The following outline describes the content of one of the Wisconsin insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part 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.

| Series 22-03 |  |
| 100 questions (5 pre-test items) |  |
| Two-hour time limit |  |
| Effective November 24, 2018 |  |

### 1.0 Insurance Regulation 35%

#### 1.1 Licensing 25%

**Purpose**

*Ref: ch. 628*

Persons Required to be licensed

*Ref: s. 618.41, ch. 628, s. 628.02(1), s. 628.02(3), s. 628.02(4), s. 628.02(5), s. 628.03, s. 628.04, s. 628.49, s. 632.69(1)(b)(2), s. 632.69(1)(c)(2), s. Ins 6.58, s. Ins 42.01, s. Ins 42.03, s. Ins 47*

License Requirements

*Ref: ch. 26, s. 628.03, s. 628.04, s. 628.04(2), s. 628.34, s. 628.51, s. 632.69(1)(b)(2), s. 632.69(1)(c)(2), s. Ins 6.59, s. Ins 6.59(4)(a), s. Ins 6.59(4)(c)*

Record keeping, maintenance, and duration

Renewal

Continuing education requirements

Reinstatement

Assumed name

Change of address or telephone number

**Reporting of actions**

*Ref: s. 134.97, s. 601.42, s. 628.04, s. 628.08, s. 628.09, s. 628.09(6), s.*

### 1.2 State regulation 30%

Commissioner's general duties and powers

Duties

Hearings

Penalties

**Wisconsin Insurance Security Fund**

*Ref: ch. 227, s. 227.12, s. 601.41, s. 601.41(4), s. 601.42, s. 601.42(4) s. 601.62, s. 601.62(5), s. 601.64, s. 601.64(2), s. 601.64(3), s. 601.64(3)(d), s. 601.64(4), s. 601.65, s. 628.10, s. 628.10(2)(b), s. Ins 6.59, ch. 646*

Company regulation

Solvency

Responsibilities of the insurer

Rates

Use of Policy forms
Readability

Producer appointments/terminations

Unfair claims, methods, and practices

Notice of right to file complaint
  Ref: s. 628.11, s. 628.40, s. 631.20, s. 631.20(3), s. 631.22, s. 631.28, s. Ins 6.07, s. Ins 6.11, s. Ins 6.11(3), s. Ins 6.55, s. Ins 6.55(4)(b), s. Ins 6.57, s. Ins 6.85

Producer regulation

  Fiduciary and trust account responsibilities
  Place of business/records maintenance
  Compensation of agents
  Controlled business
  Shared commissions
  Proper exchange of business
  Ref: s. 628.32, s. 628.51, s. 628.61, s. Ins 6.66

Marketing practices

  Misrepresentation
  False advertising
  Rebating
  Unfair discrimination
  Boycott, coercion or intimidation
  Illegal inducement
  Ref: ch. 20, s. 628.34, s. 628.34(1) – s. 628.34(9), s. Ins 6.54, s. Ins 6.55, s. Ins 6.67, s. Ins 6.68

Examination of records
  Ref: s. 601.43, s. 601.43(1)(b), s. 601.43(1)(c), s. 601.43(2)(a), s. 601.45, s. 601.49, s. Ins 16.01, s. Ins 26.10, s. Ins 26.10(3), s. Ins 28.10, s. Ins 28.10(3)

General statutes, rules, and regulations affecting insurance contracts

  Definitions
  Specific knowledge
  Misrepresentation/Warranties

Knowledge and acts of the agent
  Certificates of Insurance
    Ref: s. 628.34, ch. 631, s. 631.08, s. 631.09, s. 631.11, s. 631.28, ch. 632

Regulation of specific clauses in insurance contracts

  Cancellation
  Renewal/Nonrenewal
  Notice of proof of loss

Payment of claims
  Ref: s. 102.31(2)(a), s. 102.31(2)(b)(1), s. 102.315(10)(a)(4), s. 102.315(10)(a)3, s. 102.315(10)(b)3, s. 628.46, s. 631.36, s. 631.43, s. 631.48, s. 631.81, s. 632.36(1–2), s. Ins 18.10, s. Ins 21.01(4)(a–c), s. Ins 21.01(5), s. Ins 21.01(6), s. Ins 21.01(10), s. Ins 21.01(11), s. Ins 6.11, s. Ins 6.77

