

**Accident and Health or Sickness Producer
Series 20-24
80 scored questions (plus 10 unscored)
1-hour 45-minute time limit**

1.0 Insurance Regulation

30% (24 items)

1.1 Licensing

General Provisions and Definitions

Purpose

Process (*Insurance Article Annotated Code- Sec. 10-118(b)(2); Sec. 10-103(c)(1)*)

Initial Licensure Qualifications

Examination

License fee & application

Types of licensees (*Insurance Article Annotated Code- Sec. 1-101(u)(1)*)

Producers

Advisers

Nonresidents

Business entities

Exceptions

Maintenance (*Insurance Article Annotated Code- Sec. 10- 211(e)(2)(i); Sec. 10-115;
Sec. 10-1-05; Sect. 10- 116(a)(2)(i);*)

Duration and termination

Address and/or name changes

Assumed names

Requirement to report felony convictions

Requirement to report other states actions

Continuing education

Appointment procedures (*Insurance Article Annotated Code- Sec. 1-101; Sec. 10- 118;
Sec. 27-209*)

Producer's contract with insurer versus producer's appointment with insurer

Producer's appointment versus agency's appointment

Solicitation prior to appointment

Appointment requirement after becoming licensed

Acknowledgment of appointment/notice to producer

Requirement to cease solicitation

Termination of appointment/notice to producer

Termination of license without active appointment

Disciplinary actions (*Insurance Article Annotated Code- Sec. 1-301; Sec. 10- 126;
Sec. 27-202*)

Probation, suspension, revocation or refusal to issue or renew

Cease and desist order

Penalties

Hearings/Notice of Hearings

Fraud (*Insurance Article Annotated Code- Sec. 27- 216(a)(1)(i); Sec. 2-401*)

1.2 State regulation

Maryland Insurance Administration's general duties and powers (*Insurance Article
Annotated Code- Sec. 2-102(a); Sec. 2-103(a)(4); Sec. 2-204(b)(1); Sec. 14- 404,
16-601; Sec. 1- 301; Sec. 2-101*)

Producer regulation (*Insurance Article Annotated Code- Sec. 27-209; Sec. 10-105;
COMAR- Sec. 31.03.03*)

Acting for an unlicensed insurer

Record retention

- Activities of unlicensed individuals
- Payment and sharing of commissions
- Charging of fees
- Illegal compensation; exceptions
- Fiduciary capacity
- Responsibility of trust accounts
- Unfair trade practices (*Insurance Article Annotated Code- Sec. 27-304 Sec. 27-213; Sec. 27-305(a); Sec. 27-504(b)(1)*)
 - Misrepresentation
 - False advertising
 - Defamation
 - Notice of Adverse Underwriting Decisions
 - False statements and entries
 - Rebating
 - Twisting
 - Referrals
- Insurance information and privacy protection

1.3 Providers

- Types of Providers
 - Insurers (Annotated Code- Sec. 1-101)
 - Non Profits Health Service Plans (*Insurance Article Annotated Code- Sec. 14-101 and 14- 102*)
 - Health Maintenance Organizations (HMOs) (*COMAR Sec. 31.12.07.02(B)(3); Health General Article Annotated Code-Title 19 Subtitle 7- Sec. 19-701; Sec. 19-705*)

1.4 Plan requirements

- Eligibility requirements
 - Dependent child age limit
 - Coverage for adopted children
 - Newborn child coverage
 - Medical child support coverage
 - Intellectual disability and physical handicap dependent coverage
- Mandated or Required Offers (*Insurance Article Annotated Code- Sec. 15-407, 15- 408, 15-409; Sec. 15-801, 15-802, 15-810, 15-839*)
- Mandated or Required Benefits (*COMAR Sec. 31.10.06.08(B)(12); Insurance Article Annotated Code- Sec. 15-804(3); Sec. 15- 802, 15-838, 15- 841*)
- Other Requirements
 - Small Employer Health Insurance (*Insurance Article Annotated Code- Sec. 15-1204 (special note)(b); Sec. 15-1205; Sec. 15-1208(C); Sec. 15- 1201(e)*)
 - Medicare Supplement Insurance (*Insurance Article Annotated Code- Sec. 15-901; Sec. 15-906; Sec. 15-909; Sec. 15-910*)
 - Purpose and Definitions
 - Minimum Standards and Provisions
 - Eligibility
 - Disclosure and Marketing
- Maryland Health Benefit Exchange
 - SHOP vs. Individual Exchange
 - Open Enrollment/Special Enrollment
 - Employer Choice Options in SHOP Exchange
 - Mandated Referrals

1.5 Insurance for Senior Citizens and Special Needs Individuals

- Maryland Long-Term Care (LTC) regulations and required provisions (*Tax General Article 10-710 - Sec. 10-718; Insurance Article Annotated Code- Sec. 18-101; Sec. 18- 104; Sec. 18-105*)
 - Standards for marketing
 - Advertising

