

## Chapter Ins 26

### APPENDIX 4 - ACCIDENT AND HEALTH INSURANCE COURSE REQUIREMENTS

#### SECTION A

- I. Principles of Insurance -- 1 Hour
  - A. Definition of risk
  - B. Risk management
  - C. Insurable and noninsurable risk
  - D. Pooling concept--law of large numbers
  - E. Types of insurance companies
  - F. Reinsurance
- II. General Wisconsin Insurance Laws -- 4 Hours
  - A. Duties and powers of Insurance Commissioner--statutory and rule-making
  - B. Knowledge of administrative action process, including hearings and penalties
  - C. Purpose of licensing, including procedures and who must be licensed
  - D. Record keeping and changes in agent status, including change of name or address
  - E. Agent license expiration, revocation, suspension, and limitation
  - F. General regulations regarding misrepresentation, knowledge of acts of agent, rebating
  - G. Regulation of specific insurance contract changes regarding cancellation, nonrenewal, notice of proof of loss, and payment of claims
  - H. Unfair claims methods and practices--timely payment of claims
  - I. Fair rating practices
  - J. Home and telephone solicitation requirements
  - K. Section 628.32, Wis. Stat., written disclosure of fees other than commissions
  - L. Controlled business
  - M. Proper exchange of business
  - N. Unfair marketing practices
    - 1. Misrepresentation
    - 2. Unfair inducement
    - 3. Unfair discrimination
    - 4. Extra charges
    - 5. Influencing employers
    - 6. Unfair use of official position
    - 7. Returning indicia of agency
    - 8. Churning
    - 9. Twisting
    - 10. Restraint of competition
    - 11. Unfair restriction of contracting parties choice of insurer
  - O. Insurance contracts in Wisconsin
- III. Ethics -- 3 Hours
  - A. Fiduciary duties and responsibilities
  - B. Conflict of interest
  - C. Ethical marketing practices, including fair and ethical treatment of policyholders
  - D. Appropriate claims practices
  - E. Suitability of product to client
  - F. Social responsibility of insurance agent

- G. Agent/company relationships
- H. Maintaining appropriate insurance expertise

#### SECTION B

- IV. Accident and Health Insurance--9 Hours
  - A. Purpose of accident and health insurance
  - B. Types of policies
    - 1. Medical expense policies
      - a. Basic hospital, medical, and surgical policies (base or scheduled policies)
      - b. Major medical policies
      - c. Comprehensive major medical policies
      - d. Long Term Care
      - e. Health Maintenance Organizations (HMO)
      - f. Preferred Provider Organization (PPO)
      - g. Multiple Employer Trusts (MET)
      - h. Multiple Employer Welfare Association (MEWA)
      - i. Service organizations (Blue Plans)
    - 2. Disability income
      - a. Individual disability income policy
      - b. Business overhead expense policy
      - c. Business disability buyout policy
      - d. Group disability income policy
    - 3. Accidental death and dismemberment
    - 4. Group insurance
      - a. Group conversion
      - b. Differences between individual and group contracts
      - c. General concepts
      - d. COBRA
    - 5. Medicare supplement and Medicare select policies
  - C. Policy provisions, clauses, and riders
    - 1. Mandatory (uniform policy) provisions
      - a. Entire contract
      - b. Time limit on certain defenses (incontestable period)
      - c. Grace period
      - d. Reinstatement
      - e. Notice of claim
      - f. Claim forms
      - g. Proof of loss
      - h. Time of payment of claims
      - i. Payment of claims
      - j. Physical examination and autopsy
      - k. Legal actions
        - l. Change of beneficiary
    - 2. Optional provisions
      - a. Change of occupation
      - b. Misstatement of age
      - c. Illegal occupation
    - 3. Other provisions and clauses
      - a. Insuring clause
      - b. Free look (10-day, 20-day, etc.)
      - c. Consideration clause

