

THIS IS WHAT IS ON THE TEST. TOPIC BY TOPIC AND LINE BY LINE. I HAVE NOTED THE LESSON OR PAGE NUMBER ON WHICH YOU CAN FIND THE INFORMATION FOR EACH TOPIC. YOU CAN'T GO WRONG.

**LIFE AND HEALTH-GENERAL KNOWLEDGE
CONTENT OUTLINE**

Product Knowledge, Terms and Concepts

(100 scoreable questions plus 15 pretest questions)

TYPES OF POLICIES 12

I.

A. Traditional whole life products

- 1. Ordinary whole life - LESSON 10
- 2. Limited-pay and single-premium life

B. Interest/market-sensitive/adjustable life products

- 1. Universal life Lesson 18
- 2. Variable whole life Lesson 18
- 3. Variable universal life
- 4. Interest-sensitive whole life
- 5. Indexed life

C. Term life Lesson 6

- 1. Types
 - a. Level
 - b. Decreasing
 - c. Return of premium
 - d. Annually renewable
- 2. Special features
 - a. Renewable
 - b. Convertible

D. Annuities Lesson 20

- 1. Single and flexible premium
- 2. Immediate and deferred
- 3. Fixed and variable
- 4. Indexed

E. Combination plans and variations Lesson 17

- 1. Joint life
- 2. Survivorship life (second to die)

II. POLICY RIDERS, PROVISIONS, OPTIONS, AND EXCLUSIONS.....18

A. Policy riders

- 1. Waiver of premium and waiver of monthly deduction
- 2. Guaranteed insurability
- 3. Payor benefit
- 4. Accidental death and/or accidental death and dismemberment
- 5. Term riders
- 6. Other insureds
- 7. Long term care
- 8. Return of premium

Lesson 15

B. Policy provisions and options

- 1. Entire contract #423
- 2. Insuring clause #423
- 3. Free look #424
- 4. Consideration #432
- 5. Owner's rights #30
- 6. Beneficiary designations
 - a. Primary and contingent #338
 - b. Revocable and irrevocable #32-34
 - c. Common disaster #343
 - d. Minor beneficiaries #346
- 7. Premium Payment
 - a. Modes #77
 - b. Grace period #83
 - c. Automatic premium loan #144
 - d. Level or flexible
- 8. Reinstatement #84.85,483
- 9. Policy loans, withdrawals, partial surrenders #200
- 10. Non-forfeiture options #140-142
- 11. Dividends and dividend options (eg. participating, non-participating) #108-120
- 12. Incontestability #426
- 13. Assignments #348-355
- 14. Suicide #422
- 15. Misstatement of age and gender #357-360
- 16. Settlement options #71-73
- 17. Accelerated death benefits #145

C. Policy exclusions #421-422

III. COMPLETING THE APPLICATION, UNDERWRITING, AND DELIVERING THE POLICES..... 12

A. Completing the application

- 1. Required signatures #362
- 2. Changes in the application #363
- 3. Consequences of incomplete applications #364
- 4. Warranties and representations #443
- 5. Collecting the initial premium and issuing the receipt #402
- 6. Replacement #366
- 7. Disclosures at point of sale (e.g., HIPAA, HIV consent) #383
- 8. USA PATRIOT Act/anti-money laundering #390

B. Underwriting

- 1. Insurable interest #20
- 2. Medical information and consumer reports #396
- 3. Fair Credit Reporting Act #397
- 4. Risk classification #46
- 5. Stranger/Investor-owned life insurance (STOLI/IOLI) #25

C. Delivering the policy

- 1. When coverage begins #399
- 2. Explaining the policy and its provisions, riders, exclusions, and ratings to the client

CI. Contract law Lesson 34

- 1. Elements of a contract
- 2. Unique aspects of the insurance contract
 - a. Conditional
 - b. Unilateral
 - c. Adhesion
 - d. Aleatory

IV. TAXES, RETIREMENT, AND OTHER INSURANCE

CONCEPTS.....8

A. Third-party ownership #28-29

B. Viatical Settlements #352

C. Life Settlements #355

D. Group life insurance #299-307

- 1. Conversion privilege
- 2. Contributory vs. noncontributory

E. Retirement plans Lesson 27

- 1. Qualified plans
- 2. Nonqualified plans

F. Life insurance needs analysis/suitability

- 1. Personal insurance needs #170
- 2. Business insurance needs #260
 - a. Key person
 - b. Buy sell

G. Social Security benefits Lesson 35

H. Tax treatment of insurance premiums, proceeds, and dividends

- 1. Individual life #86, #73 #121-123
- 2. Group life #302-304
- 3. Modified Endowment Contracts (MECs) #197

V. TYPES OF POLICIES.....14

A. Disability income LESSON 21

- 1. Individual disability income policy
- 2. Business overhead expense policy
- 3. Business disability buyout policy
- 4. Group disability income policy
- 5. Key employee policy

