

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 Life/Accident and Health Insurance Series 18-03

**150 questions - 2.5-hour time limit
Effective October 1, 2019**

1.0 Insurance Regulation 6%

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
 - 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 6%

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/misrepresentations Warranties
 - Concealment
 - Fraud
 - Waiver and estoppel

- Survivor protection
- Estate creation
- Cash accumulation
- Liquidity
- Estate conservation
- Life settlements (38a-465, 465a, 465f, 465g; Reg 38a-465-1-10)

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
- Executive bonuses
- Deferred compensation split dollar

3.5 Classes of life insurance policies

- Group versus individual
- Permanent versus term
- Participating versus nonparticipating
- Fixed versus variable life insurance and annuities
 - Regulation of variable products (SEC, FINRA and Connecticut) (38a-433; Reg 38a-433-1-11)

3.6 Premiums

- Factors in premium determination
 - Mortality
 - Interest
 - Expense
- Premium concepts
 - Net single premium
 - Gross annual premium
- Premium payment mode

3.7 Producer responsibilities

- Solicitation and sales presentations (Reg 38a-819-32-39)
- Advertising (Reg 38a-819-21-31)
- Life and Health Insurance Guaranty Association (38a-858, 871(e))
- Illustrations (Reg 38a-819-58-69)
- Policy summary (Reg 38a-819-35(G))
- Buyer's guide (Reg 38a-819-35 Appendix)
- Life insurance policy cost comparison methods (Reg 38a-819-35(F), Appendix)
- Replacement (38a-435)

3.0 Life Insurance Basics 9%

3.1 Insurable interest

3.2 Personal uses of life insurance

Use and disclosure of insurance information (38a-988)

Field

underwriting

Notice of information practices (38a-979, 981) Application procedures/Backdating (38a-442)

Delivery

Policy review

Effective date of

coverage Premium

collection Statement of

good health

3.8 Individual underwriting by the insurer

Information sources and regulation

Application

Producer report

Attending physician statement

Investigative consumer (inspection) report (38a-982)

Medical Information Bureau (MIB)

Medical examinations and lab tests

including

HIV (RL 19a-583,586)

Selection criteria and unfair discrimination (38a-446, 447)

4.0 Life Insurance Policies 10%

4.1 Term life

insurance Level term

Annual renewable term

Level premium term

Decreasing term

4.2 Whole life insurance

Continuous premium (straight life)

Limited payment

Single premium

Graded premium

Modified life

Interest

sensitive Equity

index

4.3 Flexible premium policies

Adjustable life

Universal life

4.4 Specialized policies

Joint life (first-to-die) Survivorship

life (second-to-die) Juvenile

life

4.5 Group life insurance

Characteristics of group plans

Group underwriting

requirements

Conversion to individual policy (Bul S-4 (8 & 10))

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 10%

5.1 Standard provisions

Ownership

Assignment (38a-455) Entire contract

Modifications

Right to examine (free look) (38a-436) Payment of premiums

Grace period

Reinstatement

Incontestability

Misstatement of

age Exclusions

Interest on insurance proceeds (38a-452)

5.2 Beneficiaries

Designation options

Individual

s Classes

Estates

Minors

Trusts

Succession

Facility of payment clause

Revocable versus

irrevocable Common

disaster clause Spendthrift clause

5.3 Settlement options

Interest only

Fixed-period installments

Fixed-amount installments

Life income

Single life

Joint and survivor

5.4 Nonforfeiture

options Cash

surrender value

Extended term

Reduced paid-up insurance

5.5 Policy loan and withdrawal options

Cash 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 stipulated premium

(universal life)

Waiver of cost of insurance

Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Living benefit provisions/riders

Accelerated (38a-457; Reg 38a-457-1-11)

Conditions for payment

Effect on death benefit

Long-term care (Reg 38a-458-1-

12) 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

6.0 Annuities 5%

6.1 Annuity principles and concepts

Accumulation period versus annuity

period Owner, annuitant and beneficiary

Insurance aspects of annuities

6.2 Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)

Deferred annuities

Premium payment options

Nonforfeiture

Surrender and withdrawal charges

Death benefits

6.3 Annuity (benefit) payment options

Life contingency options

Pure life versus life with guaranteed minimum

Single life versus multiple life

Annuities certain (types)

6.4 Annuity products

Fixed annuities

General account assets

Interest rate guarantees (minimum versus current)

Level benefit payment amount

Equity indexed annuities

Market value adjusted annuities (modified guaranteed annuities) (Reg 38a-433-

12-22)

6.5 Uses of annuities

Lump-sum settlements

Qualified retirement plans

Group versus individual annuities

Personal uses

Individual retirement accounts

(IRAs) Tax-deferred growth

Retirement income

Education funds

6.6 Senior Protection in Annuity Transactions (38a-432a-1-7 & 38a-432b-1-4)

7.0 Federal Tax Considerations for Life Insurance and Annuities 6%

7.1 Taxation of personal life insurance

Amounts available to policyowner

Cash value increases

Dividends

Policy

loans

Surrenders

Amounts received by

beneficiary General rule

and exceptions

Settlement options

Values included in insured's estate

7.2 Modified endowment contracts (MECs)

Modified endowment versus

life insurance Seven-pay test

Distributions

7.3 Taxation of non-qualified annuities

Individually-owned

Accumulation phase (tax issues related to withdrawals)

