

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

Series 13-33

150 Items - 2.5 Hours

Insurance Regulation 4%

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)

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)

Federal Laws and Regulations 3%

- Fair Credit Reporting Act (15 USC 1681–1681d)
- 18 United States Code (USC) Sections 1033 and 1034 - Purpose (Letter of Written Consent)
- Mental Health Parity and Addiction Equity Act (45 CFR Parts 146 and 147)
- National Do Not Call List
- Gramm-Leach-Bliley Act (20-2121; Public Law 106-102)
- Prohibited Persons in Insurance (18 United States Code (USC) Sections 1033 and 1034) waiver
- Affordable Care Act (45 CFR 144, 146, 147, 148, 150, 154, 155, 156, 157, 164 and 170; and 42 USC 300gg-300gg-91)
- CAN-SPAM Act of 2003 (15 USC 7701; 18 USC 1037)
- 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)
- Telemarketing Sales Rule (16 CFR 310; 15 USC 6101–6108; A.R.S. 44-1282)

General Insurance Concepts 7%

- Risk
 - Methods of Handling Risk (Avoidance, Retention, Sharing, Reduction, Transfer)
 - Elements of Insurable Risks
 - Definitions (Risk, Hazard, Peril, Loss)
- Classifications of Insurers
 - Mutual, Stock, Fraternal
 - Admitted, Non-Admitted
 - Foreign, Domestic, Alien
- Elements of a Contract
 - Consideration
 - Competent Parties
 - Legal Purpose
 - Offer
 - Acceptance
- Authority and Powers of Producers
 - Express

- Implied
- Apparent
- The Law of Agency
- Legal Interpretations Affecting Contracts
- Reasonable Expectations - good faith
- Indemnity
- Good Faith
- Fraud
- Warranties, Representations, Misrepresentations, and Concealment

Life, Accident and Health Insurance Basics 17%

- Insurable Interest
- Personal Uses of Life Insurance
 - Survivor Protection
 - Liquidity
- Determining Amount of Personal Life Insurance
 - Human Life Value Approach
 - Needs Approach
- Business Uses of Life Insurance
 - Buy-Sell Funding
 - Key Person
 - Executive Bonuses
- Factors in Premium Determination
 - Mortality
 - Interest
 - Expense
- Premium Frequency
- Field Underwriting
 - Application Procedures
 - Warranties and Representations
 - Disclosures and Privacy
- Policy Delivery
 - Effective Date of Coverage
 - Policy Review
 - Premium Collection Methods (e.g., Electronic, Physical, EFT, ACH)
 - Statement of Good Health
- Company Underwriting
 - Sources of Information
 - Classifications of Risk (Preferred, Standard, Substandard, Declined)
- Definitions of Perils
 - Accidental Injury
 - Sickness
- Types of Losses and Benefits
 - Loss of Income from Disability (Short-Term/Long-Term Disability)
 - Medical Expense

Long-Term Care Expense

Classification of Risks

Preferred

Standard

Substandard

Underwriting Requirements (Varies by Insurer)

Sources of Underwriting

Application

Producer's report

Medical information bureau (MIB)

Inspection report

Medical examination

Attending physician's report

Types of Life Insurance Policies 9%

Term Life Insurance

Level

Decreasing

Increasing Term

Whole (Permanent, Ordinary) Life Insurance

Single Premium

Continuous Premium

Limited Payment

Adjustable Life

Universal Life

Variable Life

Variable Universal

Indexed Universal Life

Specialized Policies

Joint Life

Survivorship Life

Juvenile

Group Life Insurance

Eligible Groups

Characteristics of Group Life Insurance

Life Insurance Policy Provisions, Options, and Riders 15%

Standard Life Insurance Provisions

Ownership

Assignment

Right to Examine (Free Look)

Payment of Premiums

Grace Period

Misstatement of Age/Sex

Incontestability

Reinstatement

- Entire Contract
- Beneficiary Designation Options
 - Individuals
 - Classes
 - Minors
- Types of Beneficiaries
 - Primary and Contingent
- Beneficiary-Related Clauses
 - Common Disaster
- Settlement Options
 - Cash Payment (Lump Sum)
 - Interest Only
 - Life Income
 - Fixed-Period
 - Fixed-Amount Installments
 - Joint
 - Last Survivor
- Nonforfeiture Options
 - Cash Surrender Value
 - Extended Term
 - Reduced Paid-Up Insurance
- Policy Loan and Withdrawal Options
 - Loans
 - Automatic Premium Loans
 - Withdrawals Partial Surrenders
- Dividend Options
 - Paid-Up Additions
 - Cash Payment (Lump Sum)
 - One Year Term
 - Reduction of Premium
 - Accumulation at Interest
- Disability Riders
 - Waiver of Premium
 - Disability Income Benefit
 - Payor Benefit Life
- Riders Covering Additional Insureds
 - Spouse
 - Children
 - Family term rider
- Riders Affecting Death Benefit Amount
 - Accidental Death
 - Guaranteed Insurability
 - Cost of Living
 - Return of Premium