B. Accidental death and dismemberment

C. Medical expense insurance LESSON 24

- 1. Basic hospital, medical, and surgical policies
- 2. Major medical policies
- 3. Health Maintenance Organizations (HMOs)
- 4. Preferred Provider Organizations (PPOs)
- 5. Point of Service (POS) plans
- 6. Flexible Spending Accounts (FSAs) LESSON 27
- 7. High Deductible Health Plans (HDHPs) and related Health Savings Accounts (HSAs)

D. Medicare supplement policies LESSON 36

E. Group insurance LESSON 25

- 1. Differences between individual and group contracts
- 2. General characteristics
- 3. COBRA

F. Individual/Group Long Term Care (LTC) LESSON 22

G. Other policies

- 1. Dental
- 2. Vision
- 3. Cancer
- 4. Critical illness or specified disease
- 5. Worksite (employer-sponsored)
- 6. Hospital indemnity
- 7. Short-term medical
- 8. Accident

VI. POLICY PROVISIONS, CLAUSES, AND RIDERS..... 20

A. Mandatory and optional provisions

- 1. Entire contract #423
- 2. Time limit on certain defenses (incontestable) #427
- 3. Grace period #482
- 4. Reinstatement #483
- 5. Notice of claim #484
- 6. Claim forms #484
- 7. Proof of loss #484
- 8. Time of payment of claims #485
- 9. Payment of claims #485
- 10. Physical examination and autopsy #485
- 11. Legal actions #486
- 12. Change of beneficiary #486
- 13. Misstatement of age or sex
- 14. Change of occupation #486
- 15. Illegal occupation #487
- 16. Relation of earnings to insurance #487

B. Other provisions and clauses

- 1. Insuring clause #489
- 2. Free look #489
- 3. Consideration clause #489
- 4. Probationary period #490
- 5. Elimination period #490
- 6. Waiver of premium #490
- 7. Exclusions and limitations #491
- 8. Preexisting conditions #491
- 9. Coinsurance #491
- 10. Deductibles #492
- 11. Eligible expenses #492
- 12. Copayments #492 #493
- 13. Pre-authorizations and prior approval requirements #493
- 14. Usual, reasonable, and customary (URC) charges #493
- 15. Lifetime, annual, or per cause maximum benefit limits

C. Riders LESSON 15

- 1. Impairment/exclusions
- 2. Guaranteed insurability

D. Rights of renewability LESSON 23

- 1. Noncancelable
- 2. Cancelable
- 3. Guaranteed renewable

VII. SOCIAL INSURANCE 3

A. Medicare (Parts A, B, C, D) LESSON 35,36

B. Medicaid

C. Social Security benefits

VIII. OTHER INSURANCE CONCEPTS4

- A. Total, partial, recurrent and residual disability**
- B. Owner's rights**
- C. Dependent children benefits**
- D. Primary and contingent beneficiaries**
- E. Modes of premium payments**
- F. Nonduplication and coordination of benefits (e.g., primary vs. excess)**
- G. Occupational vs. non-occupational**
- H. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income and medical expenses, etc.)**
- I. Managed care**
- J. Workers Compensation**
- K. Subrogation**

IX. FIELD UNDERWRITING PROCEDURES9

- A. Completing the application**
- B. Explaining sources of insurability and HIPAA privacy information (e.g., MIB Report, Fair Credit Reporting Act, etc.)**
- C. Initial premium payment and receipt and consequences of the receipt (e.g., medical examination, etc.) LESSON 33**
- D. Submitting application (and initial premium if collected) to company for underwriting**
- E. Policy delivery LESSON 33**
- F. Explaining policy and its provisions, riders, exclusions, and ratings to clients**
- G. Replacement #366**
- H. Contract law LESSON 34**
 - 1. Elements of a contract
 - 2. Insurable interest
 - 3. Warranties and representations
 - 4. Unique aspects of the insurance contract
 - a. Conditional
 - b. Unilateral
 - c. Adhesion
 - d. Aleatory

**LIFE and HEALTH AGENT
STATE SPECIFIC CONTENT OUTLINE**

LESSON 38 - ALL

(30 scoreable questions plus 5 pretest questions)

All references are to the Texas Insurance Code (Ins.) or the Texas Administrative Code (TAC), Title 28, unless otherwise noted

I. TEXAS STATUTES AND RULES COMMON TO LIFE AND HEALTH INSURANCE14

- A. Commissioner of Insurance**
Ref.: Ins. 31.001-.002, 31.021-.022, 38.001, 82.001-.056, 86.001-.002, 401.051-.056, 404.003, 051-.053, 521.003-.004, 541.107-108, 546.151, 4001.005, 4005.102, 83.051-.054; TAC § 1.88
 - 1. General powers and duties
 - 2. Examination of records
 - 3. Investigation/Notice of hearing

- 4. Penalties
- 5. Cease and desist orders

B. Insurance definitions

Ref.: Ins. 101.051; 547.001; 801.051-.053, .057, 885.001-706; TAC § 3.9704; General insurance text

