

Your Exam Content Outline

The following outline describes the content of one of the Oregon 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.

Oregon Producer's Examination for Health Insurance Series 12-02

100 questions – Two-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053)

Consultants (ORS 744.605, .609, .626;
OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration

Renewal and nonrenewal (ORS 744.072, .074)

Continuing education requirements (ORS
744.072(4); OAR 836-071-0215–0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2),
.068)

Change of address or telephone number
(ORS 744.028(1), .068)

Reporting of actions (ORS 744.089)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or
refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

1.2 State regulation

Director's general duties and powers
(ORS 731.236)

Company regulation

Solvency (ORS 731.554(6))

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079,
.081)

Unfair claim settlement practices

(ORS 746.230; OAR 836-080-0205–0250)

Producer regulation

Fiduciary and trust account responsibilities
(ORS 744.083; OAR 836-074-0020–0050)

Place of business/records maintenance
(ORS 744.068)

Controlled business (ORS 746.065, .160)
Shared commissions (ORS 744.076, .077;
OAR 836-071-0269–0277)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110;
OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015;

OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Suitability (OAR 836-080-0001–0043,
836-080-0090)

Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.620,
.630, .665)

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 10%

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

Reciprocals

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 producer
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

3.0 Health Insurance Basics 6%

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

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

3.5 Common exclusions from coverage

3.6 Producer responsibilities in individual health insurance

Marketing requirements
Advertising (OAR 836-020-0200–0305)
Oregon Life and Health Insurance Guaranty Association (ORS 734.750–.890)
Sales presentations
Outline of coverage (OAR 836-020-0305)

Field underwriting

Nature and purpose
Disclosure of information about individuals
Application procedures
Requirements at delivery of policy

Common situations for errors/omissions

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) (OAR 836-050-0250)

Unfair discrimination

Classification of risks

Preferred

Standard

Substandard

3.8 Considerations in replacing health insurance (ORS 743.766(2, 3))

Pre-existing conditions
Benefits, limitations and exclusions
Producer liability for errors and omissions

4.0 Individual Health Insurance Policy General Provisions 7%

4.1 Uniform required provisions

Incontestability (ORS 743.414, .472)
Grace period (ORS 743.417)
Reinstatement (ORS 743.420)
Claim procedures (ORS 743.423–.435)

4.2 Uniform optional provisions

Change of occupation (ORS 743.450)
Misstatement of age (ORS 743.453)

4.3 Other general provisions

Right to examine (free look) (ORS 743.492)
Insuring clause (ORS 743.405)
Consideration clause
Entire contract; changes (ORS 743.411)
Physical examinations and autopsy (ORS 743.411, .438)
Legal actions (ORS 743.441)
Change of beneficiary (ORS 743.444)
Unpaid premium (ORS 743.468)
Conformity with state statutes (ORS 743.474)

Illegal occupation (ORS 743.477)
Renewability clause (ORS 743.495, .498, .766(5))
Noncancelable
Guaranteed renewable
Conditionally renewable
Renewable at option of insurer
Nonrenewable (cancelable, term)

5.0 Disability Income and Related Insurance 6%

5.1 Qualifying for disability benefits

Inability to perform duties
Own occupation
Any occupation
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
(ORS 743.465)
Other cash benefits
Accidental death and dismemberment
Rehabilitation benefit
Medical reimbursement benefit
(nondisabling injury)
Refund provisions
Return of premium
Cash surrender value
Exclusions

5.3 Unique aspects of individual disability underwriting

Occupational considerations
Benefit limits
Policy issuance alternatives

5.4 Group disability income insurance

Short-term disability (STD)
Long-term disability (LTD)

5.5 Business disability insurance

Key employee (partner) disability income
Disability buy-sell policy

5.6 Social Security disability

Qualification for disability benefits
Definition of disability
Waiting period

Disability income benefits

5.7 Workers compensation

Eligibility

6.0 Medical Plans 17%

6.1 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

6.2 Types of providers and plans

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 versus referral
(specialty) physician
Emergency care
Hospital services
Other basic services
Preferred provider organizations (PPOs)
General characteristics
Open panel or closed panel
Types of parties to the provider contract
Point-of-service (POS) plans
Nature and purpose
Out-of-network provider access
(open-ended HMO)
PCP referral (gatekeeper PPO)
Indemnity plan features