Privacy of Consumer Information
  Ref: s. 134.97, s. 610.70, s. Ins 25

1.3 Federal regulation 15%
  Fair Credit Reporting Act
  Fraud and false statements
  Hippa

1.4 Wisconsin statutes, rules, and regulations pertinent to disability (A&H) insurance 30%

Policy provisions
  Right to return a policy
  Right of insurer to contest
  Preexisting conditions
  Application responsibilities
  Grace period
  Disclosure requirements
  Continuation privileges
  Independent review
  Grievance
Coverages

- Nurse practitioners
  Ref: s. 632.87
- Optometrists
  Ref: s. 632.87(2)
- Chiropractic benefits
  Ref: s. 632.87
- Handicapped children
  Ref: s. 632.88
- Alcohol, drug abuse, mental, and nervous disorders
  Ref: s. 609.05(3), s. 609.655, s. 632.89, s. 632.895(12m)
- Home care
  Ref: s. 632.895, s. Ins 3.54
- Skilled nursing facility
  Ref: s. 632.895(3)
- Kidney disease
  Ref: s. 632.895(4)
- Diabetes
  Ref: s. 632.895(6)
- Newborn children
  Ref: s. 632.895(5), s. Ins 3.38
- Maternity benefits for dependent children
  Ref: s. 632.895(7)
- Adopted children
  Ref: s. 609.75, s. 631.07(3)(a)3.m, s. 632.896

Grandchildren
Ref: s. 632.895(5m)
Mammograms
Ref: s. 609.80, s. 632.895(8)
Lead poisoning screening
Ref: s. 632.895(10)
Temporomandibular joint disorders
Ref: s. 632.895(11)
Hospital and ambulatory surgery
Ref: s. 632.895(12)

Autism spectrum
Ref: s. 632.895(12m), s. Ins 3.36
Breast reconstruction
Ref: s. 632.895(13)
Immunizations
Ref: s. 632.895(14)
Student on medical leave
Ref: s. 632.895(15)

Hearing aids, cochlear implants, and related treatment for infants and children
Ref: s. 632.895(16)
Colorectal cancer screening
Ref: s. 632.895(16m), s. Ins 3.35
Contraceptives and services
Ref: s. 632.895(17)
Emergency medical services
Ref: s. 632.85
Prescription drugs and devices
Ref: s. 632.853, s. Ins 3.67(2)
Experimental treatment
Ref: s. 632.855, s. Ins. 3.67(3)
Requirements relating to AIDS
Ref: s. 149.12(1), s. 631.90, s. 631.93, s. 632.895(9), s. Ins 3.53
Cancer clinical trials
Ref: s. 609.05(3), s. 609.655, s. 609.75, s. 609.80, s. 628.34, s.
631.07(3)(a)3.m, s. 631.93, s. 632.85, s. 632.853, s.
632.855, s. 632.87, s. 632.87(1) - s. 632.87(2),...
2.0 General Insurance

10%

2.1 Concepts

Risk management key terms
- Risk
- Exposure
- Hazard
- Peril
- Loss

Methods of handling risk
- Avoidance
- Retention
- Sharing
- Reduction
- Transfer

Elements of insurable risks
- Adverse selection
- Law of large numbers
- Reinsurance

2.2 Insurers

Types of insurers
- Stock companies
- Mutual companies
- Fraternal benefit societies
- Reciprocals
- Lloyd’s associations
- Risk retention groups

Private versus government insurers
Admitted versus nonadmitted insurers
Domestic, foreign and alien insurers
Financial status (independent rating services)
Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal
Producer/insurer relationship
Authority and powers of producer
Express
2.4 Contracts
Elements of a legal contract
- Offer and acceptance
- Consideration
- Competent parties
- Legal purpose
Distinct characteristics of an insurance contract
- Contract of adhesion
- Aleatory contract
- Personal contract
- Unilateral contract
- Conditional contract
Legal interpretations affecting contracts
- Ambiguities in a contract of adhesion
- Reasonable expectations
- Indemnity
- Utmost good faith
- Representations/misrepresentations
- Warranties
- Concealment
- Fraud
- Waiver and estoppel

3.0 Accident and Health Insurance Basics

3.1 Definitions of perils
- Accidental injury
- Sickness, medical necessity and emergency

3.2 Principal types of losses and benefits
- Loss of income from disability
- Medical expense
- Dental expense
- Long-term care expense

3.3 Classes of health insurance policies
- Individual versus group
- Private versus government
- Self-funded vs fully insured