- 1. Certificate of authority
- 2. Transacting insurance
- 3. Foreign, domestic, alien
- 4. Stock, mutual
- 5. Fraternal

C. Licensing requirements

Ref.: Ins. 4001.003, .006; 4001.104-.106, 4001.151-.156, 4001.201 - .206, 4001.252, 4001.254-255, 4002.003, 4003.001, 4003.004, 4003.006-.007, 4004.051-.054, 4005.101-.102, 4005.105, 4052.001, 4054.301-.303, 1115.056; TAC § 1.502, 19.1001-.1030

- 1. Types
 - a. Agent/Agency
 - b. Temporary
 - c. Counselor
- 2. Exemptions/exceptions
- 3. Appointment
- 4. Continuing education
- 5. Records maintenance
- 6. License denial, renewal, expiration
- 7. License termination, revocation, suspension
- 8. Notification to Department of certain information
 - a. Change of address
 - b. Felony convictions
 - c. Administrative action taken against a license holder

D. Marketing practices

Ref.: Ins. 541.051-.61, .101-.111; 542.001-.014, .054-.058; 544.002; 701.001-.005, .051-.052, .101-.109, .151-.154; 1104.024; 4005.053, 4005.101; TAC § 21.4, 21.115, 21.201-.205

- 1. Unfair/Prohibited trade practices
 - a. Claims methods and practices
 - b. False advertising
 - c. Misrepresentation
 - d. Defamation
 - e. Rebating
 - f. Fraud
 - g. Boycott, coercion, intimidation
 - h. Commingling
 - i. Unfair discrimination

E. Agent duties/responsibilities

Ref.: Ins. 4001.157, 4005.053-.054; TAC § 3.120

- 1. Commission sharing

F. Texas Life and Health Guaranty Association

Ref.: Ins. 443.004, 463.205

II. TEXAS STATUTES AND RULES PERTINENT TO LIFE INSURANCE ONLY 6

A. Marketing and Solicitation

Ref.: TAC § 3.303, 21.104-.105, 21.107, 21.111, 21.114, 21.122, 21.2201-.2214

- 1. Advertising/Illustrations
 - B. Policy provisions**
Ref: Ins. 1101.003-.009, .053 .055, .156; 1101.011, 1103.055; 1108.101; 1111.052; 1551.254; TAC § 3.101-.106, 3.111-.112, 3.119, 3.121, 3.123, 3.4301-.4317, 3.804 (5)(A)
 - C. Individual life and annuity**
Ref: Ins. 1101.001, .105, .009, .051; 1116.002; TAC § 3.9711
 - 1. Free look
 - 2. Grace period
 - 3. Policy loans
 - 4. Prohibited provisions
 - D. Group life**
Ref: Ins. 1101.053; 1131.001-.806
 - 1. Group eligibility and underwriting requirements
 - 2. Conversion to individual policy
 - 3. Dependent coverage
 - 4. Assignment
 - E. Credit life**
Ref.: Ins. 1153.003, .004, .151, .153, .155, .157, .201-.204, TAC § 3.5001 – 3.5206
 - F. Replacement**
Ref.: Ins. 1114.001 - .102
 - 1. Purpose
 - 2. Definitions
 - 3. Duties of agent
 - 4. Duties of replacing insurance company
 - G. Nonforfeiture law**
Ref.: Ins. 1105.001 - .153, TAC § 3.3844
- III. Texas statutes and rules pertinent to accident and health insurance only 7**
- A. Required policy provisions**
 - 1. Coverage for newborns
Ref.: Ins. 1551.004; 1367.003; TAC § 3.3403
 - 2. Coverage for chemical dependency
Ref.: Ins.1368.005
 - B. Medicare supplement**
Ref.: TAC § 3.3301- 3310, 3.3312-.3313, 3.3315-.3325
 - 1. Minimum standards
 - 2. Cancellation
 - C. AIDS testing requirements**
Ref: TAC § 21.704 - .705
 - D. Long Term Care**
Ref: TAC § 3.3804, 3.3822, 3.3832
 - E. Small group health insurance**
Ref: TAC § 26.8; Ins 1501
 - 1. Eligibility
 - 2. Coverage and Benefits
 - F. Affordable Care Act**
 - 1. Exchanges/Marketplace (Section 1321)
 - 2. Taxes and subsidies (Section 1401, 1402)
 - 3. Essential health benefits (Section 1302, 18022)
 - a. Mental health and substance use disorder services
 - b. Pediatric services
 - c. Preventive services

- 4. Employer notification responsibilities (Section 1511-1515)
- IV. TEXAS STATUTES AND RULES PERTINENT TO HEALTH MAINTENANCE ORGANIZATIONS (HMOS)..... 3**
- Ref.: TAC Chapter 11; 11.501, 11.1611; Ins. 843, 1271*
- A. Definitions**
 - B. Evidence of coverage**
 - C. Nonrenewal/cancellation**
 - D. Enrollment**