New Hampshire Producer's Life, Accident & Health Insurance

Series 12-63

150 Items - 2.5 Hours

Insurance Regulation 7%

- Licensing
  - Process (402-J:5, 6)
  - Types of Licensees
    - Producer (402-J:2, 14)
    - Producer with appointment (402-J:14)
    - Business entity (402-J:6)
    - Financial institutions (406-C:1–19)
    - Resident versus nonresident (402-J:8, 16)
    - Temporary (402-J:11)
  - Maintenance and Duration
    - Renewal (402-J:7(II–IV))
    - Change of address (402-J:7(VI))
    - Reporting of actions (402-J:17)
    - Assumed names (402-J:10)
    - Continuing education requirements (Reg 1302.03, 1302.04, 1304.03)
  - Disciplinary Actions
    - Cease and desist order (417:12)
    - Denial, suspension or revocation (402:49; 402-J:12)
    - Penalties and fines (400-A:15(III); 402:42, 48; 402-J:12(IV); 417:10, 13)
- State regulation
  - Commissioner's general duties and powers (400-A:3, 15; 417:5, 14)
    - Investigations enforcement (400-A:16)
  - Company regulation
    - Producer appointment (402-J:14)
    - Termination of appointment (402-J:15)
  - Producer regulation
    - Acting without a license (402-J:3, 13)
    - Commissions (402-J:13)
    - Conversion of funds by producer (402:53)
    - Referrals (402:16-B)
    - Controlled business (402:74)
    - Fiduciary requirements (Reg 4301.01–4301.09)
    - License to transact business (402:12)
    - Unfair claim settlement practices (417:4(XV); Reg 1001.01–.11, Reg 1002.01–.20)
  - Unfair insurance trade practices
    - Misrepresentation (402:46; 417:4(I, II))
    - Twisting (402:47; 417:4(I))
    - False information and advertising (417:4(III))
    - Defamation (417:4(IV))
    - Boycott, coercion and intimidation (417:4(V))

Illegal inducement (417:4(VII))
Unfair discrimination (417:4(VIII))
Rebating (402:39–41; 417:4(IX))
Examination of books and records (400-A:37)
Insurance fraud regulation (400-A:36-b(II); 417:23; RL 638:20)
Consumer privacy regulation (Reg 3001–3006)

Federal Laws and Regulations 2%

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 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 10%

- 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 9%

- 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 10%

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 2%

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 4%

- 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 4%

- 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)