6.3 Cost containment in health care delivery

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

6.4 Oregon requirements (individual and group)

Eligibility requirements
Newborn child coverage (ORS 743A.090)
Dependent child age limit (ORS 743.405(3))
Coverage for adopted children (ORS 743A.090)
Benefit offers
Alcoholism treatment (ORS 743A.160)

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

Eligibility
Guaranteed issue
Pre-existing conditions
Creditable coverage
Renewability

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

- Definition
- Eligibility
- Contribution limits
- Portability

7.0 Group Health Insurance 20%

7.1 Characteristics of group insurance

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

7.2 Types of eligible groups

- Employment-related groups
 - Individual employer groups
 - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- Associations (alumni, professional, other)

7.3 Marketing considerations

- Advertising
- Regulatory jurisdiction/place of delivery

7.4 Employer group health insurance

- Insurer underwriting criteria
 - Characteristics of group
 - Plan design factors
 - Persistency factors
 - Administrative capability
- Eligibility for insurance
 - Employee eligibility
 - Dependent eligibility
- Coordination of benefits provision (OAR 836-020-0770–0806)
- Change of insurance companies or loss of coverage
 - No-loss no-gain
 - Events that terminate coverage
 - Extension of benefits
 - Continuation of coverage under COBRA and Oregon rules (ORS 743.610; OAR 836-052-0860)
 - Conversion rights for former spouse (ORS 743.600–.602)

7.5 Small employer medical plans

- Definition of small employer (ORS 743.730)
- Basic coverage (ORS 743.730(4), .736)
- Availability of coverage (ORS 743.752)
- Renewability of coverage (ORS 743.737(5))
- Pre-existing conditions (ORS 743.730(27), .737(1-3), .754)
- Participation requirements (ORS 743.737(7))
- Open enrollment

8.0 Dental Insurance 3%

8.1 Categories 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
- Exclusions
- Limitations

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 14%

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 supplements

- Purpose (OAR 836-052-0103)
- Open enrollment (OAR 836-052-0138)
- Standardized Medicare supplement plans
 - Core benefits (OAR 836-052-0133)
 - Additional benefits
- Oregon regulations and required provisions
 - Standards for marketing (OAR 836-052-0175)
 - Advertising (ORS 743.687; OAR 836-052-0170)
 - Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)
 - Right to return (free look) (ORS 743.686)
 - Replacement (ORS 743.013; OAR 836-052-0165, 0190)
 - Pre-existing conditions (OAR 836-052-0165, 0190)
 - Required disclosure provisions (ORS 743.685; OAR 836-052-0160)
 - Outline of coverage (ORS 743.685(2); OAR 836-052-0160, 0190)
 - Buyer's guide (ORS 743.685(6))
 - Permitted compensation (OAR 836-052-0156)
- Medicare SELECT (OAR 836-052-0139)

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

- 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
 - Guarantee of insurability
 - Return of premium
- Qualified LTC plans
- Exclusions
- Oregon regulations and required provisions
 - Standards for marketing (OAR 836-052-0706)
 - Advertising (OAR 836-052-0696)
 - Shopper's guide (OAR 836-052-0786)
 - Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
 - Appropriateness of recommended purchase
 - Right to return (free look) (ORS 743.655(6))
 - Replacement (OAR 836-052-0626, 0736)
 - Renewal provisions
 - Continuation or conversion
 - Required disclosure provisions (OAR 836-052-0716)
 - Inflation protection
 - Pre-existing conditions (ORS 743.655(3))
 - Protection against unintentional lapse
 - Prohibited provisions

9.5 Oregon Medical Insurance Pool (ORS 735.600–.650)

- Eligibility (ORS 735.615)
- Coverages and limits (ORS 735.625)
- Exclusions
- Deductibles and coinsurance

10.0 Federal Tax Considerations for Health Insurance 7%

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)
 - Benefits subject to FICA
- 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
- Buy-sell policy

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