- Consumer guide
- Outline of coverage
- Suitability including personal worksheet
- Right to return (free look)
- Replacement
- Renewal considerations
- Continuation of benefits
- Required disclosure provisions
- Incontestability
- Inflation protection
- Unintentional lapse
- Pre-existing conditions
- Nonforfeiture benefit
- Benefit triggers
- Long-Term Care (LTC) Insurance
 - Deductibility of Premiums for LTC Insurance for State Income Tax Purposes
- Maryland Medicare Supplement regulations and required provisions
 - Standards for marketing
 - Advertising
 - Appropriateness of recommended purchase and excessive insurance
 - Buyer's guide
 - Outline of coverage
 - Right to return (free look)
 - Replacement
 - Prohibited policy provisions
 - Minimum benefit standards
 - Required disclosure provisions
 - Pre-existing conditions
 - Permitted compensation
 - Guaranteed issue for eligible persons
 - Continuation and conversion requirements
 - Medicare SELECT

2.0 General Insurance

9% (7 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
- Self insurers
- Private versus government insurers
- Admitted versus nonadmitted insurers
- Domestic, foreign and alien insurers
- Financial status (independent rating services) and operating results
- Marketing (distribution) systems

2.3 Producer and general rules of agency

- Types
 - Captive
 - Independent
- Insurer as principal
- Producer of insurer
- Authority and powers of producers
 - 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

2.5 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)
- Employee Retirement Income Security Act (ERISA)
 - Applicability
 - Fiduciary responsibilities
 - Reporting and disclosure
- COBRA
- Continuation
- ACA-Related Federal Market Reforms
 - Definitions
 - Individual health insurance coverage
 - Dependent coverage
 - Lifetime and annual limits
 - Restrictions relating to premium rates
 - Essential health benefits

Waiting periods

2.6 Industry regulation

National Association of Insurance Commissioners (NAIC)

3.0 Health Insurance Basics

11% (9 items)

3.1 Definitions of perils

Accidental injury

Sickness

3.2 Principal types of losses and benefits

Loss of income from disability

Medical expense

Dental expense

Long-term care expense

Vision

Prescription

AD&D (Accidental Death and Dismemberment)

Specified Disease

3.3 Classes of health insurance policies

Individual versus group

Private versus government

Limited versus comprehensive

3.4 Limited policies

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

Critical illness (specified conditions)

Short-term medical

3.5 Common exclusions from coverage

Pre-existing conditions

Intentionally self-inflicted injuries

War or act of war

Elective cosmetic surgery

Conditions covered by workers compensation

Government plans

Participation in a felony or illegal occupation

3.6 Producer responsibilities in individual health insurance

Marketing requirements

Advertising

Prohibited Advertising of Life and Health Insurance

Maryland Life and Health Insurance Guaranty Corporation

Sales presentations

Field underwriting

Nature and purpose

Application procedures

Requirements at delivery of policy

Errors and Omissions

Notification of Medicare eligibility

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)
- Unfair discrimination
- Discrimination against victims of domestic violence
- Genetic information privacy
- Classification of risks
 - Preferred
 - Standard
 - Substandard
 - Declined

3.8 Considerations in replacing health insurance

- Pre-existing conditions
- Pre-existing condition exclusion
- Benefits, limitations and exclusions
- Underwriting requirements

4.0 Individual Health Insurance Policy General Provisions

8% (6 items)

4.1 Uniform required provisions

- Entire contract; changes
- Time limit on certain defenses
- Grace period
- Reinstatement
- Notice of claim
- Claim forms
- Proofs of loss
- Time of payment of claims
- Payment of claims
- Physical examinations and autopsy
- Legal actions
- Change of beneficiary
- Cancellation by insured

4.2 Uniform optional provisions

- Change of occupation
- Misstatement of age
- Other insurance in this company
- Insurance with other companies
 - Expense-incurred basis
 - Other benefits
- Relation of Earnings to Insurance
- Unpaid premium
- Cancellation by company
- Conformity with state statutes
- Illegal occupation
- Intoxicants and narcotics

4.3 Other general provisions

- Right to examine (free look)
- Insuring clause
- Consideration clause
- Renewability clause
 - Noncancelable
 - Guaranteed renewable

- Conditionally renewable
- Renewable at option of insurer
- Nonrenewable (cancelable, term)
- Interest on claim proceeds
- Military suspension provision

5.0 Disability Income and Related Insurance

9% (7 items)

5.1 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

5.2 Individual disability income insurance

- Basic total disability plan
 - Income benefits (monthly indemnity)
 - Elimination and benefit periods
 - Waiver of premium benefit
- Partial Disability Insurance
 - Income Benefits (Monthly Indemnities)
 - Elimination and Benefit Periods
 - Waiver of Premium Benefit
- Coordination with Social Insurance
 - 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
 - Annual renewable term rider
 - Relation of earnings to insurance
 - Change of occupation
- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
 - Return of premium
 - Cash value benefit
- Exclusions
- Waiver of Premium

