

Your Exam Content Outline

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

Connecticut Producer's Examination for Accident and Health Insurance Series 18-02

**100 questions - 2-hour time limit
Effective October 1, 2019**

1.0 Insurance Regulation 10%

1.1 Licensing

- Process (38a-702d, 702e, 769)
- Types of licensees (38a-702f(a), 769) Resident producers (38a-702d) Certified insurance consultants (38a-731-733,786) Nonresident producers (38a-702g, 702n) Temporary (38a-702j)
- Maintenance and duration
 - Renewal (38a-702f(b)(c), 784, 786(b)) Change in name or address (38a-702f(f),771(a))
 - Reporting of actions (38a-702o, 771(b)) Assumed names (38a-702i)
 - Continuing education requirements, exemptions and penalties (Reg 38a-782a-2, 10, 12-17)
- Disciplinary actions
 - Cease and desist order (38a-817) Hearings (38a-16, 817, 818)
 - Suspensions, revocations, refusal to issue or renew, fines (38a-2, 702k, 735, 774, 777,817, 830)

1.2 State regulation

- Commissioner's general duties and powers (38a-8,10)
 - Company regulation
 - Certificate of authority (38a-41)
 - Capital and surplus requirement (38a-72) Unfair claim settlement practices (38a-816)

- Producer regulation
 - Controlled business (38a-782)
 - Commissions (38a-702l, 734) Acting as an agent (38a-702m)
 - Representing an unauthorized insurer (38a-275,703, 714)
 - Failure to remit premiums (38a-712) Unfair and prohibited practices
 - Misrepresentation (38a-816(1), (8)) False advertising (38a-816(1), (2)) Defamation of insurer (38a-816(3))
 - Boycott, coercion and intimidation (38a-816(4))
 - False financial statements (38a-816(5))
 - Failure to maintain complaint record (38a-816(7))
 - Unfair discrimination (38a-816(12), (13)) Rebating (38a-816(9), 825)
 - Twisting (38a-826)
 - Examination of books and records (38a-769(f)) Connecticut Insurance Information and Privacy Protection Act (38a-975-999a)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681-1681d)
- Fraud and false statements (18 USC 1033, 1034)

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
Data breach

2.2 Insurers

Types of insurers
Stock companies Mutual
companies Fraternal
benefit societies 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 producers
Express
Implied
Apparent

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/misrepresent
ations Warranties
Concealment
Fraud
Waiver and estoppel

3.1 Definitions of perils

Accidental
injury
Sickness

3.2 Principal types of losses and benefits

Loss of
income from disability
Hospital/medical expense
Dental expense
Long-term care expense/home health
care

3.3 Classes of health insurance policies

Individual versus group
Private versus government
Limited versus comprehensive

3.4 Limited policies

Limited benefits (38a-482b, 513d)
Required notice to insured

3.5 Common exclusions from coverage (Reg 38a-505-7)

3.6 Producer responsibilities in individual health insurance

Marketing requirements
Advertising (Reg 38a-819-1-20)
Life and Health Insurance Guaranty
Association
(38a-
859,871(e)
) Sales
presentatio
ns
Outline of coverage (38a-505(f); Reg
38a-505-
10(B-K))

Field

underwriting

Nature and purpose
Disclosure of information about
individuals
(38a-988)

Application procedures (38a-
979, 981) Requirements at
delivery of policy

Common situations for errors/omissions

3.7 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) (RL 19a-583, 586)
- Prohibited use of genetic information (38a-816(19))
- Unfair discrimination (38a-488)
- Classification of risks
 - Preferred
 - Standard
 - Substandard

3.8 Considerations in replacing health insurance

(38a-546; Reg 38a-505-11)

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

5.0 Disability Income and Related Insurance 7%

5.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- Presumptive disability

Requirement to be under physician care

5.2 Individual disability income insurance

Connecticut minimum benefit standards (Reg 38a-505-9(F))

