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 Consultant Examination Series 17-57**

**150 questions – 2.5 hour time limit**
**Live Date-September 20, 2016**

### 1.0 Insurance Regulation 7%

#### 1.1 Licensing
- **Process** (2103(d–i))
- **Definitions**
  - Producer definition (2101(k))
  - Home state (2101(l))
  - Negotiate (2101(m))
  - Sell (2101(n))
  - Solicit (2101(o))
- **Types of licensees**
  - Agents (2101(a, k); 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)

### 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
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
Warranties
Rescission
Concealment
Fraud
Waiver and estoppel

3.0 Life Insurance Basics

3.1 Insurable interest

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
Life Insurance Company Guaranty Corporation
Policy summary
Buyer's guide
Suitability
Illustrations
Replacement
Use and disclosure of insurance information
Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities
Field underwriting
Application procedures including backdating of policies
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
Selection criteria and unfair discrimination
Classification of risks
Preferred
Standard
Substandard
Declined

4.0 Life Insurance Policies

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 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

8.3 Section 529 plan characteristics (college savings programs)

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)

10.5 Common exclusions from coverage
Workers' compensation
Cosmetic
Experimental/investigation
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)(D))

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 exchanges
Eligibility (individual and small employers)
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, students and others)

16.3 Regulation of employer group insurance plans
Employee Retirement Income Security Act (ERISA)
Applicability
Fiduciary responsibilities
Reporting and disclosure / compliance
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

17.6 Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs)
Definition
Eligibility
Contribution limits

17.6 Healthy New York (4326)
18.0 Private Insurance for Senior Citizens and Special Needs Individuals

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