

Your Exam Content Outline

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

Arizona Examination for Life, Accident and Health or Sickness Insurance Producer

Series 13-33

150 questions – 2.5 hour time limit

Effective January 22, 2020

1.0 Insurance Regulation 4%

1.1 Licensing

License application requirements (20-285)

Number of exam attempts (20-284)(H)

Licensing eligibility/lawful presence (41-1080)

Types of licensees

Producers (20-281(5), 286)

Nonresidents (20-281(11))

Adjusters (20-321)

Life Settlement Broker (ARS 20-3202)

Business entities (20-281(1), 285(D, E), 290(B))

Surplus lines brokers (20-407, 411)

Temporary (20-294)

Vending machines (20-293)

Lines of producer license authority (20-286, (A), 321 331, 332, 411, 411.01, 1580, 1693.01,2662)

Fingerprinting requirements (20-142(E), 285(E), 286(C), 289(D))

Assumed business name (20-297)

Maintenance and duration

Expiration, surrender and renewal (20-289)

Inactive license status during military service (20-289.01)

Change of personal contact information (20-286(C))

Change of business information (20-286)(C))

Report of actions (20-301)

Continuing education (20-2902, 2903)

Disciplinary actions

Denial, suspension, revocation or refusal to renew; civil penalties (20-295, 296)

Cease and desist order (20-292)

1.2 State regulation

Acts constituting insurance transaction (20-106, 282, 401.01)

Negotiate (20-281(10))

Sell (20-281(14))

Solicit (20-281(15))

Payment of premiums (20-191)

Certificate of authority (20-217(A))

Producer regulation

Sharing commissions (20-298)

Place of business and records (20-157, 290; AZ Const Art 14 s 16)

Unfair practices and frauds

Unfair trade practices (20-442)

Misrepresentation (20-443, 443.01, 447; Rule R20-6-801(D))

False or deceptive advertising (20-444)

Defamation of insurer (20-445)

Boycott, coercion or intimidation (20-446)

False financial statements (20-447)

Unfair discrimination (20-448)

Gender discrimination (Rule R20-6-207)

Rebating (20-449-451)

Prohibited inducements (20-452)

Fees (20-465)

Unfair claims settlement practices (20-461; Rule R20-6-801)

Claims payment (20-462)

Insurance fraud (20-463, 466-466.04)

Insurance information and privacy protection (20-2101-2122)

1.3 Federal regulation

Affordable Care Act (45 CFR 144, 146, 147, 148, 150, 154, 155, 156, 157, 164 and 170; and 42 USC 300gg-300gg-91)

Mental Health Parity and Addiction Equity Act (45 CFR Parts 146 and 147)

Genetic Information Nondiscrimination Act (45 CFR Parts 144, 146, and 148; 45 CFR Parts 160 and 164; and 29 CFR Part 2590)

Violent Crime Control and Law Enforcement Act (20-489; 18 USC 1033, 1034; 15 USC 6101-6108; ARS 44-1282)

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

Telemarketing Sales Rule (16 CFR 310; 15 USC 6101-6108; A.R.S. 44-1282)

CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)

Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)

Transfer

Managed care

Utilization review

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

2.2 Insurers

Types of insurers

Mutual, stock, fraternal (20-702, -703)

Captive insurance companies (20-1098)

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocals (20-761,-762)

Risk retention groups (20-2401(10), 15 USC SS 3901, 3902)

Lloyd's associations (20-1021)

Hospital, medical, dental, optometric service corporations (ARS 20-821 et seq)

Health care service organizations (ARS 20-1051 et seq; AAC R20-6-1901 et seq; AAC R20-6-405)

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers (20-201, 203, 204)

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

2.0 General Insurance 6%

2.1 Concepts

Insurance, definition of (20-103)

Risk management key terms

Risk

Exposure

Hazard

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

- Competent parties
- Legal purpose
- Distinct characteristics of an insurance contract
 - Contract of adhesion
 - Personal contract
 - Aleatory 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