3.4 Limited policies
- Limited perils and amounts
- Required notice to insured
- Types of limited policies
  - Accident-only
  - Specified (dread) disease
  - Hospital indemnity (income)
  - Credit disability
  - Blanket insurance (teams, passengers, other)
  - Prescription drugs
  - Vision care

3.5 Common exclusions from coverage

3.6 Licensee responsibilities in individual health insurance
- Marketing requirements
  - Advertising
  - Wisconsin Insurance Security Fund
  - Sales presentations
  - Outline of coverage
  - Compensation disclosure
- Field underwriting
  - Nature and purpose
  - Employee waiver form
  - Disclosure of information about individuals
- Application procedures
  - Requirements at delivery of policy
  - Individual and small employer health insurance application

3.7 Individual underwriting by the insurer
- Underwriting criteria
- Sources of underwriting information
  - Application
  - Licensee report
  - Attending physician statement
  - Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests (including HIV consent)
Unfair discrimination
Genetic Information and Nondiscrimination Act of 2008 (GINA)
Classification of risks
Preferred
Standard
Substandard

3.8 Considerations in replacing accident and health insurance
Pre-existing conditions
Benefits, limitations and exclusions
Underwriting requirements
Licensee liability for errors and omissions
Required notification

3.9 Other required, uniform and general provisions
Incontestability
Grace period
Reinstatement
Claim procedures
Change of occupation
Misstatement of age
Coordination of benefits
Right to examine (free look)
Rights of spouse
Insuring clause
Consideration clause
 Entire contract; changes
Physical examinations and autopsy
Legal actions
Change of beneficiary
Unpaid premium
Conformity with state statutes
Illegal occupation
Renewability clause
 Noncancelable
Guaranteed renewable
Conditionally renewable
Renewable at option of insurer
Nonrenewable (cancelable, term)

4.0 Disability Income and Related Insurance 8%

4.1 Qualifying for disability benefits
Inability to perform duties
Own occupation
Any occupation
Loss of income (income replacement contracts)
Definition of total disability
Presumptive disability
Requirement to be under physician care

4.2 Individual disability income insurance
Basic total disability plan
Income benefits (monthly indemnity)
Elimination and benefit periods
Waiver of premium feature
Coordination with social insurance and workers compensation benefits
Additional monthly benefit (AMB)
Social insurance supplement (SIS)
Occupational versus nonoccupational coverage
At-work benefits
Partial disability benefit
Residual disability benefit
Other provisions affecting income benefits
Cost of living adjustment (COLA) rider
Future increase option (FIO) rider
Relation of earnings to insurance
Other cash benefits
Accidental death and dismemberment
Rehabilitation benefit
Medical reimbursement benefit (nondisabling injury)
Refund provisions
Return of premium
Cash surrender value

Exclusions
4.3 Unique aspects of individual disability underwriting
   Occupational considerations
   Benefit limits
   Policy issuance alternatives

4.4 Group disability income insurance
   Group versus individual plans
   Short-term disability (STD)
   Long-term disability (LTD)

4.5 Social Security disability
   Qualification for disability benefits
   Definition of disability
   Waiting period
   Disability income benefits

5.0 Medical Plans 8%

5.1 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

5.2 Types of providers and plans
   Major medical insurance (indemnity plans)
     Characteristics
     Common limitations
     Exclusions from coverage
     Provisions affecting cost to insured
     Defined contribution plans
   Health maintenance organizations (HMOs)
     General characteristics
     Preventive care services
     Primary care physician versus referral (specialty) physician
     Emergency care
     Hospital services
     Other basic services
   Preferred provider organizations (PPOs)

5.3 Cost containment in health care delivery
   Cost-saving services
   Preventive care
   Hospital outpatient benefits
   Alternatives to hospital services
   Maternity stay minimum limits
   Utilization management
   Prospective review
   Concurrent review

5.4 State requirements (individual and group)
   Eligibility requirements
     Newborn child coverage
     Dependent child age limit
     Court ordered dependency coverage
     Eligibility of dependent children not based solely on residency
     Policy extension for handicapped children
     Adoptions
     Federal health care reform required dependent coverage
   Benefit offers
     Substance abuse coverage

5.5 HIPAA (Health Insurance Portability and Accountability Act) requirements
   Eligibility
   Guaranteed issue
   Creditable coverage
   Renewability

