The following outline describes the content of one of the New Hampshire insurance examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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 Life, Accident and Health Insurance | Series 12-63

150 questions – 2.5 hour time limit

1.0 Insurance Regulation 7%

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)
   - 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 1302.03, 1302.04, 1304.03)
   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:3, 13)
   - Commissions (402-J:13)
   - Conversion of funds by producer (402:53)
   - Referrals (402:16-B)
   - Controlled business (402:74)
   - Fiduciary requirements (Reg 4301.01-4301.09)
   - License to transact business (402:12)
   - Unfair claim settlement practices (417:4(XV); Reg 1001.01-.11, Reg 1002.01-.20)

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 6%

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
     - Reciprocals
     - 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

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 10%

3.1 Insurable interest (408:2, 2-a)

3.2 Personal uses of life insurance
Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation

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

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 New Hampshire) (408:30)

3.6 Premiums
Factors in premium determination
Mortality
Interest
Expense
Premium concepts
Net single premium
Gross annual premium

3.7 Producer responsibilities
Solicitation and sales presentations (Reg 301.01-.07)
Advertising
Life and Health Insurance Guaranty Association (408-B:19(I))
Buyer's guide and policy summary (Reg 301.05)
Guaranty association disclaimer (408-B:19(II-IV))
Illustrations (Reg 309.01-.12)
Life insurance policy cost comparison methods
Replacement (Reg 302.01-.09)
Use and disclosure of insurance information
Field underwriting
Notice of information practices
Application procedures including backdating of policies (Reg 301.06(j))
Delivery
Policy review
Effective date of coverage
Premium collection
Statement of good health
Delivery Receipts (Ins. 401.04 (f)(g))

3.8 Individual underwriting by the insurer
Information sources and regulation
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)
Selection criteria and unfair discrimination (408:11)
Classification of risks
Preferred
Standard
Substandard

3.9 Life Settlements

4.0 Life Insurance Policies 6%

4.1 Term life insurance
Level term
Annual renewable term
Level premium term
Decreasing term

4.2 Whole life insurance
Continuous premium (straight life)
Limited payment
Single premium

4.3 Flexible premium policies
Universal life

4.4 Specialized policies
Joint life (first-to-die)
Survivorship life (second-to-die)
4.5 Group life insurance
Characteristics of group plans
Group eligibility (408:15)
Group underwriting requirements
Standard provisions (408:16)
Conversion to individual policy (408:16(VIII–X))
Coverage during labor dispute (408:16-b)

5.0 Life Insurance Policy Provisions, Options and Riders 11%

5.1 Standard provisions
Ownership
Assignment
Entire contract (408:9; Reg 401.04(a)(3))
Modifications
Right to examine (free look) (Reg 401.04(f))
Payment of premiums (Reg 401.04(a)(1))
Grace period (Reg 401.04(a)(2))
Reinstatement (Reg 401.04(d))
Incontestability (408:10; Reg 401.04(a)(6,7))
Misstatement of age or sex (Reg 401.04(a)(8))
Exclusions (Reg 401.04(m))
Interest on life insurance benefits (408:10-a)

5.2 Beneficiaries
Designation options
Individuals
Classes
Estates
Minors
Trusts
Succession
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
Paid-up additions
Paid-up insurance

5.7 Disability riders
Waiver of premium
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provision/rider
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 10%

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 charges
Death benefits
Spousal Continuation
Federal Law
DOMA
New Hampshire Law
Same Sex Marriage
Withdrawal of Bulletin INS 10-004-AB

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
Indexed annuities
Variable annuities
Market value adjusted annuities
Finding agreements (408-E)

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 Annuity Suitability (Ins. 305)
7.0 Federal Tax Considerations for Life Insurance and Annuities 7%

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 2%

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
   403(b) tax-sheltered annuities (TSAs)

9.0 Health Insurance Basics 7%

9.1 Definitions of perils
   Accidental injury
   Sickness

9.2 Principal types of losses and benefits
   Loss of income from disability
   Medical expense
   Dental expense
   Long-term care expense

9.3 Classes of health insurance policies
   Individual versus group
   Private versus government
   Limited versus comprehensive

9.4 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)

9.5 Common exclusions from coverage (415-A:5)

9.6 Producer responsibilities in individual health insurance
   Marketing requirements
      Advertising (Reg 2601–2604)
      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

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 (417:4(XIX); Reg 1103.01, .02)
   Unfair discrimination (415:15)
   Classification of risks
      Preferred
      Standard
      Substandard

9.8 Considerations in replacing health insurance (Reg 1901.07)
   Benefits, limitations and exclusions
   Underwriting requirements
   Producer liability for errors and omissions

9.9 New Hampshire mandated provisions

10.0 Individual Health Insurance Policy General Provisions 5%

10.1 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))

10.2 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))

10.3 Other general provisions  
Right to examine (free look) (Reg 401.04(f); 1901.06(a)(11))  
Insuring clause  
Consideration clause  
Renewability clause (Reg 1901.05)  
Noncancelable  
Guaranteed renewable  
Conditionally renewable  
Renewable at option of insurer  
Nonrenewable (cancelable, term)  
Military suspense provision (Reg 1901.05)

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  
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 (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

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 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  
Urgent 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

12.3 Cost containment in health care delivery  
Cost-saving services  
Preventive care  
Hospital outpatient benefits  
Alternatives to hospital services
Utilization management
  Prospective review
  Concurrent review

12.4 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)

12.5 HIPAA (Health Insurance Portability and Accountability Act) requirements
  Eligibility
  Guaranteed issue
  Pre-existing conditions
  Creditable coverage
  Renewability

12.6 Patient Protection and Affordable Care Act
  Preexisting conditions
  Insurance exchanges
  Annual and lifetime dollar limits

13.0 Group Health Insurance 6%

13.1 Characteristics of group insurance
  Group contract
  Certificate of coverage
  Experience rating versus community rating

13.2 Types of eligible groups
  Individual employer groups (Bulletin Ins. 08-068-AB)

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
  Administrative capability
  Eligibility for coverage
  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
  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))
  Conversion privilege (415:18(VII)(a–b))

13.5 Small employer group medical plans
  Definition of small employer (420-G:2(XVI))
  Renewability of coverage (420-G:6)
  Participation requirements (420-G:9)
  Open enrollment and late enrollment (420-G:8)
  Prohibited underwriting practices (420-G:4(I)(b), 5)

13.6 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 coverage rules
  Medicare carve-outs and supplements

14.0 Dental Insurance 1%

14.1 Types of dental treatment
  Diagnostic and preventive
  Restorative
  Oral surgery
  Endodontics
  Periodontics
  Prosthodontics
  Orthodontics

14.2 Indemnity plans
  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 (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 1905.06, 1905.18)
    Appropriateness of recommended purchase and excessive insurance (Reg 1905.20)
Guaranteed issue for eligible persons (Reg 1905.11)
Buyer's guide (Reg 1905.16(a)(6))
Outline of coverage (Reg 1905.16(d))
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)

15.3 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

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
Benefit periods
Benefit amounts
Optional benefits
Inflation protection
Guarantee of insurability
Return of premium
Qualified LTC plans
Partnership plans (Ins 3602)
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)

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
Settlement options

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