

Your Exam Content Outline

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

Oregon Consultant's Examination for Health Insurance Series 12-09

100 questions – Two-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing

Purpose

Process (ORS 744.619, .635; OAR 836-071-0150)

Types of licensees

Producers (ORS 744.052, .053)

Consultants (ORS 744.605, .609, .626;
OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresident consultants (ORS 744.026, .621)

Maintenance and duration

Renewal and nonrenewal (ORS 744.008, .009;
OAR 836-071-0130)

Reinstatement (ORS 744.018)

Assumed business name (ORS 744.028(2),
.068)

Change of address or telephone number
(ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or
refusal to issue or renew (ORS 744.013)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

1.2 State regulation

Director's general duties and powers
(ORS 731.236)

Company regulation

Solvency (ORS 731.554 (6))

Unfair claim settlement practices
(ORS 746.230; OAR 836-080-0205–0250)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110;
OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015;
OAR 836-081-0005, .0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Suitability (OAR 836-080-0001–0043,
836-080-0090)

Examination of records (ORS 744.024, .026)

Privacy of Consumer Information (ORS 746.620,
.630, .665)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681–1681d)

Fraud and false statements including 1033 waiver
(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

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 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)
 - Prescription drugs
 - Vision care

3.5 Common exclusions from coverage

3.6 Producer responsibilities in individual health insurance

- Marketing requirements
 - Advertising (OAR 836-020-0200-0305)
 - Oregon Life and Health Insurance Guaranty Association (ORS 734.750-.890)
 - Sales presentations
 - Outline of coverage (OAR 836-020-0305)
- 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 consent) (OAR 836-050-0250)
- Unfair discrimination
- Classification of risks
 - Preferred
 - Standard
 - Substandard

3.8 Considerations in replacing health insurance (ORS 743.766(2,3))

- Pre-existing conditions
- Benefits, limitations and exclusions
- Producer liability for errors and omissions

4.0 Individual Health Insurance Policy General Provisions 8%

4.1 Uniform required provisions

- Incontestability (ORS 743.414, .472)
- Grace period (ORS 743.417)
- Reinstatement (ORS 743.420)
- Claim procedures (ORS 743.423-.435)

4.2 Uniform optional provisions

- Change of occupation (ORS 743.450)
- Misstatement of age (ORS 743.453)

4.3 Other general provisions

- Right to examine (free look) (ORS 743.492)
- Insuring clause (ORS 743.405)
- Consideration clause
- Entire contract; changes (ORS 743.411)
- Physical examinations and autopsy (ORS 743.411, .438)
- Legal actions (ORS 743.441)
- Change of beneficiary (ORS 743.444)
- Unpaid premium (ORS 743.468)
- Conformity with state statutes (ORS 743.474)
- Illegal occupation (ORS 743.477)
- Renewability clause (ORS 743.495, .498, .766(5))
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)

5.0 Disability Income and Related Insurance 7%

5.1 Qualifying for disability benefits

- Inability to perform duties
- Own occupation

- Any occupation
- 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 (ORS 743.465)
- 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 employee (partner) 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

6.0 Medical Plans 19%

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 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 physician 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 Oregon requirements (individual and group)

- Eligibility requirements
 - Newborn child coverage (ORS 743A.090)
 - Dependent child age limit (ORS 743.405(3))
 - Coverage for adopted children (ORS 743A.090)
- Benefit offers
 - Alcoholism treatment (ORS 743A.160)

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

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

- Definition
- Eligibility
- Contribution limits
- Portability

7.0 Group Health Insurance 14%

7.1 Characteristics of group insurance

- Group contract
- Certificate of coverage
- Experience rating versus community rating

7.2 Types of eligible groups

- Employment-related groups
 - Individual employer groups
 - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- 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 insurance
 - Employee eligibility
 - Dependent eligibility
- Coordination of benefits provision (OAR 836-020-0770-0806)
- Change of insurance companies or loss of coverage
 - No-loss no-gain
 - Events that terminate coverage
 - Extension of benefits
 - Continuation of coverage under COBRA and Oregon rules (ORS 743.610; OAR 836-052-0860)
 - Conversion rights for former spouse (ORS 743.600-.602)

7.5 Small employer medical plans

- Definition of small employer (ORS 743.730)
- Basic coverage (ORS 743.730(4), .736)
- Availability of coverage (ORS 743.752)
- Renewability of coverage (ORS 743.737(5))
- Pre-existing conditions (ORS 743.730(27), .737(1-3), .754)
- Participation requirements (ORS 743.737(7))
- Open enrollment

8.0 Dental Insurance 3%

8.1 Categories of dental treatment

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

8.2 Indemnity plans

- Choice of providers
- Scheduled versus nonscheduled plans
- Benefit categories
 - Diagnostic/preventive services
 - Basic services
 - Major services
- Deductibles and coinsurance
- Exclusions
- Limitations

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 (OAR 836-052-0103)
- Open enrollment (OAR 836-052-0138)
- Standardized Medicare supplement plans
 - Core benefits (OAR 836-052-0133)
 - Additional benefits
- Oregon regulations and required provisions
 - Standards for marketing (OAR 836-052-0175)
 - Advertising (ORS 743.687; OAR 836-052-0170)
 - Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)
 - Right to return (free look) (ORS 743.686)
 - Replacement (ORS 743.013; OAR 836-052-0165, 0190)
 - Pre-existing conditions (ORS 743.013; OAR 836-052-0165, 0190)
 - Required disclosure provisions (ORS 743.685; OAR 836-052-0160)
 - Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)
 - Buyer's guide (ORS 743.685(6))
 - Permitted compensation (OAR 836-052-0156)
- Medicare SELECT (OAR 836-052-0139)

9.3 Other options for individuals with Medicare

- Employer group health plans
 - Disabled employees
 - Employees with kidney failure
 - Individuals age 65 and older

Medicaid

- Eligibility
- Benefits

9.4 Long-term care (LTC) policies

- 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
 - Guarantee of insurability
 - Return of premium
- Qualified LTC plans
- Exclusions
- Oregon regulations and required provisions
 - Standards for marketing (OAR 836-052-0706)
 - Advertising (OAR 836-052-0696)
 - Shopper's guide (OAR 836-052-0786)
 - Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
 - Appropriateness of recommended purchase
 - Right to return (free look) (ORS 743.655(6))
 - Replacement (OAR 836-052-0626, 0736)
 - Renewal provisions
 - Continuation or conversion
 - Required disclosure provisions (OAR 836-052-0716)
 - Inflation protection
 - Pre-existing conditions (ORS 743.655(3))
 - Protection against unintentional lapse
 - Prohibited provisions

**9.5 Oregon Medical Insurance Pool
(ORS 735.600 – .650)**

- Eligibility (ORS 735.615)
- Coverages and limits (ORS 735.625)
- Exclusions
- Deductibles and coinsurance

10.0 Federal Tax Considerations for Health Insurance 5%

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)