

Your Exam Content Outline

The following outline describes the content of one of the New York 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 York Life, Accident, and Health Insurance Agent/Broker Examination Series 17-55

150 questions - 2.5-hour time limit
Live Date- September 20, 2018

1.0 Insurance Regulation 7%

1.1 Licensing

Process (2103(d-i))

Definitions

Producer definition (2101(k))

Who should be licensed (2101(k))

Home state (2101(l))

Negotiate (2101(m))

Sell (2101(n))

Solicit (2101(o))

Types of licensees

Agents (2101(a, k); 2103; Reg 6, Part 22.2; Reg 7, Part 23.2)

Brokers (2101(c, h, k); 2104)

Consultants (2107)

Adjusters (2101(g), 2108)

Nonresident (2101(d, e); 2103(g)(5, 11); 2136)

Business entities (2101(p), 2103(i)(2))

Temporary (2109; Regs 9, 18, 29, Part 20.1)

Maintenance and duration

Renewal (2103(j); Reg 5, Part 21.2)

Continuing education (2132)

Assumed names (2102(f))

Change of address (all addresses, including email) (2134; Reg 5, Part

21.4; Reg 6, Part 22.3; Reg 7, Part 23.4)

Reporting of actions (2110(i)(j))

Disciplinary actions

Hearings-Notice and Process (2405, 2406, Financial Services 305)

Suspension, revocation, and nonrenewal (2110)

Penalties (2127, 109)

1.2 State regulation

Superintendent's general duties and powers (2404, Financial Services 201, 202, 301)

Company regulation

Certificate of authority (1102 (a-b))

Solvency (307)

Unfair claim settlement practices (2601; Reg 64, Part 216.3-216.6)

Appointment of agent (2112(a-c))

Termination of agent appointment (2112(d); Regs 9, 18, 29, Part 20.2)

Unfair and prohibited practices

Misrepresentation (2123; Reg 64, Part 216.3)

False advertising (2603)

Defamation of insurer (2604)

Unfair discrimination (2606-2608, 2612)

Rebating (2324, 4224)

Licensee regulation

Controlled business (2103(i))

Sharing commissions (2121, 2128)

Fiduciary responsibility (2120; Regs 9, 18, 29, Parts 20.3, 20.4)

License display (Reg 125, Part 34.5)

Commissions and compensation
(2102(e), 2114–2116, 2119; Regs 9, 18,
29, Part 20.6; Reg 194, Part 30)

Termination responsibilities of producer
(2112(g))

Examination of books and records (2404;
Reg 152, Parts 243.0 to 243.3)

Insurance Frauds Prevention Act (401-405,
Financial Services 403-405)

Aiding Unauthorized Insurer (2117)

Prohibitions (403)

Reporting (405)

Consumer privacy regulation (Reg 169, Parts
420.0 to 420.4)

Producer Compensation Transparency (Reg
194, Parts 30.1 to 30.5)

Cyber Security Requirements for Financial
Services Companies (Reg 23)

1.3 Federal regulation

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

Fraud and false statements including 1033
waiver (18 USC 1033, 1034)

2.0 General Insurance 4%

2.1 Concepts

Risk management key terms

Risk (pure and speculative)

Exposure

Hazard (physical, moral, morale)

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer (by contractual liability or
insurance contract)

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

2.3 Agents and general rules of agency

Insurer as principal

Agent/insurer relationship

Authority and powers of agents

Express

Implied

Apparent

Responsibilities to the applicant/insured

2.4 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Characteristics of insurance contracts

Contract of adhesion

Aleatory contract

Personal contract

Unilateral contract

Conditional contract

Legal concepts and interpretations affecting
contracts

Indemnity

Utmost good faith

Representations/misrepresentations
(3105)

Warranties (3106)

Rescission

Concealment

Fraud
Waiver and estoppel

3.0 Life Insurance Basics 8%

3.1 Insurable interest (3205)

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
Business continuation

3.5 Differences in life insurance policies

Group versus individual
Permanent versus term
Participating versus nonparticipating
Fixed versus variable life
Regulation of variable products (SEC, FINRA, and New York) (4240; Reg 47, Part 50.3; Reg 77, Part 54.3)