5.6 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)
   Definition
   Eligibility
   Contribution limits
   Portability
5.7 Federal Health Care Reform (Patient Protection and Affordable Care Act)

6.0 Group Accident and Health Insurance 8%

6.1 Characteristics of group insurance
- Group contract
- Certificate of coverage
- Experience rating versus community rating

6.2 Types of eligible groups
- Employment-related groups
  - Individual employer groups
  - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- Associations (alumni, professional, other)
- Customer groups (depositors, creditor-debtor, other)
- Discretionary groups

6.3 Marketing considerations
- Advertising
- Unfair inducements
- Regulatory jurisdiction/place of delivery

6.4 Employer group health insurance
- Insurer underwriting criteria
  - Characteristics of group
  - Plan design factors
  - Persistency factors
  - Administrative capability
- Eligibility for insurance
  - Annual open enrollment
  - Employee eligibility
  - Dependent eligibility
- Coordination of benefits provision
- Change of insurance companies or loss of coverage
  - Coinsurance and deductible carryover
  - No-loss no-gain
  - Events that terminate coverage
  - Continuation of coverage under COBRA
  - Reinstatement of coverage for military personnel

6.5 Small employer medical plans
- Definition of small employer
- Availability of coverage
- Rating of small employer plans
- Benefit choices
- Defined contribution arrangement market
- Renewability of coverage
- Participation requirements
- Open enrollment
- State Health Exchange

6.6 Regulation of employer group insurance plans
- Employee Retirement Income Security Act (ERISA)
  - Applicability
  - Fiduciary responsibilities
  - Reporting and disclosure
- Age Discrimination in Employment Act (ADEA)
  - Applicability to employers and workers
  - Permitted reductions in insured benefits
  - Permitted increases in employee contributions
  - Requirements for medical expense coverage
- Civil Rights Act/Pregnancy Discrimination Act
  - Applicability
  - Guidelines
- Relationship with Medicare
  - Medicare secondary rules
  - Medicare carve-outs and supplements
- Nondiscrimination rules (highly-compensated)

6.7 Types of funding and administration
- Conventional fully-insured plans
- Fully self-funded (self-administered) plans
  - Characteristics
  - Conditions suitable for self-funding
  - Benefits suitable for self-funding

6.8 Health Insurance Exchange

7.0 Dental Insurance 4%

7.1 Categories of dental treatment
- Diagnostic and preventive
Restorative
Oral surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics

7.2 Indemnity plans
Choice of providers
Scheduled versus nonscheduled plans
Benefit categories
  Diagnostic/preventive services
  Basic services
  Major services
Deductibles and coinsurance
Combination plans
Exclusions
Limitations
Predetermination of benefits

7.3 Employer group dental expense
Integrated deductibles versus stand-alone plans
Minimizing adverse selection

8.0 Medicare
8.1 Medicare standard policies
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
  Claims terminology and other key terms
Part C — Medicare Advantage
Part D — Prescription Drug Insurance

8.2 Medicare supplement
Purpose
Open enrollment
Standardized Medicare supplement plans
  Core benefits
  Additional benefits
Regulations and required provisions
  Standards for marketing
  Advertising
  Appropriateness of recommended purchase and excessive insurance
  Right to return (free look)
  Replacement
  Pre-existing conditions
  Required disclosure provisions
  Outline of coverage
  Guide to Health Insurance for People with Medicare
  Permitted compensation
  New plans effective June 1, 2010

8.3 Other options for individuals with Medicare
Employer group health plans
  Disabled employees
  Employees with kidney failure (End Stage Renal Disease) (ESRD)
  Individuals age 65 and older
Medicaid
  Eligibility
  Benefits

8.4 Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

9.0 Long-Term Care Insurance
9.1 Long-term care (LTC) policies
Eligibility for benefits
Levels of care
  Skilled care
  Intermediate care
  Custodial care
  Home health care
  Adult day care
  Respite care
10.0 Federal Tax Considerations for Accident and Health Insurance

10.1 Personally-owned health insurance
- Disability income insurance
- Medical expense insurance
- Long-term care insurance

10.2 Employer group health insurance
- Disability income (STD, LTD)
- Benefits subject to FICA
- Medical and dental expense
- Long-term care insurance
- Accidental death and dismemberment

10.3 Medical expense coverage for sole proprietors and partners

10.4 Business disability insurance
- Key person disability income
- Buy-sell policy

10.5 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)