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)

4.0 Life Insurance Policies 8%

4.1 Term life insurance
- Level term
- Renewable term

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%
4.2 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

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

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)
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

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 \((3216\text{d}(2)\text{)(H)})\)
  Guaranteed renewability
Other provisions affecting income benefits
  Cost of living adjustment (COLA) rider
  Future increase option (FIO) rider
  Relation of earnings to insurance \((3216\text{d}(2)\text{)(F)})\)
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
- Probability 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