

**Utah Producer's Accident and Health Exam
Series 17-02
100 questions (plus 5 unscored items)
2-hour time limit**

1.0 Insurance Regulation 15% (15 Items)

1.1 Licensing

- Purpose (31A-23a-101)
- Process (31A-23a-103–105, 107, 302)
- Qualifications (31A-23a-107, 108)
- Types of licensees (31A-1-301, 31A-23a-106, 203, 401, 504)
 - Producers
 - Consultants
 - Adjusters
 - Nonresidents (31A-23a-109)
- Maintenance and duration
 - Renewal (31A-23a-105)
 - Continuing education requirements (31A-23a-202; Reg R590-142-1 through 10)
 - Reinstatement (31A-23a-111(2), 113)
 - Assumed name (31A-23a-110(2))
 - Change of address or telephone number (31A-23a-412(1)(c))
 - Reporting of actions (31A-23a-105(2)(b))
- Disciplinary actions
 - License termination, suspension, or revocation (31A-2-308(10)(a); 31A-23a-111)
 - Probation (31A-23a-112)
 - Monetary forfeiture (fines) (31A-2-308)

1.2 State regulation

- Commissioner's general duties and powers (31A-2-201)
- Company regulation
 - Solvency (31A-4-105, 105.5)
 - Rates (31A-19a-201–203)
 - Policy forms (31A-21-201–203)
 - Producer appointment (31A-23a-115; Reg R590-244-1–14)
 - Termination of appointment (Reg R590-244-1–14)
 - Unfair claim settlement practices (31A-26-303; Reg R590-190–192)
- Producer regulation
 - Fiduciary and trust account responsibilities (31A-23a-409)
 - Place of business/records maintenance (31A-23a-412)
 - Controlled business (31A-23a-502)
 - Shared commissions (31A-23a-504)
- Unfair marketing practices (Reg R590-154)
 - Misrepresentation (31A-21-105; 31A-23a-402(1))

- False advertising (31A-23a-402(1))
- Rebating (31A-23a-402(2), 31A-1-301(145))
- Unfair discrimination (31A-23a-402(3))
- Boycott, coercion or intimidation (31A-23a-402(4))
- Illegal inducement (31A-23a-402.5, Reg R590-154-11)
- Examination of records (31A-2-203–205; 31A-23a-412)

- Privacy of Consumer Information (Reg R590-206)
- Insurance fraud regulation (31A-31-103–106)
- Personal liability for unpaid claims (31A-15-105)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)
- Privacy (Gramm Leach Bliley)
- National Do Not Call List
- Affordable Care Act

2.0 General Insurance 10% (10 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
 - Reciprocal
 - 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 Accident and Health Insurance Basics 23% (23 Items)

3.1 Definitions of perils

- Accidental injury (R590-126, 233)
- Sickness, medical necessity and emergency (31A-22-627)

3.2 Principal types of losses and benefits

- Loss of income from disability (R590-126, 233)
- Medical expense
- Dental expense
- Long-term care expense

3.3 Classes of health insurance policies

- Individual versus group
- Private versus government
- Self-funded vs fully insured
- Limited versus comprehensive
- Employer group versus association group

3.4 Limited policies (R590-126)

- 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 (R590-126)

3.6 Licensee responsibilities in individual health insurance

- Marketing requirements
 - Advertising (Reg R590-130-4-16)

- Utah Life and Health Insurance Guaranty Association (31A-28-119(1-4); R590-155)
- Sales presentations
- Outline of coverage (Reg R590-126-8, 233-8)
- Compensation disclosure (31A-23a-501)

Field underwriting

- Nature and purpose
- Employee waiver form (31A-22-635; R590-247)
- Disclosure of information about individuals (R590-126, 233)
- Application procedures
- Requirements at delivery of policy
- Utah individual and small employer health insurance application (R590-247)
- Common situations for errors/omissions

3.7 Individual underwriting by the insurer

Underwriting criteria

Sources of underwriting information

- Application
- Licensee report
- Attending physician statement
- Investigative consumer (inspection) report
- Medical Information Bureau (MIB)
- Medical examinations and lab tests (including HIV consent) (Reg R590-132-3)
- Unfair discrimination (31A-23a-402(3))
- Genetic Information and Nondiscrimination Act of 2008 (GINA)

