

Your Exam Content Outline

The following outline describes the content of one of the North Dakota 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.

North Dakota Examination for Accident and Health Insurance Part I – Product Series 13-53

60 questions (plus 5 unscored items)

70 minute time limit

1.0 General Insurance 15% (9 Items)

1.1 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

1.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocal or inter-insurance exchanges

Risk retention groups

Lloyd's associations

Purchasing groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

1.3 Producers and general rules of agency

Insurer as principal

Producer/insurer relationship

Authority and powers of producers

Express

Implied

Apparent

Responsibilities to the applicant/insured

1.4 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

Requirements at delivery of policy
Common situations for errors/omissions

2.7 Individual underwriting by the insurer

Underwriting criteria
Sources of underwriting information
Application
Producer report
Attending physician statement
Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests
(including HIV consent)
Classification of risks
Preferred
Standard
Substandard
Declined

2.8 Considerations in replacing health insurance

Benefits, limitations and exclusions
Underwriting requirements
Producer's liability for errors and omissions

2.0 Health Insurance Basics 14% (8 Items)

2.1 Definitions of perils

Accidental injury
Sickness

2.2 Principal types of losses and benefits

Loss of income from disability
Medical expense
Dental expense
Long-term care expense

2.3 Classes of health insurance policies

Individual versus group
Private versus government
Limited versus comprehensive

2.4 Limited policies

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

2.5 Common exclusions from coverage

2.6 Producer responsibilities in individual health insurance

Field underwriting
Nature and purpose
Disclosure of information about individuals
Application procedures

3.0 Individual Health Insurance Policy General Provisions 12% (7 Items)

3.1 Insuring clause

3.2 Consideration clause

3.3 Renewability clause

Noncancelable
Guaranteed renewable
Conditionally renewable
Renewable at option of insurer
Nonrenewable (cancelable, term)

4.0 Disability Income and Related Insurance 10% (6 Items)

4.1 Qualifying for disability benefits

Inability to perform duties
Own occupation
Any occupation
Pure loss of income (income replacement contracts)

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 Business disability insurance

Key employee (partner) disability income

Business overhead expense policy
Disability buy-sell policy

4.6 Social Security disability

Qualification for disability benefits
Definition of disability
Waiting period
Disability income benefits

5.0 Medical Plans 10% (6 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 Major medical insurance (indemnity plans)

Characteristics
Common limitations
Exclusions from coverage
Provisions affecting cost to insured
Deductibles
Coinsurance feature
Copayments
Stop-loss feature
Maximum benefits

5.3 Health maintenance organizations (HMOs)

General characteristics
Combined health care delivery and financing
Limited service area
Limited choice of providers
Gatekeeper concept
Copayments
Prepaid basis
Preventive care services
Primary care physician versus referral (specialty) physician

- Emergency care
- Hospital services
- Other basic services
- Preferred provider organizations (PPOs)
 - General characteristics
 - Open panel or closed panel
 - Types of parties to the provider contract

5.4 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Hospital outpatient benefits
 - Alternatives to hospital services
- Utilization management
 - Prospective review
 - Concurrent review

5.5 Health savings accounts and high deductible medical plans

- Eligibility
- Contribution limits

6.0 Group Health Insurance 10% (6 Items)

6.1 Characteristics of group insurance

- Group contract
- Certificate of coverage
- Experience rating versus pool 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)

6.3 Marketing considerations

- Advertising
- 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 coverage
 - 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
 - Extension of benefits
 - Continuation of coverage under COBRA (Consolidated Omnibus Budget Reconciliation Act)

7.0 Dental Insurance 3% (2 Items)

7.1 Types 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 Insurance for Senior Citizens and Special Needs Individuals 16% (10 Items)

8.1 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

Claims terminology and other key terms

Part C — Medicare Advantage

Part D — Prescription Drug Insurance

8.2 Medicare supplements

Purpose

Open enrollment

Standardized Medicare supplement plans

Core benefits

Additional benefits

8.3 Other options for individuals with Medicare

Employer group health plans

Disabled employees

Employees with kidney failure

Individuals age 65 and older

Medicaid

Eligibility

Benefits

8.4 Long-term care (LTC) policies

Comparison of LTC, Medicare and Medicaid

Eligibility for benefits

Levels of care

Skilled care

Custodial care

Home health care

Assisted living care

Adult day care

Respite care

Benefit periods

Benefit amounts

Optional benefits

Alternate plans of care

Inflation protection

Guaranteed purchase option

Nonforfeiture

Qualified LTC plans

Exclusions

Underwriting considerations

9.0 Federal Tax Considerations for Health Insurance 10% (6 Items)

9.1 Personally-owned health insurance

Disability income insurance

Medical expense insurance

Long-term care insurance

9.2 Employer group health insurance

Disability income (STD, LTD)

Medical and dental expense

Long-term care insurance

Accidental death and dismemberment

9.3 Medical expense coverage for sole proprietors and partners

9.4 Business disability insurance

Key person disability income

Buy-sell policy

Business overhead expense

9.5 Health Savings Accounts (HSAs)