

NEW YORK EXAMINATION CONTENT OUTLINES

August 1, 2009

The following outlines describe the content of each of the New York Insurance Examinations. These outlines are the basis of the examination. Each examination will contain questions about the subjects in its outline.

The percentages indicate the relative weight assigned to each part of the examination. For example, if a section has 10 percent assigned, 6 questions will be drawn from it on a 60-question examination, 10 on a 100-question examination, and 15 on a 150-question examination.

ACCIDENT AND HEALTH INSURANCE AGENT/BROKER EXAMINATION SERIES 10-52 **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, Sell, Solicit (2101(m)(n) (o))

Types of Licensees

Agents (2101(a, k); 2103; Reg 6,

Part 22.2, Reg 7, Part 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(j) (2))

Temporary (2109; Regs 9, 18, 29, Part 20.1)

Maintenance and duration

Renewal (2103(j); Reg 5, Reg 21.2)

Continuing education: (2132)

Assumed names (2102(f))

Change of address (all addresses, including email) (2134; Reg 5, Part 21.4; Reg 6, Part 22.3; Reg 7, Part 23.4))

Reporting of disciplinary actions: (2110(i))

Disciplinary actions

Cease and desist order: (2406)

Hearings – Notice and Process (304, 2405)

Suspension, revocation, and nonrenewal (2110)

Penalties (2127)

1.2 State Regulation

Superintendent's general duties and powers (201, 301-305, 2404)
Company regulation
Certificate of authority: (1102 (a-b))
Solvency (307)
Unfair claim settlement practices (2601; Reg 64, Parts 216.3 to .6)
Appointment of agent (2112(a-c))
Termination of agent appointment (2112(d); Regs 9, 18, 29, Part 20.2)
Unfair and prohibited practices
Misrepresentation (2123; Reg 64, Part 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; Regs 9, 18, 29 Parts 20.3, 20.4)
License display (Reg 125, Part 34.5)
Commissions and compensation (2102(e), 2114-2116, 2119; Regs 9, 18, 29 Part 20.6)
Termination responsibilities of producer (2112)
Examination of books and records (2404; Reg 152, Parts 243.0 to.3)
Insurance Frauds Prevention Act (401-406)
Consumer privacy regulation: (Reg 169, Parts 420.0 to.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
- 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
- Reasonable expectations
- Indemnity
- Utmost good faith
- Representations/Misrepresentations (3105)
- Warranties (3106)
- Rescission
- 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, sole proprietor, franchise and group
- Private versus government
- Limited versus comprehensive

3.4 Types of Limited policies

- Limited benefits and amounts
- Required notice to insured
- Types of limited policies
 - Accident-only
 - Specified (dread) disease
 - Hospital indemnity (income)
 - Dental insurance
 - Diagnostic and preventive care
 - Scheduled benefits
- 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 34, Parts 215.1 to .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 145, Part 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))
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
Presumptive disability
Proof of Loss

5.2 Individual disability income insurance

Basic total disability plan
Income benefits
Elimination and benefit periods
Waiver of premium feature
Coordination with social insurance and workers' compensation benefits
Individual tax premium consideration
Additional monthly benefit (AMB)
Social insurance supplement (SIS)

Occupational versus nonoccupational coverage
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))
Benefits
Accidental death and dismemberment
Rehabilitation benefit
Medical reimbursement benefit (nondisabling injury)
Partial disability benefit
Residual disability benefit
Total disability benefit
24-hour coverage versus limited/at-work coverage
Exclusions

5.3 Unique aspects of individual disability underwriting

Occupational/avocational 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 13%

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 62, Parts 52.5 to 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)(B))
- Policy extension for handicapped children (3216(c)(4)(A))
- Newborn child coverage (3216(c)(4)(C))
- Timothy's Law
- Infertility

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

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

6.6 Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs)

- 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

Reimbursement versus indemnity/cash

Inflation protection (COLA): (Reg 62, Part 52.25(c)(3))

Nonforfeiture benefits: (Reg 62, Part 52.25(c)(7))

Guarantee of insurability

Return of premium

Shared care

Individual, group and association plans

Qualified versus non-qualified LTC plans

Exclusions (Reg 62, Part 52.25(b)(2))

Underwriting considerations

Suitability

7.2 New York regulations and required provisions

Renewability (Reg 62, Part 52.25(b)(1))

Required disclosure provisions: (Reg 62, Part 52.65)

Prohibited practices

Replacement (Reg 62, Part 52.29)

Permitted compensation arrangements (Reg 62, Part 52.25(e))

New York State Partnership for Long Term Care (Reg 144, Part 39)

Dollar for dollar or time element

Medicaid Estate Recovery Act (OBRA '93)

New York Tax Credit

8.0 GROUP HEALTH AND BLANKET INSURANCE 12%

8.1 Characteristics of group insurance

Group contract

Certificate of coverage

Experience rating versus community rating

Definition of eligible group: (4235(b)(c))

8.2 Types of eligible groups (4235)

- 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
- Family Medical Leave Act (FMLA)
- 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
- Partially self-insured plans
- Stop-loss coverage
- Administrative-services only (ASO) arrangements
- 501(c) (9) trust
- Fully self-insured (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 62, Part 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 145, Part 360.2(f))
Benefit plans offered
Availability of coverage: (Reg 145, Parts 360.2(e), .3)
Renewability (Reg 145, Part 360.2(e))

9.0 GOVERNMENT HEALTH INSURANCE PLANS 10%

9.1 Worker's compensation

Eligibility
Benefits

9.2 Social Security Disability

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

9.3 New York State Disability Benefits Law

Purpose
Definitions
Employment covered
Benefits

9.4 Medicaid

Eligibility and Benefits
Child Health Plus
Eligibility and Benefits
Family Health Plus
Eligibility and Benefits

9.5 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
- Medicare Select (Reg 62, Part 52.14)
- Part C — Medicare Advantage
- Part D — Prescription Drug Insurance

9.6 Healthy New York (4326)

9.7 Medical Savings Accounts (MSA's)

9.6 Flexible Spending Accounts (FSAs) \ and Health Savings Accounts (HSAs)

10.0 PRIVATE INSURANCE FOR SENIOR CITIZENS AND SPECIAL NEEDS INDIVIDUALS 5%

10.1 Medicare supplements

- Purpose
- Open enrollment (Reg 62, Part 52.22(k))
- Standardized Medicare supplement plans
- Core benefits
- Additional benefits
- New York regulations and required provisions
- Standards for marketing: (Reg 62, Part 52.22(i))
- Permitted compensation arrangements: (Reg 62, Part 52.22(h))
- Appropriateness of recommended purchase or replacement: (Reg 62, Part 52.22(f)(4))
- Replacement: (Reg 62, Part 52.22(f, g))
- Disclosure statement: (Reg 62, Part 52.63)
- Renewability (Reg 62, Part 52.22(b)(1)(i))

10.2 Other Medicare options for individuals

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