3.6 Factors in premium determination

Mortality, Investment Return, and Expense
Mode of premium

3.7 Licensee responsibilities

Solicitation and sales presentations
Advertising (2122)
Life Insurance Company Guaranty Corporation (7718)
Policy summary (3209; Reg 74, Part 53-2.2)

Buyer's guide (3209; Reg 74, Part 53-2.6)
Suitability in Life Insurance and Annuities (Reg 187 224.2-224.4)
Illustrations (Reg 74, Parts 53-3.1 to 53-3.6)
Replacement (2123(a)(2,3); Reg 60, Parts 51.1 to 51.8)
Use and disclosure of insurance information
Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities (Reg 199, Part 225)

Field underwriting

Application procedures including backdating of policies (3208)

Delivery

Policy review
Effective date of coverage
Premium collection
Statement of good health
Amendments

3.8 Individual underwriting by the insurer

Information sources and regulation
Application
Agent report
Attending physician statement
Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (2611)
Selection criteria and unfair discrimination
Classification of risks
Preferred
Standard
Substandard
Declined

4.0 Life Insurance Policies 8%

4.1 Term life insurance

Level term
Renewable term

Convertible term
Level premium 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)
Life insurance on minors (3207(b))
Fixed (equity) indexed life

4.5 Group life insurance

Characteristics of group plans
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy (3220)

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 10%

5.1 Required provisions (3203)

Ownership
Assignment
Entire contract (3203(a)(4), 3204)
Right to examine (free look) (3203(a)(11))
Payment of premiums
Grace period (3203(a)(1))
Reinstatement (3203(a)(10))
Incontestability (3203(a)(3))
Misstatement of age (3203(a)(5))
Exclusions (3203(b, c))
Statements of the applicant (3204)
Proof of Death

5.2 Beneficiaries

Designation options
Individuals
Classes (per stirpes/per capita)

Estates
Minors
Trusts
Succession
Revocable versus irrevocable
Common disaster clause

5.3 Settlement options

Cash payment
Interest only
Fixed-period installments
Fixed-amount installments
Life income
Single life
Joint and survivor
Spendthrift clause

5.4 Nonforfeiture options

Cash surrender value (net cash value)
Extended term
Reduced paid-up insurance

5.5 Policy loan and withdrawal options

Policy 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 cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provisions/riders (3230)

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
Term rider

6.0 Annuities 7%

6.1 Annuity principles and concepts

Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities

6.2 Required provisions (3219, 4220, 4223)

6.3 Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)
Deferred annuities
 Premium payment options
 Nonforfeiture
 Surrender and withdrawal charges
 Death benefits

6.4 Annuity (benefit) payment options

Life contingency options
Pure or straight life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain (types)

6.5 Annuity products

Fixed annuities
General account assets
Interest rate guarantees (minimum versus current)
Level benefit payment amount
Fixed (equity) indexed annuities
Differences in variable annuity products and licensing requirements

6.6 Personal Uses of annuities

Tax-deferred growth
Retirement income
Guaranteed Minimum Withdrawal Benefit (GMWB)
Education funds

7.0 Federal Tax Considerations for Life Insurance and Annuities 2%

7.1 Taxation of personal life insurance

Amounts available to policyowner
 Cash value increases
 Dividends
 Policy loans
 Surrenders

Amounts received by beneficiary
 Settlement options

7.2 Rollovers and transfers (IRAs and qualified plans)

7.3 Section 1035 exchanges

8.0 Qualified Plans 2%

8.1 General requirements

Defined contribution versus defined benefit plan

8.2 Plan types, characteristics and purchasers

Self-employed plans (Keogh plans)
SIMPLE
SEP
401k
457

9.0 Life Settlement 3%

9.1 Definitions (7802)

Life Settlement Contract (7802(k)(1)(2)(3))
Life Settlement Broker (7802(j), 2101(v))
Business of Life Settlement (7802(c)(1))
Financing transaction (7802(f))
Owner (7802(n))
Life expectancy (7802(i))

9.2 Broker License Requirements (2137, 2102(a)(1))

9.3 Advertising (7809)

9.4 Privacy (7810)

HIPAA

Personal & Financial information privacy

9.5 Prohibited Practices (7814)

9.6 Stranger-originated life insurance (7815)

Insurable interest provisions

Trust owned policies

10.0 Accident and Health Insurance Basics 5%

10.1 Definitions of perils

Accidental injury

Sickness

10.2 Principal types of losses and benefits

Loss of income from disability

Hospital and medical expense

Long-term care expense

10.3 Classes of accident and health insurance coverage

Individual and group

Private versus government

Limited versus comprehensive

10.4 Types of Limited policies

Limited benefits and amounts

Required notice to insured

Types of limited policies

Accident-only

Specified (dread) disease

Hospital indemnity (income)