- Key person
- Executive bonuses

3.5 Classes of life insurance policies

- Group versus individual
- Ordinary versus industrial (home service)
- Permanent versus term
- Participating versus nonparticipating
- Fixed versus variable life insurance and annuities
 - Regulation of variable products (SEC, FINRA and Arizona) (20-2604, 2606, 2633)
 - Qualifications of producers for the sale of variable products (20-2662)

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, sales presentations, advertising requirements, and disclosures
 - General provisions (20-1241.03; Rule R20-6-202)
 - Policy summary (Rule R20-6-209(B)(8), (D))
 - Buyer's guide (20-1242.02, Rule R20-6-209(C), R20-6-211 Appendix)
 - Life and Disability Insurance Guaranty Fund (20-443(6), 683)
 - Life insurance policy cost comparison methods (Rule R20-6-209(B)(6))
 - Replacement (20-1241-1241.09; Rule R20-6-212)
- Field underwriting
 - Application procedures
- Delivery
 - Policy review

3.0 Life Insurance Basics 12%

3.1 Insurable interest (20-443.02, 20-1104, 1106, 1107)

3.2 Personal uses of life insurance

- Survivor protection
- Estate creation
- Cash accumulation
- Liquidity
- Estate conservation
- Viatical and life settlements

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

Effective date of coverage
Premium collection
Statement of good health

3.8 Individual underwriting by the insurer

Information sources and regulation
Application
Producer report
Attending physician statement
Investigative consumer (inspection) report (20-2107)
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (20-448.01; Rule R20-6-1203, 1204; Bul 2003-5, 9)
Selection criteria
General selection criteria
Discrimination on basis of blindness prohibited (Rule R20-6-211)
Genetic testing (20-448(D), (E), 448.02)
Classification of risks
Preferred
Standard
Substandard
Certificate of Authority (20-206(A))

4.0 Life Insurance Policies 10%

4.1 Term life insurance

Level term
Annual renewable term
Level premium term
Decreasing term

4.2 Whole life insurance

Continuous premium (straight life)
Limited payment
Single premium

4.3 Flexible premium policies

Adjustable life
Universal life
Variable universal
Index whole life

4.4 Specialized policies

Joint life (first-to-die)
Juvenile life
Survivorship life

4.5 Group life insurance

Individual certificates (20-1265)
Characteristics of group plans
Group eligibility (20-1251)
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy (20-1266-1269)

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 10%

5.1 Standard provisions

Ownership
Assignment (20-1122, 1277)
Limitation of liability (20-1226)
Entire contract (20-1205)
Modifications
Right to examine (free look) (Rule R20-6-209(C)(1))
Payment of premiums (20-1214)
Grace period (20-1203, 1259)
Reinstatement (20-1213)
Incontestability (20-1204, 1217, 1260)
Misstatement of age (20-1206, 1263)
Policy title (20-1216)
Policy settlements and proceeds (20-1228-1230)
Exclusions (20-1226)
Payment of claims (20-1215)

5.2 Beneficiaries

Designation options
Individuals
Classes
Estates

Minors

Trusts

Succession

Revocable versus irrevocable

Primary and contingent

Common disaster clause

5.3 Settlement options

Cash payment

Interest only

Fixed-period installments

Fixed-amount installments

Life income

Single life

Joint and survivor

5.4 Nonforfeiture options (20-1231)

Cash surrender value

Extended term

Reduced paid-up insurance

5.5 Policy loan and withdrawal options (20-1209, 1209.01)

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

Paid-up insurance

5.7 Disability riders

Waiver of premium

Waiver of cost of insurance

Disability income benefit

Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provision/rider (20-1136)

Conditions for payment

Effect on death benefit

Long-term care

Conditions for payment

Effect on death benefit

5.9 Riders covering additional insureds (20-1257)

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 9%

6.1 Standard provisions

Grace period (20-1219, 1271)