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

- Cost of living adjustment (COLA) rider
- Future increase option (FIO) rider
- Relation of earnings to insurance (38a-483(b)(6))
- Other cash benefits
- Accidental death and dismemberment
- Rehabilitation benefit
- Medical reimbursement benefit (nondisabling injury)

Refund

- provisions
- Return of premium
- Cash surrender value

Exclusions

5.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

5.4 Group disability income insurance

- Short-term disability (STD)
- Long-term disability (LTD)

5.5 Business disability insurance

- Key person disability

4.0 Individual Health Insurance Policy General Provisions 7%

4.1 Required provisions (38a-483(a))

- Entire contract; changes (1)
- Time limit on certain defenses (2)
- Grace period (3)
- Reinstatement (4)
- Claim procedures (5-9)
- Physical examinations and autopsy (10)
- Legal actions (11)
- Change of beneficiary (12)

4.2 Optional provisions (38a-483(b))

- Change of occupation (1)
- Misstatement of age (2)
- Other insurance in this insurer (3)
- Insurance with other insurers
 - Expense-incurred basis (4)
 - Other benefits (5)
- Unpaid premium (7)
- Cancellation (8)
- Conformity with state statutes (9)

4.3 Other general provisions

- Right to examine (free look) (Reg 38a-505-10(A)(7))
- Insuring clause
- Consideration clause
- Renewability clause (Reg 38a-505-9(A))
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)
- Military suspense provision (Reg 38a-505-9(A)(5))

income Disability buy-sell
policy
Business Overhead Expense (BOE)

5.6 Social Security disability

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

5.7 Workers compensation

Eligibility
Benefits

6.0 Medical Plans 25%

6.1 Medical plan concepts

Fee-for-service basis versus prepaid basis
Benefit schedule versus
usual/reasonable/customary charges
Any provider versus limited choice of providers
Insureds versus subscribers/participants

6.2 Types of plans

Major medical insurance (indemnity plans)

Essential benefits
Characteristics
Common limitations
Exclusions from coverage
Provisions affecting cost to insured

Health Maintenance Organizations (HMOs)

Essential benefits
General characteristics (HC-118)
Preventive care services
Primary care physician versus referral
(specialty) physician
Emergency care
Hospital services
Other basic services

Preferred provider organizations (PPOs) and
point-of-service (POS) plans

Essential benefits
General characteristics
In-network and out-of-network provider
access
PCP referral
Indemnity plan features

Connecticut children's health insurance plan
(HUSKY) (RL 17b-289-292a, 295, 297, 299,
300, 301, 301, 303, 304) High

Deductible Health Plan

6.3 Cost containment in health care delivery

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

6.4 Connecticut requirements (individual and/or group)

Eligibility requirements

Dependent child age limit (38a-497,
554; Bul
HC-71)

Child enrollment; non-custodial parents
(38a-
497a)

Physically or mentally handicapped
dependents
(38a-489,515)

Newborn child coverage (38a-490, 516 &
PA-
11-171)

Adopted and prospective adopted
children
(38a-508, 549)

Benefit
Infertility coverage (38a-509, 536; Bul
HC-104, PA 1755)

6.5 Federal Legislation

HIPAA (Health Insurance Portability and
Accountability Act)
requirements

Eligibility
Guaranteed
issue

Creditable
coverage
Renewabilit

y
Connecticut
HIPAA
Alternative-
Health

Reinsurance
Association

PPACA (Patient Protection and Affordable
Care Act)

Essential benefits
No cost share on preventive

7.0 Group Health Insurance 15%

7.1 Characteristics of group insurance

Group contract
Certificate of coverage (38a-182)
Experience rating versus community
rating/ACA
rating/small
groups

7.2 Types of eligible groups

Employment-related groups
Individual employer groups
Associations (alumni, professional, other)

7.3 Marketing considerations

Advertising

Regulatory jurisdiction/place of delivery

7.4 Employer group health insurance

Insurer underwriting criteria

Characteristics of group Plan design factors Persistence factors

Administrative capability

Eligibility for coverage

Employee eligibility

Dependent eligibility — including domestic partners and civil unions (Bul IC-21)