Dental

Vision care

10.5 Common exclusions from coverage

Workers' compensation

Cosmetic

Experimental

Medical necessities

10.6 Licensee responsibilities in individual accident and health insurance

Marketing requirements

Advertising (Reg 34, Parts 215.1 to 215.18)

Sales presentations

Outline of coverage

Application procedures

Requirements at delivery of policy

10.7 Considerations in replacing accident and health insurance

Benefits, limitations and exclusions

Licensee liability for errors and omissions

10.8 Community rating of policies (4317; Reg 145, Part 360)

Definition of small group

11.0 Individual Health Insurance Policy General Provisions 4%

11.1 Required provisions

Entire contract; changes (3216(d)(1)(A))

Time limit on certain defenses (3216(d)(1)(B))

Grace period (3216(d)(1)(C))

Reinstatement (3216(d)(1)(K))

11.2 Other provisions

Coordination of benefits

Other benefits (3216(d)(2)(E))

Unpaid premium (3216(d)(2)(G))

Cancellation (3216(d)(2)(H))

Conformity with state statutes (3216(d)(2)(I))

Illegal occupation (3216(d)(2)(J))

Intoxicants and narcotics (3216(d)(2)(K))

11.3 Other general provisions

Right to examine (free look)

Insuring clause

Consideration clause

Renewability clause (3216(g))

Noncancelable

Guaranteed renewable

12.0 Disability Income and Related Insurance 6%

12.1 Qualifying for disability benefits

Inability to perform duties

Own occupation

Any occupation

Presumptive disability

Proof of Loss

12.2 Individual disability income insurance

Basic total disability plan

Income benefits

Elimination and benefit periods

Waiver of premium feature

Coordination of benefits

Individual premium consideration

Additional monthly benefit (AMB)

Social insurance supplement (SIS)

Occupational versus nonoccupational coverage

Noncancelable (3216(d)(2)(H))

Guaranteed renewability

Other provisions affecting income benefits

Cost of living adjustment (COLA) rider

Future increase option (FIO) rider

Relation of earnings to insurance (3216(d)(2)(F))

Benefits

Accidental death and dismemberment

Rehabilitation benefit

Medical reimbursement benefit (nondisabling injury)

Partial disability benefit

Residual disability benefit

Total disability benefit

24-hour coverage versus limited/at-work coverage

Exclusions

12.3 Group disability income insurance

Group versus individual plans

Short-term disability (STD)

Long-term disability (LTD)

12.4 Business disability insurance

Key person disability income

Disability buy-sell policy

Business overhead expense policy

13.0 Medical Plans 6%

13.1 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

13.2 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 (4303(j))

Primary care physician (PCP)

Referral (specialty) physician

Emergency care

Hospital services

Other basic services

Preferred provider organizations (PPOs)
point-of-service (POS) plans and
Exclusive Provider Organizations (EPOs)

General characteristics

In-network and out-of-network provider access

Primary care physician (PCP) referral

Indemnity plan features

Catastrophic

13.3 Cost containment in health care delivery

Utilization review (Art. 49)

Prospective review

Concurrent review

Retrospective review

13.4 New York dependent requirements (individual and/or group)

Dependent child age limit (3216(a)(4); 4235(f)(1)(2))

Policy extension for handicapped children (3216(c)(4)(A))

Newborn child coverage (3216(c)(4)(C))

13.5 New York required benefits (individual and / or group)

13.6 New York mandated offers (individual and / or group)

13.7 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility

Guaranteed issue

Renewability

Privacy protections

14.0 Federal Patient Protection and Affordable Care Act 6%

14.1 Affordable Care Act

Preexisting conditions

Insurance changes

Eligibility (individual and small employer)

APTC (Advance Premium Tax Credit)

