

Your Exam Content Outline

For examinations on and after February 7, 2007

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The following outline describes the content of one of the New York 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.

New York Accident and Health Insurance Agent/Broker Examination Series 17-52

100 questions – Two-hour time limit

1.0 Insurance Regulation 8%

1.1 Licensing

Process (2103(d-i))

Definitions

Producer definition (2101(k))

Who should be licensed (2101(k)(1))

Home state (2101(l))

Negotiate (2101(m))

Sell (2101(n))

Solicit (2101(o))

Types of licensees

Agents (2101(a, k); 2103; Reg 22.2, 23.2)

Brokers (2101(c, h, k); 2104)

Consultants (2107)

Adjusters (2101(g), 2108)

Nonresident (2101(d, e); 2103(g)(5, 11); 2136)

Business entities (2101(p), 2103(e))

Temporary (2109; Reg 20.1)

Maintenance and duration

Renewal (2103(j); Reg 21.2)

Continuing education (2132)

Assumed names (2102(f))

Change of address (2134; Reg 21.4, 22.3, 23.4)

Reporting of actions (2110(i))

Disciplinary actions

Cease and desist order (2405)

Hearings (2405)

Suspension, revocation, and nonrenewal (2110)

Penalties (2127)

1.2 State regulation

Superintendent's general duties and powers (201, 2404)

Company regulation

Certificate of authority (1102)

Solvency (307)

Unfair claim settlement practices (2601; Reg 216.3-.6)

Appointment of agent (2112(a-c))

Termination of agent appointment (2112(d); Reg 20.2)

Unfair and prohibited practices

Misrepresentation (2123; Reg 216.3)

False advertising (2603)

Defamation of insurer (2604)

Unfair discrimination (2606-2608, 2612)

Rebating (2324)

Licensee regulation

Controlled business (2103(i))

Sharing commissions (2121, 2128)

Fiduciary responsibility (2120; Reg 20.3, 20.4)

License display (Reg 34.5)

Commissions and compensation (2102(e), 2114-2116, 2119; Reg 20.6)

Termination responsibilities of producer (2112)

Examination of books and records (2404; Reg 243.0-.3)

Insurance Frauds Prevention Act (401-409)

Consumer privacy regulation (Reg 420.0-.24)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements including 1033 waiver (18 USC 1033, 1034)

2.0 General Insurance 7%

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
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 Agents and general rules of agency

Insurer as principal
Agent/insurer relationship
Authority and powers of agents
Express
Implied
Apparent
Responsibilities to the applicant/insured

2.4 Contracts

Elements of a legal contract
Offer and acceptance
Consideration
Competent parties
Legal purpose
Characteristics of insurance contracts
Contract of adhesion
Aleatory contract
Personal contract
Unilateral contract
Conditional contract
Legal concepts and interpretations affecting contracts
Ambiguities in a contract of adhesion
Reasonable expectations
Indemnity
Utmost good faith
Representations/misrepresentations
Warranties
Concealment
Fraud
Waiver and estoppel

3.0 Accident and Health Insurance Basics 15%

3.1 Definitions of perils

Accidental injury
Sickness

3.2 Principal types of losses and benefits

Loss of income from disability
Hospital and medical expense
Long-term care expense

3.3 Classes of accident and health insurance coverage

Individual, franchise and group
Private versus government

Limited versus comprehensive

3.4 Limited policies

Limited benefits
Required notice to insured
Types of limited policies
Accident-only
Specified (dread) disease
Hospital indemnity (income)
Dental insurance
Credit disability
Prescription drugs
Vision care

3.5 Common exclusions from coverage

Act of war
Participation in a felony
Preexisting condition
Self-inflicted injuries
Workers compensation

3.6 Licensee responsibilities in individual accident and health insurance

Marketing requirements
Advertising (Reg 215.1-.18)
Sales presentations
Outline of coverage
Application procedures
Requirements at delivery of policy
Common situations for errors/omissions

3.7 Considerations in replacing accident and health insurance

Benefits, limitations and exclusions
Licensee liability for errors and omissions

3.8 Community rating of policies (4317; Reg 360)

4.0 Individual Health Insurance Policy General Provisions 10%

4.1 Required provisions

Entire contract; changes (3216(d)(1)(A))
Time limit on certain defenses (3216(d)(1)(B))
Grace period (3216(d)(1)(C))
Reinstatement (3216(d)(1)(D))
Claim procedures (3216(d)(1)(E-I))
Physical examinations and autopsy (3216(d)(1)(J))
Legal actions (3216(d)(1)(K))
Change of beneficiary (3216(d)(1)(L))

4.2 Other provisions

Misstatement of age (3216(d)(2)(B))
Other insurance in this insurer (3216(d)(2)(C))
Insurance with other insurers
Expense-incurred basis (3216(d)(2)(D))
Other benefits (3216(d)(2)(E))
Unpaid premium (3216(d)(2)(G))
Cancellation (3216(d)(2)(H))
Conformity with state statutes (3216(d)(2)(I))
Illegal occupation (3216(d)(2)(J))
Intoxicants and narcotics (3216(d)(2)(K))

4.3 Other general provisions

- Right to examine (free look)
- Insuring clause
- Consideration clause
- Renewability clause (3216(g))
 - Noncancelable
 - Guaranteed renewable

5.0 Disability Income and Related Insurance 10%

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 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 (3216(d)(2)(F))
- Other benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Exclusions

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 person disability income
- Disability buy-sell policy
- Business overhead expense policy