Spousal coverage (38a-541)

Coordination of benefits provision (Reg 38a-480-1-14)

Change of insurance companies or loss of coverage

No-loss no-gain

Events that terminate coverage

Extension of benefits (Reg 38a-546-5(a))

Continuation of coverage under COBRA and

Connecticut specific rules (38a-512a, 546; Reg 38a-546-5(b))

7.5 Small employer medical plans

Definition of small employer (38a-564(4))

Benefit plans offered (38a-

565, 568) Health care center (HMO) plans Small employer carrier plans

Eligibility of employees (38a-

564(3)) Renewability (38a-567)

7.6 Regulation of employer group insurance plans

Civil Rights Act/Pregnancy Discrimination Act Guidelines

Relationship with Medicare

Medicare secondary rules

Medicare carve-outs and supplements

8.0 Dental Insurance 3%

8.1 Types of dental

treatment Diagnostic

and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodont

ics

Orthodontic

s

8.2 Indemnity

plans Choice of

providers

Benefit

categories

Diagnostic/preventive services

Basic services

Major services

Deductibles and

coinsurance

Combination plans

Exclusions

Limitations

Predetermination of benefits

8.3 Employer group dental expense

Integrated deductibles versus stand-alone plans

Minimizing adverse selection

9.0 Insurance for Senior Citizens and Special Needs Individuals 11%

9.1 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

9.2 Medicare supplements

Purpose

Open enrollment (Reg 38a-495a-8)

Standardized Medicare supplement plans

(Reg 38a-

495a-6, 6(a))

Core

benefits

Additional

benefits

Connecticut regulations and required provisions

Advertising (Reg 38a-495a-15)

Standards for marketing (Reg

38a-495a-16) Permitted

compensation (Reg 38a-495a-

12)

Appropriateness of recommended

purchase and excessive insurance

(Reg 38a-495a-17)

Required disclosure provisions (Reg 38a-

495a-

13)

Reporting of multiple policies (Reg 38a-495a-18)
 Buyer's guide (38a-495a-13(a)(6)(A))
 Right to return (38a-495a-13(a)(5))
 Replacement (Reg 38a-495a-14, 19)
 Benefit standards (Reg 38a-495a-5 & 38a-495a-5a)
 Pre-existing conditions (38a-495a)
 Outline of coverage (38a-495a(l)(1), (2); Reg 38a-495a-13)
 Plan offering to disabled (38a-495c)

9.3 Other options for individuals with Medicare

Employer group health plans
 Disabled employees
 Employees with kidney failure
 Individuals age 65 or older

Medicaid
 Eligibility
 Benefits

ConnMAP

9.4 Long-term care (LTC) insurance

Eligibility for benefits
 Levels of care Skilled care Intermediate care Custodial care
 Home health care
 Adult day care
 Respite care

Hospice care Benefit periods
 Benefit amounts
 Optional benefits
 Guarantee of insurability
 Return of premium
 Qualified LTC plans
 Exclusions
 Underwriting considerations
 Connecticut regulations and required provisions Standards for marketing (Reg 38a-501-16) Suitability of recommended purchase (Reg 38a-501-17)
 Shopper's guide (Reg 38a-501-18) Outline of coverage (Reg 38a-501-21)
 Non-forfeiture benefit offer (Reg 38a-501-19) Required disclosure provisions (Reg 38a-501-13)
 Replacement (Reg 38a-501-12, 22)
 Right to return (Reg 38a-501-11(g))
 Inflation protection (Reg 38a-501-20)
 Connecticut Partnership for Long Term Care (Reg 38a-475-1-6; RL 17b-252)

10.0 Federal Tax Considerations for Health Insurance 4%

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, partners and limited liability corporations

10.4 Business disability insurance

Key person disability income Buy-sell policy
 Business Overhead Expense (BOE)

10.5 Health Savings Accounts (HSAs)

Definition
 Eligibility
 Contribution limits