

Your Exam Content Outline

The following outline describes the content of one of the Utah 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.

Utah Producer's Accident and Health Exam Series 17-02

100 questions (plus 5 unscored items)

2-hour time limit

Effective date: January 1, 2020

1.0 Insurance Regulation 7% (7 Items)

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103-105, 107, 302)
- Qualifications (31A-23a-107, 108)
- Types of licensees (31A-1-301, 31A-23a-106, 203, 401, 504)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201-203)
 - Policy forms (31A-21-201-203)
 - Producer appointment (31A-23a-115; Reg R590-244-1-14)
 - Termination of appointment (Reg R590-244-1-14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190-192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)
 - Shared commissions (31A-23a-504)
- Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))
 - False advertising (31A-23a-402(1))
 - Rebating (31A-23a-402(2), 31A-1-301(145))
 - Unfair discrimination (31A-23a-402(3))
 - Boycott, coercion or intimidation (31A-23a-402(4))
 - Illegal inducement (31A-23a-402.5, Reg R590-154-11)
 - Examination of records (31A-2-203-205; 31A-23a-412)
- Privacy of Consumer Information (Reg R590-206)
- Insurance fraud regulation (31A-31-103-106)

Personal liability for unpaid claims (31A-15-105)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

Privacy (Gramm Leach Bliley)

National Do Not Call List

Affordable Care Act

2.0 General Insurance 5% (5 Items)

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

Reciprocal

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

Implied

Apparent

Responsibilities to the applicant/insured

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 30% (30 Items)

3.1 Definitions of perils

Accidental injury (R590-126, 233)

Sickness, medical necessity and emergency (31A-22-627)

3.2 Principal types of losses and benefits

Loss of income from disability (R590-126, 233)

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
- Limited versus comprehensive
- Employer group versus association group

3.4 Limited policies (R590-126)

- 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 (R590-126)

3.6 Licensee responsibilities in individual health insurance

- Marketing requirements
 - Advertising (Reg R590-130-4-16)
 - Utah Life and Health Insurance Guaranty Association (31A-28-119(1-4); R590-155)
 - Sales presentations
 - Outline of coverage (Reg R590-126-8, 233-8)
 - Compensation disclosure (31A-23a-501)
- Field underwriting
 - Nature and purpose
 - Employee waiver form (31A-22-635; R590-247)
 - Disclosure of information about individuals (R590-126, 233)
 - Application procedures
 - Requirements at delivery of policy
 - Utah individual and small employer health insurance application (R590-247)
- Common situations for errors/omissions

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) (Reg R590-132-3)

Unfair discrimination (31A-23a-402(3))

- Genetic Information and Nondiscrimination Act of 2008 (GINA)

Classification of risks

- Preferred
- Standard
- Substandard

3.8 Considerations in replacing accident and health insurance (Reg R590-126-9, 233)

- Benefits, limitations and exclusions
- Underwriting requirements
- Licensee liability for errors and omissions
- Required notification

3.9 Other required, uniform and general provisions (R590-126, 233)

- Incontestability (31A-22-609)
- Grace period (31A-22-607)
- Reinstatement (31A-22-608)
- Claim procedures (31A-21-312; 31A-22-614; 31A-26-301; Reg R590-192-1-14)
- Change of occupation (31A-22-613(1))
- Misstatement of age (31A-22-613(2,3))
- Coordination of benefits (31A-22-619)
- Right to examine (free look) (31A-22-606)
- Rights of spouse (31A-22-612)
- 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 (Reg R590-126-5; Reg R590-233)

Noncancelable

Guaranteed renewable

Conditionally renewable

Renewable at option of insurer

Nonrenewable (cancelable, term)

4.0 Disability Income and Related Insurance 2% (2 Items)

4.1 Qualifying for disability benefits

Inability to perform duties

Own occupation

Any occupation

Loss of income (income replacement contracts)

Definition of total disability (R590-126-3)

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 18% (18 Items)

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

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)

General characteristics

Limited health plans (31A-8-101(6))
Open panel or closed panel
Types of parties to the provider contract
Utah NetCare Plan (31A-22-724)

5.3 Cost containment in health care delivery

Cost-saving services
Preventive care
Hospital outpatient benefits
Alternatives to hospital services
Maternity stay minimum limits (31A-22-610.2)
Utilization management
Prospective review
Concurrent review