6.0 Medical Plans 10%

6.1 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

6.2 Types of plans

- Basic hospital, basic medical, basic surgical (Reg 52.5, 52.6, 52.7)
 - Characteristics
 - Common limitations
 - Exclusions from coverage
 - Provisions affecting cost to insureds
- Major medical insurance (indemnity plans)
 - Characteristics
 - Common limitations
 - Exclusions from coverage
 - Provisions affecting cost to insured
- Health Maintenance Organizations (HMOs)
 - General characteristics
 - Preventive care services
 - Primary care physician (PCP)
 - Referral (specialty) physician
 - Emergency care
 - Hospital services
 - Other basic services
- Preferred provider organizations (PPOs) and point-of-service (POS) plans
 - General characteristics
 - In-network and out-of-network provider access
 - Primary care physician (PCP) referral
 - Indemnity plan features

6.3 Cost containment in health care delivery

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

6.4 New York mandated benefits and offers (individual and/or group)

- Dependent child age limit (3216(a)(4))
- Full-time students (3216(a)(4))
- Policy extension for handicapped children (3216(c)(4)(A))
- Newborn child coverage (3216(c)(4)(C))

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

- Eligibility
- Guaranteed issue
- Pre-existing conditions (3232)
- Creditable coverage (3232-a)
- Renewability

6.6 Medical Savings Accounts (MSAs), Flexible Spending Accounts and Health Savings Accounts

- Definition
- Eligibility
- Contribution limits

7.0 Long-term Care (LTC) Insurance 10%

7.1 Benefits

- LTC, Medicare and Medicaid compared
- Eligibility for benefits
- Levels of care
 - Skilled care
 - Intermediate care
 - Custodial care
- Types of care
 - Home health care
 - Adult day care
 - Respite care
 - Assisted living
- Benefit periods
- Benefit amounts
- Optional benefits
 - Inflation protection (COLA) (Reg 52.25(c)(3))
 - Nonforfeiture benefits (Reg 52.25(c)(7))
 - Guarantee of insurability
 - Return of premium
- Individual, group and association plans
- Qualified LTC plans
- Exclusions (Reg 52.25(b)(2))
- Underwriting considerations

7.2 New York regulations and required provisions

- Renewability (Reg 52.25(b)(1))
- Required disclosure provisions (Reg 52.65)
- Prohibited practices
- Replacement (Reg 52.29)
- Permitted compensation arrangements (Reg 52.25(e))
- New York State Partnership for Long Term Care (Reg 39.0)
- Medicaid Estate Recovery Act (OBRA '93)

8.0 Group Health and Blanket Insurance 12%

8.1 Characteristics of group insurance

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

8.2 Types of eligible groups (4237)

- Employment-related groups
 - Individual employer groups
 - Multiple Employer Trusts (METs) or Welfare Arrangements (MEWAs)
 - Taft-Hartley Trusts
- Associations (alumni, professional and other)
- Customer groups (depositors, creditor-debtor and others)

Blanket customer groups (teams, passengers, and others)

8.3 Regulation of employer group insurance plans

- Employee Retirement Income Security Act (ERISA)
 - Applicability
 - 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)

8.4 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
 - Administrative-services only (ASO) arrangements
 - 501(c) (9) trust
- Fully self-funded (self-administered) plans
 - Characteristics
 - Conditions suitable for self-funding
 - Benefits suitable for self-funding

8.5 Marketing considerations

- Advertising
- Regulatory jurisdiction/place of delivery

8.6 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 (Reg 52.23)
- 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 and New York continuations
 - Conversion privilege (3221(e))

8.7 Small employer medical plans

- Definition of small employer (Reg 360.2(f))
- Benefit plans offered
- Availability of coverage (Reg 360.2(e), .3)
- Renewability (Reg 360.2(e))

9.0 Dental Insurance 2%

9.1 Types of dental treatment

- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics
- Periodontics
- Prosthodontics
- Orthodontics

9.2 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

9.3 Employer group dental expense

- Integrated deductibles versus stand-alone plans
- Minimizing adverse selection

10.0 Government Health Insurance Plans 6%

10.1 Worker's compensation

- Eligibility
- Benefits

10.2 Social Security Disability

- Qualifications for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

10.3 New York State Disability Benefits Law

- Purpose
- Definitions
- Employment covered
- Benefits

10.4 Medicaid

- Eligibility
- Benefits

10.5 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

11.0 Private Insurance for Senior Citizens and Special Needs Individuals 5%

11.1 Medicare supplements

- Purpose
- Open enrollment (Reg 52.22(k))
- Standardized Medicare supplement plans
 - Core benefits
 - Additional benefits
- New York regulations and required provisions
- Standards for marketing (Reg 52.22(i))
- Permitted compensation arrangements (Reg 52.22(h))
- Appropriateness of recommended purchase or replacement (Reg 52.22(f)(4))
- Replacement (Reg 52.22(f, g))
- Disclosure statement (Reg 52.63)
- Renewability (Reg 52.22(b)(1)(i))
- Medicare Select (Reg 52.14)

11.2 Other Medicare options for individuals

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

12.0 Federal Tax Considerations for Health Insurance 5%

12.1 Personally-owned health insurance

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

12.2 Employer group health insurance

- Medical and dental expense
- Long-term care insurance
- Accidental death and dismemberment

12.3 Medical expense coverage for sole proprietors and partners

12.4 Business disability insurance

- Key person disability income
- Buy-sell policy

12.5 Medical Savings Accounts (MSAs), Flexible Spending Accounts and Health Savings Accounts