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.

### Producer’s 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
- Premium payment mode
  - Unearned premium (Ins 401.04 (a)(3))

3.7 Producer responsibilities
- Solicitation and sales presentations (Reg 301.01-.07)

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**

### 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 INS10-004-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)
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

9.0 Health Insurance Basics

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

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

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

11.7 Workers compensation
Eligibility
Benefits

12.0 Medical Plans

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
Premium Assistance Program
Metal Levels
Shop versus Individual
Essential Benefits
Cost Sharing
No Limits
QHP
Certification
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 4%

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

16.3 Medical expense coverage for sole proprietors and partners

16.4 Business disability insurance
- Key person disability income
- Buy-sell policy

16.5 ACA Tax Implications