Incontestability (20-1220)

Entire contract (20-1221, 1272)

Misstatement of age (20-1222, 1227, 1273)

Reinstatement (20-1224, 1227)

Free look (20-1233)

Disclosure (20-1242, 1242.01–1242.05)

6.2 Annuity principles and concepts

Accumulation period versus annuity period

Owner, annuitant and beneficiary

Insurance aspects of annuities

6.3 Immediate versus deferred annuities

Single premium immediate annuities (SPIAs)

Deferred annuities

Premium payment options

Nonforfeiture (20-1232, 1274)

Surrender charges

Death benefits

6.4 Annuity (benefit) payment options

Life contingency options

Straight life versus life with guaranteed minimum

Single life versus multiple life

Annuities certain (types)

6.5 Annuity products

Fixed annuities

General account assets

Interest rate guarantees (minimum versus current)

Level benefit payment amount

Equity indexed annuities

Market value adjusted annuities

6.6 Uses of annuities

Lump-sum settlements

Qualified retirement plans

Group versus individual annuities

Personal uses

Individual retirement plans

Tax-deferred growth

Retirement income

Education funds

Compatibility and suitability (20-1243, 1243.01-1243.06)

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 plans

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 Disability (Accident and Health) Insurance Basics 9%

8.1 Definitions of perils

Accidental injury

Sickness

8.2 Principal types of losses and benefits

Loss of income from disability

Medical expense

Dental expense

Long-term care expense

Prescriptions

8.3 Classes of health insurance policies

Individual versus group

Small group versus large group

Qualified health plan

Marketplace plans

Stand-alone dental plans

Private versus government

7.0 Federal Tax Considerations for Life Insurance and Annuities 4%

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

Limited versus comprehensive

8.4 Limited policies

Limited perils and amounts

Required notice to insured

Types of limited policies

Excepted benefits (45 CFR 148.220)

Accident-only

Specified (dread) disease

Hospital indemnity (income)

Credit disability

Blanket insurance (teams, passengers, other)

Prescription drugs

Vision care

8.5 Common exclusions from coverage

8.6 Producer responsibilities in individual health insurance

Privacy and security (ARS 20-2101 et seq; AND 45 CFR 155.260)

Marketing requirements

Insurable interest (20-1104, 20-1106, 20-1107, 20-1370)

Advertising Requirements (R20-6-201, 201.01, 201.02)

Sales presentations

Summary of benefits and coverage (45 CFR Part 147)

Life and Disability Insurance Guaranty Fund (20-683)

Field underwriting

Insurer underwriting

Nature and purpose

Disclosure of information about individuals

Application procedures

Requirements at delivery of policy

Common situations for errors/omissions

8.7 Individual underwriting by the insurer

Underwriting criteria

Guaranteed availability (45 CFR 147.104)

Sources of underwriting information

Application

Producer report

Medical Information Bureau (MIB)

Medical examinations and lab tests (including HIV consent) (20-448.01; Rule R20-6-1203, 1204)(Bul 2003-5, 9)

Policy Delivery

Effective date of coverage

QHP rating factors (45 CFR 147.102)

Unfair discrimination (20-448)

Genetic testing (20-448(D), (E), 448.02)

Classification of risks

Preferred

Standard

Substandard

Certificate of Authority (20-206(A))

8.8 Considerations in replacing health insurance

Guaranteed renewable (ARS 20-1380; 45 CFR 148.122 AND 146.152)

Termination of coverage (45 CFR 155.430)

Special enrollment period/late enrollment (45 CFR 155.420; ARS 20-2301)

Open enrollment (45 CFR 155.410)

Grace period (ARS 20-1347; 45 CFR 156.270)

Reinstatement (ARS 20-1348; 45 CFR 155.430)

Discontinuation (45 CFR 147.106)