Annuity phase and the exclusion ratio

Distributions at death

Corporate-owned

7.4 Taxation of individual retirement accounts (IRAs)

Traditional IRAs

Contributions and deductible amounts

Premature distributions (including taxation issues)

Annuity phase benefit payments

Values included in the annuitant's estate

Amounts received by beneficiary

Roth IRAs

Contributions and limits

Distributions

7.5 Rollovers and transfers (IRAs and qualified plans)

7.6 Section 1035 exchanges

8.0 Qualified Plans 4%

8.1 General requirements

8.2 Federal tax considerations

Tax advantages for employers and employees

Taxation of distributions (age-related)

8.3 Plan types, characteristics and purchasers

Simplified employee pensions (SEPs)

Profit-sharing and 401(k) plans

SIMPLE plans
403(b) tax-sheltered annuities (TSAs)

9.0 Health Insurance Basics 6%

9.1 Definitions of

perils Accidental
injury Sickness

9.2 Principal types of losses and

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

9.3 Classes of health insurance policies

Individual versus group
Private versus government
Limited versus comprehensive

9.4 Limited policies

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

9.5 Common exclusions from coverage (Reg 38a-

505-
7(G))

9.6 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
presentations
Outline of coverage (38a-505-13(d); 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

9.7 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)

9.8 Considerations in replacing health insurance

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

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

10.0 Individual Health Insurance Policy General Provisions 4%

10.1 Required provisions (38a-483)

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)

10.2 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)

10.3 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))

11.0 Disability Income and Related Insurance 5%

11.1 Qualifying for disability benefits

Inability to perform duties
Own occupation
Any occupation

Presumptive disability
Requirement to be under physician care

11.2 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 benefits

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

11.3 Unique aspects of individual disability underwriting

Occupational considerations

Benefit limits

Policy issuance alternatives

11.4 Group disability income insurance

Short-term disability (STD)

Long-term disability (LTD)

11.5 Business disability

insurance Key person disability income Disability buy-sell policy
Business Overhead Expenses (BOE)

11.6 Social Security disability

Qualification for disability benefits Definition of disability

Waiting period

Disability income benefits

11.7 Workers compensation

Eligibility

Benefits

Benefit schedule versus usual/reasonable/customary charges
Any provider versus limited choice of providers

12.0 Medical Plans 10%

12.1 Medical plan concepts

Fee-for-service basis versus prepaid basis

Insureds versus subscribers/participants

12.2 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, 303, 304)

High Deductible Health Plan

12.3 Cost containment in health care delivery

Cost-saving services

Preventive care

Hospital outpatient benefits

Alternatives to hospital services

Utilization review

Retrospective

Prospective review

Concurrent review

12.4 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 17-55)

12.5 Federal Legislation

HIPAA (Health Insurance Portability and

Accountability Act) requirements

Eligibility

Guaranteed issue

Creditable

coverage

Renewability

Connecticut HIPAA Alternative-Health Reinsurance

Association

PPACA (Patient Protection and Affordable Care Act)

Essential benefits

No cost share on preventive

13.0 Group Health Insurance 7%

13.1 Characteristics of group insurance

Group contract

Certificate of coverage (38a-182)

Experience rating versus community rating/ACA

rating/small groups

13.2 Types of eligible groups

Employment-related groups

Individual employer groups

Associations (alumni, professional, other)

13.3 Marketing considerations

Advertising

Regulatory jurisdiction/place of delivery

13.4 Employer group health insurance

Insurer underwriting criteria

Characteristics of

group Plan design

factors Persistency

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))

13.5 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(b))

13.6 Regulation of employer group insurance plans

Civil Rights Act/Pregnancy Discrimination Act Guidelines Relationship with Medicare Medicare secondary rules Medicare carve-outs and supplements

14.0 Dental Insurance 2%

14.1 Types of dental

treatment Diagnostic and preventive Restorative Oral surgery Endodontics Periodontics Prosthodontics Orthodontics

14.2 Indemnity

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

14.3 Employer group dental expense

Integrated deductibles versus stand-alone plans Minimizing adverse selection

15.0 Insurance for Senior Citizens and Special Individuals Needs 7%

15.1 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

15.2 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 (Reg 38a-495a-13(a)(6)(A)) Right to return (Reg 38a-495a-13(a)(5)) Replacement (Reg 38a-495a-14, 19) Benefit standards (Reg 38a-495a-5 & 38a-495a-5a)

Pre-existing conditions (Reg 38a-495-5(a)) Outline of coverage (38a-495a(l)(1), (2); Reg 38a-495a-13)

Plan offering to disabled (38a-495c)

15.3 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

15.4 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)

16.0 Federal Tax Considerations for Health

Insurance 3%

16.1 Personally-owned health insurance

- Disability income insurance
- Medical expense insurance
- Long-term care insurance

16.2 Employer group health insurance

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

16.3 Business disability insurance

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

16.4 Health Savings Accounts (HSAs)

- Definition
- Eligibility
- Contribution limits