Cost share reduction

Benchmark plan

State vs. federal

Metal levels

Catastrophic

Medical loss ratio

Actuarial value

Enrollment period

Individual mandate

Employer shared responsibility

Annual and lifetime dollar limits

10 Essential benefits

15.0 Long-term Care (LTC) Insurance 6%

15.1 Benefits

LTC, Medicare and Medicaid compared

Eligibility for benefits

Levels of care

Skilled care

Intermediate care

Custodial care

Types of care

Home health care

Adult day care

Respite care

Nursing home facility care

Assisted living

Benefit periods

Benefit amounts

Activities of Daily Living (ADLs)

Optional benefits

Reimbursement versus indemnity/cash

Inflation protection (COLA) (Reg 62, Part 52.25(c)(3))

Nonforfeiture benefits (Reg 62, Part 52.25(c)(7))

Guarantee of insurability

Return of premium

Shared care

Individual, group and association plans

Hybrid plans

Exclusions (Reg 62, Part 52.25(b)(2))

Underwriting considerations

Suitability

15.2 New York regulations and required provisions

Renewability (Reg 62, Part 52.25(b)(1))

Required disclosure provisions (Reg 62, Part 52.65)

Prohibited practices

Replacement (Reg 62, Part 52.29)

New York State Partnership for Long Term Care (Reg 144, Part 39.0)

Dollar for dollar or time element

Medicaid Estate Recovery Act (OBRA '93)

New York Tax credit

16.0 Group Health and Blanket Insurance 5%

16.1 Characteristics of group insurance

Group contract

Certificate of coverage
Experience rating versus community rating
Definition of eligible group (4235(b)(c))

16.2 Types of eligible groups (4235)

Employment-related groups
Individual employer groups
Professional employer organizations
Associations (alumni, professional and other)
Customer groups (depositors, creditor-debtor and others)
Blanket customer groups (teams, passengers, and others)

16.3 Regulation of employer group insurance plans

Employee Retirement Income Security Act (ERISA)
Applicability
Fiduciary responsibilities
Reporting and disclosure
Family Medical Leave Act (FMLA)
Relationship with Medicare
Medicare secondary rules
Medicare carve-outs and supplements
Nondiscrimination rules (highly-compensated)

16.4 Types of funding and administration

Conventional fully-insured plans
Partially self-insured plans
Stop-loss coverage
Administrative-services only (ASO) arrangements

16.5 Marketing considerations

Advertising
Regulatory jurisdiction/place of delivery

16.6 Employer group health insurance

Insurer underwriting criteria
Characteristics of group
Plan design factors
Persistency factors
Administrative capability

Eligibility for coverage
Annual open enrollment
Employee eligibility
Probationary period
Dependent eligibility
Coordination of benefits provision (Reg 62, Part 52.23)
Change of insurance companies or loss of coverage
Events that terminate coverage
Extension of benefits
Continuation of coverage under COBRA and New York continuations
Conversion privilege (3221(e))

16.7 Small employer medical plans

Definition of small employer (Reg 145, Part 360.2(f))
Benefit plans offered
Availability of coverage (Reg 145, Part 360.2(e), 360.3)
Renewability (Reg 145, Part 360.2(e))

17.0 Government Health Insurance Plans 5%

17.1 Worker's compensation

Eligibility
Benefits

17.2 Social Security Disability

Qualifications for disability benefits
Definition of disability
Waiting period
Disability income benefits

17.3 New York State Disability Benefits Law

Purpose
Definitions
Employment covered
Benefits

17.4 Medicaid

Eligibility and benefits
Child Health Plus
Eligibility and benefits

17.5 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

Part C — Medicare Advantage

Part D — Prescription Drug Insurance

Employer group health plans

Employees age 65 or older

17.6 Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs)

Definition

Eligibility

Contribution limits

17.7 Healthy New York (4326)

18.0 Private Insurance for Senior Citizens and Special Needs Individuals 6%

18.1 Medicare supplements

Purpose

Open enrollment (Reg 193, Part 58)

Standardized Medicare supplement plans

Core benefits

Additional benefits

New York regulations and required provisions

Standards for marketing (Reg 193, Part 58)

Permitted compensation arrangements (Reg 193, Part 58)

Appropriateness of recommended purchase or replacement (Reg 193, Part 58)

Replacement (Reg 193, Part 58)

Disclosure statement (Reg 193, Part 58)

Renewability (Reg 193, Part 58)

18.2 Other Medicare options for individuals

Disabled individuals

Individuals with kidney failure