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, 2017

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 Regulation (23 NYCRR 500)

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, NASD 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
  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
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 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

6.7 Suitability in Annuity Transactions (Reg 187, Part 224)

7.0 Federal Tax Considerations for Life Insurance and Annuities

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

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

8.3 Section 529 plan characteristics (college savings programs)

9.0 Life Settlement

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

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

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

Cоordination 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
   Activates 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)

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

Persistence 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

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
Employer group health plans
Employees age 65 or older