Classification of risks

- Preferred
- Standard
- Substandard

3.8 Considerations in replacing accident and health insurance (Reg R590-126-9, 233)

- Benefits, limitations and exclusions
- Underwriting requirements
- Licensee liability for errors and omissions
- Required notification

3.9 Other required, uniform and general provisions (R590-126, 233)

- Incontestability (31A-22-609)
- Grace period (31A-22-607)
- Reinstatement (31A-22-608)
- Claim procedures (31A-21-312; 31A-22-614; 31A-26-301; Reg R590-192-1-14)
- Change of occupation (31A-22-613(1))
- Misstatement of age (31A-22-613(2,3))
- Coordination of benefits (31A-22-619)
- Right to examine (free look) (31A-22-606)
- Rights of spouse (31A-22-612)
- Insuring clause
- Consideration clause
- Entire contract; changes
- Physical examinations and autopsy
- Legal actions

- Change of beneficiary
- Unpaid premium
- Conformity with state statutes
- Illegal occupation
- Renewability clause (Reg R590-126-5; Reg R590-233)
 - Noncancelable
 - Guaranteed renewable
 - Conditionally renewable
 - Renewable at option of insurer
 - Nonrenewable (cancelable, term)

4.0 Disability Income and Related Insurance 10% (10 Items)

4.1 Qualifying for disability benefits

- Inability to perform duties
 - Own occupation
 - Any occupation
- Loss of income (income replacement contracts)
- Definition of total disability (R590-126-3)
- Presumptive disability
- Requirement to be under physician care

4.2 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
- Other cash benefits
 - Accidental death and dismemberment
 - Rehabilitation benefit
 - Medical reimbursement benefit (non disabling injury)
- Refund provisions
 - Return of premium
 - Cash surrender value
- Exclusions

4.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

4.4 Group disability income insurance

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

4.5 Social Security disability

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

5.0 Medical Plans 13% (13 Items)

5.1 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

5.2 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
 - Limited health plans (31A-8-101(6))
 - Open panel or closed panel
 - Types of parties to the provider contract
 - Utah NetCare Plan (31A-22-724)

5.3 Cost containment in health care delivery

- Cost-saving services
 - Preventive care
 - Hospital outpatient benefits
 - Alternatives to hospital services
 - Maternity stay minimum limits (31A-22-610.2)
- Utilization management
 - Prospective review
 - Concurrent review

5.4 Utah requirements (individual and group)

- Eligibility requirements
 - Newborn child coverage (31A-22-610)
 - Dependent child age limit (31A-22-610.5)
 - Court ordered dependency coverage (31A-22-610.5)
 - Eligibility of dependent children not based solely on residency (31A-22-718)
 - Policy extension for handicapped children (31A-22-611)
 - Adoptions (31A-22-610.1)
 - Federal health care reform required dependent coverage
- Benefit offers

