

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 Certified Insurance Consultant's Examination for Life/Accident and Health Insurance Series 18-05

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

1.0 Insurance Regulation 5%

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(b, e), 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 5%

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/misrepresentatio
ns Warranties
Concealment
Fraud
Waiver and estoppel

3.0 Life Insurance Basics 5%

3.1 Insurable interest

3.2 Personal uses of life insurance

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 funding
Split dollar plans Change
of insured rider Minimum
deposit

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)
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

- 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 7%

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
- Individuals
- 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)

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 5%

4.1 Term life insurance

- Level term
 - Annual renewable term
 - Level premium term
 - Life expectancy contract
 - Term-to-65 (or older) contract
- 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

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 8%

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 11%

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 9%

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
Pension plans
Section 457 deferred compensation
403(b) tax-sheltered annuities (TSAs)

8.4 Special rules for life insurance

Incidental limitation
Taxation of economic benefit
Taxation of life insurance distributions

9.0 Health Insurance Basics 5%

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)

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(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

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 5%

10.1 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)

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))
Annual renewable term rider
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

11.4 Group disability income insurance

Policy issuance alternatives
Short-term disability (STD) Long-term disability (LTD)

11.5 Business disability

insurance Key person disability income Disability buy-sell policy
Business overhead expense policy
Disability reducing term policy

11.6 Social Security disability

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

11.7 Workers compensation

Eligibility
Benefits

12.0 Medical Plans 5%

12.1 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

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
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;
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 prevention

13.0 Group Health Insurance 10%

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
Multiple-Employer Trusts (METs) or
Welfare
Arrangements
(MEWAs) Taft-Hartley
Trusts
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)

13.6 Regulation of employer group insurance plans

- Employee Retirement Income Security Act (ERISA)
 - 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)

13.7 Types of funding and administration

- Conventional fully-insured plans
- Modified fully-insured plans
 - Premium-delay arrangements
 - Reserve-reduction arrangements
 - Retrospective-rating arrangements
- Partially self-funded plans
 - Stop-loss coverage
 - 501(c)(9) trust
- Administrative-services-only (ASO) arrangements
- Fully self-funded (self-administered) plans
 - Characteristics
 - Conditions suitable for self-funding
 - Benefits suitable for self-funding

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 Needs

Individuals 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-

14.0 Dental Insurance 3%

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)

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 5%

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 Medical expense coverage for sole proprietors, partners and limited liability corporations

16.4 Business disability

insurance Key person

disability income Buy-sell

policy

Business Overhead Expense (BOE)

16.5 Health Savings Accounts (HSAs)

Definition

Eligibility

Contribution limits