5.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

5.4 Group disability income insurance

- Group versus individual plans
- Short-term disability (STD)
- Long-term disability (LTD)

5.5 Business disability insurance

- Key employee (partner) disability income
- Business overhead expense policy

Business Disability buyout policy

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

14% (11 items)

6.1 Medical plan concepts

Fee-for-service basis versus prepaid basis

Prepaid Basis

Specified coverages versus comprehensive care

Comprehensive Care

Benefit schedule versus usual/reasonable/customary charges

Usual - Reasonable - Customary Charges

Any provider versus limited choice of providers

Limited Choice of Providers

Insureds versus subscribers/participants

6.2 Types of providers and plans

Insurers

Nonprofits Health Service Plans

Major medical insurance (insurers)

Characteristics

Common limitations

Common exclusions from coverage

Deductibles

Coinsurance feature

Stop-loss feature

Maximum benefits

Fixed Indemnity

Health services plans

Definitions

Plans offered

Other services

Qualified providers

Choice of provider or pharmacy

Provider panels

Disclosure of benefits

Subscribers

Health maintenance organizations (HMOs)

Combined health care delivery and financing

Limited service area/out of area benefits

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

Subscribers

Preferred provider organizations (PPOs)

- General characteristics
- Open panel or closed panel
- Point-of-service (POS) plans
 - Nature and purpose
 - Out-of-network provider access (open-ended HMO)
 - PCP referral
 - Indemnity plan features

TRI-CARE

6.3 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Outpatient ambulatory services
 - Alternatives to hospital services
- Utilization management
 - Prospective review
 - Concurrent review
- Coordination of Benefits

6.4 HIPAA (Health Insurance Portability and Accountability Act) requirements

- Eligibility
- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

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

- Definition
- Eligibility
- Contribution limits

6.6 Patient Protection and Affordable Care Act

- Coverage of Children to Age 26
- Preventative Care
- Pre-existing Conditions
- Lifetime and Annual Limits
- Grandfathered vs. Non-Grandfathered Plans
- Rescissions
- Essential Health Benefits
- Metal Levels
- SHOP Payment and Billing
- Internal Appeal and External Review
- Subsidies/Tax Credits
- Penalties and Fines

7.0 Group Health Insurance

5% (4 items)

7.1 Characteristics of group insurance

- Group contract
- Certificate of coverage
- Experience rating versus community rating
- Community Rating

7.2 Defined groups

- Employer
- Creditor
- Labor union
- Multiple Employer Trust
- Association
- Credit union

7.3 Marketing considerations

- Advertising

Regulatory jurisdiction/place of delivery

7.4 Employer group health insurance

Insurer underwriting criteria

Characteristics of the group

Plan design factors

Persistency factors

Administrative capability

Eligibility for insurance

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

Reinstatement of Coverage for Military Personnel

Notification of Medicare Eligibility

Reinstatement of coverage for military personnel

Notification of Medicare eligibility

Extension of benefits

Continuation of coverage under COBRA and Maryland specific rules

Conversion privilege

Continuation of Coverage

Special Enrollment Periods

Minimizing Adverse Selection

7.5 Small employer medical plans

Definition of small employer

Availability of coverage

Disclosure of coverage provisions

Enrollment eligibility

Renewability

8.0 Dental Insurance

1% (1 item)

8.1 Types of dental treatment

Diagnostic and preventive

Restorative

Oral surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics

8.2 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

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

9% (7 items)

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 supplement insurance

Purpose

Open enrollment

Rating of Medicare supplement plans

Attained age

Issue age

Community rated

Standardized Medicare supplement plans

Core benefits

Additional benefits

High deductible plans

9.3 Other options for individuals with Medicare

Employer group health plans

Disabled employees

Employees with kidney failure

Individuals age 65 and older

Medicaid

Eligibility

Benefits

9.4 Long-term care (LTC) policies

LTC, Medicare and Medicaid compared

Eligibility for benefits

Levels of care

Skilled care

Intermediate care

Custodial care

Home health care

Adult day care

Respite care

Benefit periods

Benefit amounts

Optional benefits

Inflation Protection

Nonforfeiture

Guarantee of insurability

Return of premium

Qualified and Nonqualified

Exclusions

- Underwriting Considerations
- Partnership
- Qualified LTC plans
- Deductibility of premiums for LTC insurance for state income tax purposes
- Exclusions
- Underwriting considerations

9.5 Interaction with Other Coverage

- Medicare
- Medicaid
- Medical Insurance

10.0 Federal Tax Considerations for Health Insurance

5% (4 items)

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)
- 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
- Business overhead expense
- Business Disability Buyout

10.5 Health Savings Accounts (HSAs), Health Reimbursement Accounts (HRAs), and Flexible Spending Accounts (FSAs)

- Health Savings Accounts
- Health Reimbursement Accounts
- Flexible Spending Accounts
- High Deductible Health Plans