clause
 - Renewability clause (Reg 1901.05(a))
 - 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
 - Pure loss of income (income replacement contracts)
 - 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 (non disabling 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**
 - Group versus individual plans
 - 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
 - Specified coverages versus comprehensive care
 - 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
 - Associations (alumni, professional, other)
 - Customer groups (depositors, creditor-debtor, 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
 - Administrative capability
 - Eligibility for coverage
 - Annual open enrollment
 - 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
 - Coinsurance and deductible carryover
 - 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-f); 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 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**
 - Scheduled versus nonscheduled 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 1903.06, 1905.18)

Appropriateness of recommended purchase and

excessive insurance (Reg 1905.20)

Guaranteed issue for eligible persons

(Reg 1905.11)

Buyer's guide (Reg 1903.07, 1905.16(a)(6))

Outline of coverage (Reg 1905.16(c))

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

LTC, Medicare and Medicaid compared

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