- d. Probationary (waiting) period
- e. Elimination (waiting) period
- f. Waiver of premium
- g. Exclusions
- h. Pre-existing conditions
- i. Recurrent disability
- j. Coinsurance
- k. Deductibles
- 4. Riders
  - a. Impairment rider
  - b. Guaranteed insurability rider
  - c. Multiple indemnity rider (double, triple)
- 5. Rights of renewability
  - a. Noncancellable
  - b. Cancelable
  - c. Guaranteed renewable
  - d. Conditionally renewable
  - e. Optionally renewable
  - f. Period of time
- D. Social insurance
  - 1. Medicare
    - a. primary, secondary payor
    - b. Medicare and Choice
  - 2. Medicaid
  - 3. Social security benefits
  - 4. Badger Care
- E. Other insurance concepts
  - 1. Total, partial, and residual disability
  - 2. Owner's rights
  - 3. Dependent children benefits
  - 4. Primary and contingent beneficiaries
  - 5. Modes of premium payments (monthly, quarterly, annually, semiannual, etc.)
  - 6. Nonduplication and coordination of benefits (e.g., primary vs. excess)
  - 7. Occupational vs. nonoccupational
  - 8. Tax treatment of premiums and proceeds of insurance contracts (e.g., disability income, and medical expense, etc.)
  - 9. Managed care
- F. Field underwriting procedures
  - 1. Completing application and obtaining necessary signatures
  - 2. Explaining sources of insurability information (e.g., MIB Report, Fair Credit Reporting Act, etc.)
  - 3. Upon payment of initial premium, giving prospect conditional receipt, and explaining the effect of that receipt (e.g., medical exam, etc.)
  - 4. Submitting application (and initial premium, if collected) to company for underwriting
  - 5. Assuring delivery of policy to client
  - 6. Explaining policy and its provisions, riders, exclusions, and ratings to clients
  - 7. In cases where initial premium did not accompany application, obtaining signed statement of continued good health, and obtaining premium for transmittal
- 8. Contract law
  - a. Requirements of a contract
  - b. Insurable interest
  - c. Warranties and representations
  - d. Unique aspects of the health contract
    - (1) Conditional
    - (2) Unilateral
    - (3) Adhesion
- V. Wisconsin Health Insurance Law -- 3 Hours
  - A. General policy provisions
    - 1. Right of return
    - 2. Right of insurer to contest
    - 3. Pre-existing conditions
    - 4. Application responsibilities for accident and health
    - 5. Grace periods
  - B. Mandated benefits
    - 1. Handicapped children
    - 2. Newborn children
    - 3. Declined risks
    - 4. Alcoholism, drug abuse, and mental and nervous disorders
    - 5. Home health care
    - 6. Skilled nursing care
    - 7. Kidney disease treatment
    - 8. Diabetes
    - 9. Maternity benefits
    - 10. Nurse practitioners
    - 11. Optometrists
    - 12. Chiropractic
    - 13. Adopted children
    - 14. Grandchildren
    - 15. Mammograms
    - 16. Lead screening
    - 17. TMJ coverage
    - 18. Hospital/anesthesia coverage for dental care
    - 19. Breast reconstruction
  - C. Wisconsin Medicare supplements
  - D. Requirements of Medicare supplements
  - E. Special nursing home and long term care regulations for nursing home and long term care policies
  - F. Special provisions, sale of group or individual health to small employers
  - G. HIPAA (Health Insurance Portability and Accountability Act)
  - H. Continuation and conversion privileges
  - I. Cancer insurance and other dread disease
  - J. Marketing methods and practices
    - 1. Advertising Company approval of advertising
    - 2. Suitability
    - 3. Outline of coverage
    - 4. Policy replacement
    - 5. Identification of insurer (advertiser)
    - 6. Testimonials, endorsements, or commendations by third parties
    - 7. Disparaging comparisons and statements
  - K. Health Insurance Risk-Sharing Plan (HIRSP)