Accelerated (Living) Benefit Provision Rider

Long-Term Care Rider

Policy Exclusions

Annuities 7%

Annuity Principles and Concepts

Accumulation Period versus Annuity Period

Owner, Annuitant, and Beneficiary

Immediate versus Deferred Annuities

Annuity (Benefit) Payment Options

Life Contingency Options

Annuities Certain

Pure Life versus Life with Guaranteed Minimum

Single Life versus Multiple Life

Annuity Products

Fixed Annuities

Equity Indexed Annuities

Variable Annuities

Uses of Annuities

Lump-Sum Settlements

Retirement Income

Long-Term Care Rider

Guaranteed Minimum Withdrawal Benefit (GMWB)

Individual Accident and Health Insurance Policy Provisions 8%

Uniform Required Provisions

Time Limit on Certain Defenses

Grace Period

Reinstatement

Claim Forms

Proof of Loss

Time of Payment of Claims

Physical Examinations and Autopsy

Legal Actions

Entire Contract

Payment of Claims

Change of Beneficiary

Notice of Claim

Uniform Optional Provisions

Change of Occupation

Misstatement of Age/Sex

Illegal Occupation

Intoxicants, Narcotics, or Other Controlled Substances

Other General Provisions

Right to Examine/Free Look

Insuring Clause

- Consideration Clause
- Coinsurance
- Probationary Period
- Elimination Period
- Exclusions

Disability Income and Related Insurance 6%

- Benefits Determination for Disability

 - Indemnity
 - Loss of Income

- Qualifications of Disability

 - Total (Own Occupation, Any Occupation)
 - Partial
 - Permanent
 - Presumptive
 - Recurrent
 - Residual

 - Inability to Perform Duties

 - Occupational versus Non-Occupational

- Individual Disability Income Insurance

 - Basic Total Disability Plan

 - Cost of Living Rider

 - Future Increase Option Rider

 - Change of Occupation

 - Other Cash Benefits - (Accidental Death and Dismemberment (AD&D), Rehabilitation Benefit, Medical Reimbursement Benefit)

 - Refund Provisions

 - Exclusions

 - Waiver of Premium

 - Probationary Period

 - Elimination Period

 - Benefit Limits

- Unique Aspects of Individual Disability Income Underwriting

 - Occupational Considerations

 - Benefit Limits

 - Policy Issuance Alternatives

- Group Disability Income Insurance

 - Short-Term Disability

 - Long-Term Disability

 - Coordination of Benefits (Workers' Compensation Benefits and Social Insurance)

 - At-work benefits

- Business Disability Income Insurance

 - Key Employee Disability Income

 - Disability Buy-Sell Policy

 - Business Overhead Expense

- Social Security Disability Income
 - Qualification for Disability Benefits
 - Definition of Disability
 - Waiting Period

Medical Plans 11%

- Medical Plan Concepts
 - Fee-for-Service
 - Prepaid
 - Specified disease/Dread disease insurance
 - Comprehensive Coverage
 - Dependent Coverage
- Provisions and Clauses
 - Deductibles
 - Stop-Loss Provision
 - Impairment rider
- Types of Medical Plans
 - Major Medical Insurance
 - Health Maintenance Organizations (HMOs)
 - Preferred Provider Organizations (PPOs)
 - Point-of-Service (POS) Plans
- Cost Containment in Health Care Delivery
 - Managed Care
 - Preventive Care
 - Outpatient Benefits
 - Utilization Management
 - Preauthorization
 - Primary Care Physician
- Limited Health Insurance Policies
 - Accidental Death and Dismemberment
 - Hospital indemnity
 - Critical Illness/Dread Disease
 - Vision Care
 - Hearing
 - Dental
- Health Insurance Portability and Accountability Act (HIPAA)
 - Eligibility Requirements
 - Terms
 - Privacy
 - Portability
- Affordable Care Act (ACA)
 - Eligibility
 - Dependent coverage
 - Essential health benefits
 - Levels of Coverage (Metallic Plans)

Group Health Insurance 3%

Characteristics of Group Health Insurance

- Group Contract
- Certificate of Coverage
- Eligible Groups
- Contributory versus Non-Contributory

Employer Group Health Insurance

- Underwriting Criteria
- Eligibility for Insurance
- Conversion of Coverage
- Open Enrollment
- Probation/Waiting Period
- Coordination of Benefits

COBRA

- Eligibility
- Duration of Coverage
- Premium

Specialized Health Insurance for Qualified Individuals 5%

Medicare

- Eligibility
- Part A
- Part B
- Part C
- Part D

Medicare Supplement Insurance

- Enrollment Periods
- Standardized Plan Benefits

Medicaid

- Eligibility

Long-Term Care Policies

- Eligibility for Benefits (Activities of Daily Living)
- Benefit/Elimination Periods
- Levels of care (Skilled, Intermediate, Custodial)

Federal Tax Considerations for Life and Health Insurance 5%

Taxation of Personal Life Insurance and Annuities

- Premiums
- Dividends
- Settlements
- Last In First Out (LIFO) and First In First Out (FIFO)
- Surrenders and Withdrawals

Modified Endowment Contracts (MECs)

Health Insurance Premiums and Benefits

- Individual
- Group

Disability Income (Individual and Group)

Business Disability Insurance

Consumer-Driven Health Plans

Health Savings Accounts (HSAs)

High Deductible Health Plans (HDHPs)

Health Reimbursement Accounts (HRAs)

Flexible Spending Accounts (FSAs)