Pre-existing conditions

Benefits, limitations and exclusions

Underwriting requirements

Producer's liability for errors and omissions

Life and disability insurance Guaranty Fund (20-283(A))

9.0 Individual Disability (Accident and Health) Insurance Policy General Provisions 6%

9.1 Uniform required provisions

Essential health benefits (45 CFR 156)

Entire contract; changes (20-1345)

Time limit on certain defenses (20-1346)

- Grace period (20-1347)
- Reinstatement (20-1348)
- Claim procedures (20.1349–53)
- Physical examinations and autopsy (20-1354)
- Legal actions (20-1355)
- Change of beneficiary (20-1356)
- Time of payment claims (20-1352)
- Payment of claims (20-1353)
- Notice of claim
- Proof of Loss (20-1351)
- Physical examinations and autopsy (20-1354)

9.2 Uniform optional provisions

- Change of occupation (20-1358)
- Misstatement of age (20-1359, 1373)
- Other insurance in this insurer (20-1360)
- Insurance with other insurers
 - Expense-incurred basis (20-1361)
 - Other benefits (20-1362)
- Unpaid premium (20-1364)
- Cancellation (20-1365)
- Conformity with state statutes (20-1366)
- Illegal occupation (20-1367)
- Intoxicants and narcotics (20-1368)

9.3 Other general provisions

- Right to examine (free look) (Rule R20-6-501)
- Insuring clause
- Consideration clause
- Renewability clause (20-1380)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)
- Guaranteed issue (20-1379)

- Inability to perform duties
 - Own occupation
 - Any occupation
- Pure loss of income (income replacement contracts)
- Indemnity
- Presumptive disability
- Requirement to be under physician care

10.2 Individual disability income insurance

- Basic total disability plan
 - Income benefits (monthly indemnity)
 - Elimination and benefit periods
 - Waiver of premium feature
 - Probationary period
- 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
 - Permanent disability benefit
- Other provisions affecting income benefits
 - Cost of living adjustment (COLA) rider
 - Future increase option (FIO) rider
 - Relation of earnings to insurance (20-1363)
- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (nondisabling injury)
- Refund provisions
 - Return of premium
 - Cash surrender value
- Exclusions

10.3 Unique aspects of individual disability underwriting

10.0 Disability Income and Related Insurance 4%

10.1 Qualifying for disability benefits

Occupational considerations

Benefit limits

Policy issuance alternatives

10.4 Group disability income insurance

Group versus individual plans

Short-term disability (STD)

Long-term disability (LTD)

10.5 Business disability insurance

Key employee (partner) disability income

Business overhead expense policy

Disability buy-sell policy

10.6 Social Security disability

Qualification for disability benefits

Definition of disability

Waiting period

Disability income benefits

10.7 Workers compensation

Eligibility (RL 23-901, 23-901.01)

Benefits (RL 23-1021)

11.0 Medical Plans 6%

11.1 Medical plan concepts

Expense reimbursement/indemnity versus prepaid basis

Specified coverage versus comprehensive coverage

Minimum essential coverage (45 CFR 156.600, 602, 604; 45 CFR §155.605)

Schedule of benefits

In- and out-of-network benefits

On- and off-marketplace plans

Grandfathered (45 CFR 147.140) versus transition plan

Unusual/reasonable/customary charges

Broad versus narrow provider network

Insureds versus subscribers/participants

Prepaid

Essential health benefits coverage versus excepted benefits

Dependents

Healthcare appeal rights

Role of the federal health insurance marketplace (healthcare.gov)

11.2 Types of providers and plans

Health care services organizations (HCSOs)-pre-paid health care

General characteristics

Essential health benefits

Basic health care services (AAC R20-6-1904)

Preventive care services

Primary care physician versus referral (specialty) physician

Emergency care

Hospital services

Other basic services

In-network providers

Network exception (AAC R20-6-1910)

Cost-share

Maximum out of pocket (MOOP)