5.4 Utah requirements (individual and group)

Eligibility requirements
Newborn child coverage (31A-22-610)
Dependent child age limit (31A-22-610.5)
Court ordered dependency coverage (31A-22-610.5)
Eligibility of dependent children not based solely on residency (31A-22-718)
Policy extension for handicapped children (31A-22-611)
Adoptions (31A-22-610.1)
Federal health care reform required dependent coverage
Benefit offers
Substance abuse coverage (31A-22-715)

5.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility
Guaranteed issue
Pre-existing conditions
Creditable coverage
Renewability

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

Definition
Eligibility
Contribution limits
Portability

5.7 Uniform health benefit plan information card (31A-22-635)

5.8 Federal Health Care Reform (Patient Protection and Affordable Care Act)

6.0 Group Accident and Health Insurance 21% (21 Items)

6.1 Characteristics of group insurance (31a-22-501.1)

Group contract
Certificate of coverage
Experience rating versus community rating

6.2 Types of eligible groups

Employment-related groups (31a-22-501.1)
Individual employer groups
Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
Associations (alumni, professional, other) (31a-22-701)
Customer groups (depositors, creditor-debtor, other) (31a-22-501.1)
Discretionary groups (31a-22-507)

6.3 Marketing considerations

Advertising (R590-155)
Unfair inducements (R590-154)
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 (31a-22-601.1, 31a-22-610.5, 31a-22-611, 31a-22-718)
Coordination of benefits provision (Reg R590-131)
Change of insurance companies or loss of coverage
Coinsurance and deductible carryover
No-loss no-gain
Events that terminate coverage
Extension of benefits

Continuation of coverage under COBRA and Utah Mini-COBRA (31A-22-722)

Utah Net Care 31A-22-724, R590-255

Conversion rights (31A-22-723)

Reinstatement of coverage for military personnel (31A-22-717)

6.5 Small employer medical plans

Definition of small employer (31A-1-301)

Basic coverage (31A-22-613.5)

Availability of coverage (31A-30-108)

Rating of small employer plans (31A-30; Reg R590-167)

Pre-existing conditions (31A-22-605.1)

Participation requirements (31A-30-112)

Surcharge for charging carriers (31A-30-106.7)

Open enrollment (Reg R590-176)

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

7.0 Dental Insurance 2% (2 Items)

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 6% (6 Items)

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 (Reg R590-146-11)

Standardized Medicare supplement plans

Core benefits (Reg R590-146-8(B))

Additional benefits (Reg R590-146-8(C))

Utah regulations and required provisions

Standards for marketing (Reg R590-146-20)

Advertising (Reg R590-146-19)

Appropriateness of recommended purchase and excessive insurance (Reg R590-146-21)

Right to return (free look) (31A-22-620(6))

Replacement (Reg R590-146-18, 23)

Pre-existing conditions (Reg R590-146-23)

Required disclosure provisions (Reg R590-146-17)

Outline of coverage (Reg R590-146-17(C))

Guide to Health Insurance for People with Medicare (Reg R590-146-17(A)(6)(a))

Permitted compensation (Reg R590-146-16)

New plans effective June 1, 2010 (Reg R590-146)

Medicare Advantage

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 7% (7 Items)

9.1 Long-term care (LTC) policies

Eligibility for benefits

Federal reform - CLASS ACT

Levels of care

Skilled care

Intermediate care

Custodial care

Home health care

Adult day care

Respite care

Benefit periods

Benefit amounts

Optional benefits

Guarantee of insurability

Return of premium

Qualified LTC plans

Exclusions

Underwriting considerations

Utah regulations and required provisions

Standards for marketing (Reg R590-148-18)

Advertising (Reg R590-148-20)

Shopper's guide (Reg R590-148-16)

Outline of coverage (31A-22-1409; Reg R590-148-15)

Appropriateness of recommended purchase (Reg R590-148-17)

Right to return (free look) (31A-22-1408)

Replacement (Reg R590-148-6(6))

Renewal provisions (Reg R590-148-6(1))

Continuation or conversion (Reg R590-148-10)

Required disclosure provisions (Reg R590-148-6)

Inflation protection (Reg R590-148-13)

Pre-existing conditions (31A-22-1406; Reg R590-148-6(3))

Protection against unintentional lapse (Reg R590-148-11)

Prohibited provisions (31A-22-1405, 1407)

Rate disclosure form

10.0 Federal Tax Considerations for Accident and Health Insurance 2% (2 Items)

10.1 Personally-owned health insurance

Individual mandate/penalties for noncompliance

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)