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 Consultant Examination Series 17-57

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 224.2-22.4.4)
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
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)

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

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

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

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 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 insurance
  Vision care

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

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

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

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

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 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