Preferred provider organizations (PPOs)

General characteristics

Essential health benefits

Reimbursement methodology

Cost-share differences in- versus out-of-network services

Maximum out of pocket (MOOP)

Provider network

Types of parties to the provider contract

Point-of-service (POS) plans-Combination HCSO & PPO policies

Nature and purpose

In- and Out-of-network provider access

Cost-share differences in- versus out-of-network services

PCP referral (gatekeeper PPO)

Indemnity plan features

11.3 Cost containment in health care delivery

Cost-saving services

Open enrollment period

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

11.4 Arizona eligibility requirements (individual and group)

- Dependent child age limit (20-1342(A)(3))
- Newborn child coverage (20-1342(A)(3))
- Coverage of adopted children (20-1342(A)(3),(11),(12), 1692, 2321)
- Child coverage; non-custodial parents (20-1692.03)
- Physically or mentally handicapped dependent coverage (20-1342.01, 1407)
- Rating criteria health insurance policies (45 CFR 147.102)

11.5 Marketing Considerations

- Advertising (Rule R20-6-201)
- Regulatory jurisdiction/place of delivery
- Disclosure form (20-2323)
- Summary of benefits & coverages

12.0 Group Accident and Health Insurance 6%

12.1 Characteristics of group insurance

- Small group versus large group (ARS 20-2301 et seq; 45 CFR)
- Group contract
- Certificate of coverage (20-1402(A)(2))
- Experience rating versus community rating

12.2 Types of eligible groups (20-1401)

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

12.3 Marketing considerations

- Advertising (Rule R20-6-201)

- Regulatory jurisdiction/place of delivery
- Disclosure form (20-2323)
- Summary of benefits & coverages

12.4 Large group disability (accident and health) insurance

- Insurer underwriting criteria
 - Characteristics of group
 - Plan design factors
- Eligibility for coverage
 - Annual open enrollment
 - Employee eligibility
 - Dependent eligibility
- Coordination of benefits provision (Rule R20-6-214)
- 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
 - Conversion (20-1377, 1408)
 - Reinstatement of coverage for military personnel (20-1408(L))
 - Special enrollment period (45 CFR 155.420)
 - Open enrollment
 - Loss of minimum essential coverage

12.5 Small group disability (accident and health) insurance

- Definition of small employer (20-2301(A)(21))
- Accountable Health Plan (20-2301(A)(1))
- Health benefits plan (20-2301(A)(11))
- Small employer (20-2301(A) (11))
- Late Enrollee (20-2301(A)(15))
- Availability and eligibility (20-2304, 2307, 2308)
- Prohibited marketing practices (20-2313)
- Renewability (20-2309)
- Guaranteed issue (20-2304)

Limitations on exclusion from coverage
Pre-existing conditions (20-2301(A)(20), 2310(B))
Credit for prior coverage (20-2310)
Small business health insurance (20-2341)
Notification of small employer of reduction in premium tax (20-2304(J))
Geographic rating areas and other rating factors (ARS 20-238; 20-2311; 45 CFR 147.102)

12.6 Privacy (20-1379)

Insurance information & privacy protection (ARS 20-2101 et seq)
Customer information security (AAC R20-6-2101 - 2104)
HIPAA privacy protections
Electronic notices (ARS 20-239; ARS 44-7001 - 7052)
Affordable Care Act privacy protections (45 CFR 155.260)

13.0 Dental Insurance 3%

13.1 Types of dental treatment

Diagnostic and preventive
Restorative
Oral surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics

13.2 Indemnity plans/PPO Dental Plans

Stand-Alone Dental Plans (SADP) (45 CFR 155.1065)
Essential pediatric dental benefit
Role of the federal health insurance marketplace on dental insurance
Group versus individual dental insurance
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

