

New Mexico Life, Accident and Health or Sickness Insurance Producer

Series 18-27

150 Items - 2.5 Hours

Insurance Regulation 10% (15 items)

Licensing

Process (59A-11-2, 3, 59A-12-12; Reg 13.4.2.8, .9)

Types of Licensees (Reg 13.4.2.7, .11)

Insurance Producers (59A-12-2)

Brokers (59A-12-3)

Consultants (59A-11A-1-8)

Nonresident (59A-12-25) (59A-11-24)

Temporary (59A-11-4; 59A-12-19; Reg 13.4.2.12)

Maintenance and Duration

Expiration and Renewal (59A-11-10, 11)

Address Change (59A-12-17) (59A-11-24)

Continuing Education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary Actions

Suspension, Revocation, or Refusal to Renew (59A-11-8, 10, 14–16, 18)

Cease and Desist Orders (59A-16-27)

Penalties and Fines (59A-1-18, 59A-11- 17, 21)

State Regulation

Superintendent's General Duties and Powers (59A-2-8-10)

Company Regulation

Certificate of Authority (59A-5-10)

Unfair Claims Settlement Practices (59A-16-20)

Complaint Record (59A-16-22)

Appointment of Insurance Producer (59A- 11-12; Reg 13.4.2.17)

Termination of Insurance Producer Appointment (59A-11-13; Reg 13.4.2.29)

Insurance Producer Regulation

Shared Commissions (59A-12-24)

Fiduciary Duties (59A-12-22)

Prohibited Premiums or Charges (59A-16- 24)

Unfair Insurance Trade Practices

Misrepresentation (59A-16-4, 23)

False Advertising (59A-16-4, 5)

Twisting (59A-16-6)

Defamation (59A-16-10)

Unfair Discrimination (59A-16, 13, 17(D))

Rebating (59A-16-16–18)

Boycott, Coercion, or Intimidation (59A- 16-19)

Examination of Books and Records (59A-4-3, 4)

Insurance Fraud Act (59A-16C-1-16)

Consumer Information Privacy (59A-2-9.3; Reg 13.1.3.1-.28)

Federal Laws and Regulations 2% (3 items)

Fair Credit Reporting Act - Purpose

18 United States Code (USC) Sections 1033 and 1034 - Purpose (Letter of Written Consent)

National Do Not Call List

Privacy [Gramm Leach Bliley]

Prohibited Persons in Insurance (18 United States Code (USC) Sections 1033 and 1034) waiver

Affordable Care Act (ACA)

CAN-SPAM Act

General Insurance Concepts 5% (8 items)

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

- Indemnity

- Good Faith

- Fraud

- Warranties, Representations, Misrepresentations, and Concealment

Life, Accident and Health Insurance Basics 16% (24 items)

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% (13 items)

- 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 13% (19 items)

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 8% (12 items)

- 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)

Accident and Health Insurance Policy Provisions 7% (10 items)

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 4% (6 items)

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
- 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 10% (15 items)

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
- 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 6% (9 items)

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% (8 items)

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% (8 items)

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)