- Substance abuse coverage (31A-22-715)
- 5.5 HIPAA (Health Insurance Portability and Accountability Act) requirements**
 - Eligibility
 - Guaranteed issue
 - Pre-existing conditions
 - Creditable coverage
 - Renewability
- 5.6 Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs)**
 - Definition
 - Eligibility
 - Contribution limits
 - Portability
- 5.7 Uniform health benefit plan information card** (31A-22-635)
- 5.8 Federal Health Care Reform (Patient Protection and Affordable Care Act)**
- 6.0 Group Accident and Health Insurance 10% (10 Items)**
 - 6.1 Characteristics of group insurance** (31a-22-501.1)
 - Group contract
 - Certificate of coverage
 - Experience rating versus community rating
 - 6.2 Types of eligible groups**
 - Employment-related groups (31a-22-501.1)
 - Individual employer groups
 - Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
 - Associations (alumni, professional, other) (31a-22-701)
 - Customer groups (depositors, creditor-debtor, other) (31a-22-501.1)
 - Discretionary groups (31a-22-507)
 - 6.3 Marketing considerations**
 - Advertising (R590-155)
 - Unfair inducements (R590-154)
 - Regulatory jurisdiction/place of delivery
 - 6.4 Employer group health insurance**
 - Insurer underwriting criteria
 - Characteristics of group
 - Plan design factors
 - Persistency factors
 - Administrative capability
 - Eligibility for insurance
 - Annual open enrollment
 - Employee eligibility
 - Dependent eligibility (31a-22-601.1, 31a-22-610.5, 31a-22-611, 31a-22-718)
 - Coordination of benefits provision (Reg R590-131)
 - 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 Utah Mini-COBRA (31A-22-722)
- Utah Net Care 31A-22-724, R590-255
- Conversion rights (31A-22-723)
- Reinstatement of coverage for military personnel (31A-22-717)
- 6.5 Small employer medical plans**
 - Definition of small employer (31A-1-301)
 - Basic coverage (31A-22-613.5)
 - Availability of coverage (31A-30-108)
 - Rating of small employer plans (31A-30; Reg R590-167)
 - Pre-existing conditions (31A-22-605.1)
 - Participation requirements (31A-30-112)
 - Surcharge for charging carriers (31A-30-106.7)
 - Open enrollment (Reg R590-176)
- 6.6 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)
- 6.7 Types of funding and administration**
 - Conventional fully-insured plans
 - Fully self-funded (self-administered) plans
 - Characteristics
 - Conditions suitable for self-funding
 - Benefits suitable for self-funding
- 7.0 Dental Insurance 2% (2 Items)**
 - 7.1 Categories of dental treatment**
 - Diagnostic and preventive
 - Restorative
 - Oral surgery
 - Endodontics
 - Periodontics
 - Prosthodontics
 - Orthodontics
 - 7.2 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

7.3 Employer group dental expense

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

8.0 Medicare 8% (8 Items)

8.1 Medicare standard policies

- 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

8.2 Medicare supplement

- Purpose
- Open enrollment (Reg R590-146-11)
- Standardized Medicare supplement plans
 - Core benefits (Reg R590-146-8(B))
 - Additional benefits (Reg R590-146-8(C))
- Utah regulations and required provisions
 - Standards for marketing (Reg R590-146-20)
 - Advertising (Reg R590-146-19)
 - Appropriateness of recommended purchase and excessive insurance (Reg R590-146-21)
 - Right to return (free look) (31A-22-620(6))
 - Replacement (Reg R590-146-18, 23)
 - Pre-existing conditions (Reg R590-146-23)
 - Required disclosure provisions (Reg R590-146-17)
 - Outline of coverage (Reg R590-146-17(C))
 - Guide to Health Insurance for People with Medicare (Reg R590-146-17(A)(6)(a))
 - Permitted compensation (Reg R590-146-16)
 - New plans effective June 1, 2010 (Reg R590-146)
- Medicare Advantage

8.3 Other options for individuals with Medicare

- Employer group health plans
 - Disabled employees
 - Employees with kidney failure (End Stage Renal Disease) (ESRD)
 - Individuals age 65 and older
- Medicaid
 - Eligibility
 - Benefits

8.4 Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

9.0 Long-Term Care Insurance 7% (7 Items)

9.1 Long-term care (LTC) policies

- Eligibility for benefits
- Federal reform - CLASS ACT
- 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
- Underwriting considerations
- Utah regulations and required provisions
 - Standards for marketing (Reg R590-148-18)
 - Advertising (Reg R590-148-20)
 - Shopper's guide (Reg R590-148-16)
 - Outline of coverage (31A-22-1409; Reg R590-148-15)
 - Appropriateness of recommended purchase (Reg R590-148-17)
 - Right to return (free look) (31A-22-1408)
 - Replacement (Reg R590-148-6(6))
 - Renewal provisions (Reg R590-148-6(1))
 - Continuation or conversion (Reg R590-148-10)
 - Required disclosure provisions (Reg R590-148-6)
 - Inflation protection (Reg R590-148-13)
 - Pre-existing conditions (31A-22-1406; Reg R590-148-6(3))
 - Protection against unintentional lapse (Reg R590-148-11)
 - Prohibited provisions (31A-22-1405, 1407)
 - Rate disclosure form

10.0 Federal Tax Considerations for Accident and Health Insurance 2% (2 Items)

10.1 Personally-owned health insurance

- Individual mandate/penalties for noncompliance
- 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)**