13.3 Prepaid dental plans

Characteristics
Basic services (R20-6-1806)
Exclusions
Limitations

14.0 Insurance for Senior Citizens and Special Needs Individuals 8%

14.1 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
Late enrollment penalty
Medicare savings programs (QMB, SLMB)
Medicare marketing restrictions

14.2 Medicare supplements (Rule R20-6-1101)

Purpose
Open enrollment
Rating of supplemental plans
Standardized Medicare supplement plans
Core benefits
Additional benefits

- Arizona regulations and required provisions
 - Standards for marketing
 - Advertising
 - Appropriateness of recommended purchase and excessive insurance
 - Guide to health insurance
 - Outline of coverage
 - Right to return
 - Replacement
 - Minimum benefit standards
 - Required disclosure provisions
 - Permitted compensation arrangements
 - Renewability and cancellation
 - Continuation and conversion requirements
 - Notice of change
- Medicare select

14.3 Other options for individuals with Medicare

- Employer group health plans
 - Disabled employees
 - Employees with kidney failure
 - Individuals age 65 and older
- Arizona Health Care Cost Containment System (AHCCCS)
 - Eligibility (RL 36-2901(6), 2901.03, .05)
 - Benefits (RL 36-2907)

14.4 Long-term care (LTC) insurance

- Required communications to LTC applicants
 - Outline of Coverage (ARS 20-1691.06; Rule R20-6-1022)
 - Shopper's Guide (Rule R20-6-1023)
 - Personal Worksheet (Rule R20-6-1018 and Appendix A)
 - Rating Practices (Rule R20-6-1008(B1-6), (E) and (F))
- Eligibility for benefits
- Levels of care
 - Skilled care
 - Intermediate care
 - Custodial care

- Home health care (Rule R20-6-1004(I))
- Adult day care
- Respite care
- Benefit periods (20-1691.03(C))
- Benefit amounts
- Optional benefits
 - Guarantee of insurability
 - Return of premium
- Qualified LTC plans
- Exclusions (Rule R20-6-1004(B)(1)-(4))
- Underwriting considerations
- Arizona regulations and required provisions
 - Long term care partnership program (ADOI Bulletin 2009-05)
 - Standards for marketing (Rule R20-6-1017)
 - Right to return (free look) (20-1691.07)
 - Replacement (Rule R20-6-1004(F), 1010)
 - Prohibited policy provisions (20-1691.05; Rule R20-6-1004(B), 1011)
 - Renewal considerations (Rule R20-6-1004(A))
 - Cancellation (20-1691.03(A))
 - Unintentional lapse (Rule R20-6-1005)
 - Suitability (Rule R20-6-1018)
 - Premium increase (Rule R20-6-1004(G), 1008)
 - Continuation of benefits (Rule R20-6-1004(E))
 - Inflation protection (Rule R20-6-1006)
 - Required disclosure provisions (Rule R20-6-1007)
 - Pre-existing conditions (20-1691(12), 1691.03(G))
 - Contestable periods (20-1691.10)
 - Nonforfeiture (Rule R20-6-1019)
 - Nonforfeiture Benefit triggers (Rule R20-6-1020)
 - Producer long term care partnership training (20-1691.12)

**15.0 Federal Tax Considerations for Disability
(Accident and Health) Insurance 3%**

15.1 Personally-owned health insurance

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

15.2 Employer group health insurance

- Disability income (STD, LTD)
 - Benefits subject to FICA
- Medical and dental expense
- Long-term care insurance
- Accidental death and dismemberment
- Section 125 plans

15.3 Medical expense coverage for sole proprietors and partners

15.4 Business disability insurance

- Key person disability income
- Buy-sell policy

15.5 Health Reimbursement Arrangements (HRAs)

Flexible Spending Accounts (FSAs)

- Definition
- Eligibility
- Contribution limits

Health Savings Accounts (HSAs)

- Definition
- Eligibility
- Contribution limits

Medical Savings Accounts (MSAs)

- Definition
- Eligibility