

**Oregon Producer's Examination for
Life and Health Insurance
Series 12-03**

150 questions – 2 hours and 40 minutes

Insurance Regulation 4% (6 items)
Licensing
Purpose
Process (ORS 744.058, .059, .062)
Types of licensees
Producers (ORS 744.052, .053, 731.104)
Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)
Adjusters (ORS 744.531)
Nonresidents (ORS 744.063)
Temporary (ORS 744.073)
Maintenance and duration
Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)
Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)
Reinstatement (ORS 744.018, .072(6))
Assumed business name (ORS 744.028(2),.068)
Change of address or telephone number (ORS 744.068)
Reporting of actions (ORS 744.089(1), (2))
Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)
Replacement (OAR 836-080-0001 to 0043)
Disciplinary actions
Cease and desist orders (ORS 731.252)
License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)
Civil penalty (ORS 731.988)
Criminal penalty (ORS 731.992)
State regulation
Director's enforcement authority (ORS 731.256)
Director's inquiries (ORS 731.296)
Company regulation
Producer appointment (ORS 744.078)
Termination of appointment (ORS 744.079, .081)
Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)
Producer regulation
Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)
Place of business/records maintenance (ORS 744.068)
Controlled business (ORS 746.065, .160)
Commissions (ORS 744.076, .077; OAR 836-071-0269–0277)
Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)
Unfair trade practices
Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110; OAR 836-080-0155)
Rebating (ORS 746.045)
Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)
Illegal inducement (ORS 746.035)
Examination of records (ORS 744.068(2, 3))
Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)
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 4% (6 items)
Risk
Definitions (e.g., risk, hazard, peril, loss)
Methods of handling risk (e.g., avoidance, retention, sharing, reduction, transfer)
Elements of insurable risks
Classifications of insurers
Mutual, stock
Admitted, non-admitted
Foreign, domestic, alien
Authority and powers of producer
Express
Implied
Apparent
The Law of Agency
Elements of a contract
Offer
Acceptance
Consideration
Competent parties
Legal purpose
Legal interpretations affecting contracts
Reasonable expectations - good faith
Indemnity
Good faith
Warranties, representations, misrepresentations, and concealment
Fraud
Life, Accident and Health Insurance Basics 13% (20 items)

Insurable interest (ORS 743.040, .038, .044)
Personal uses of life insurance
Survivor protection
Liquidity
Life settlements (ORS 744.318., .321, .323, .326,.328; OAR 836-014-0200–0330)
Determining amount of personal life insurance
Human life value approach
Needs approach
Business uses of life insurance
Buy-sell funding
Key person (ORS 743.228)
Executive bonuses
Factors in premium determination
Mortality
Interest
Expense
Premium frequency
Types of life insurance policies (ORS 731.102, .170)
Group and individual (ORS 731.150, 743.303,)
Permanent, term, variable and annuities (ORS 731.156, 743.245)
Fixed versus variable life insurance and annuities including regulation of variable products (SEC, FINRA, and Oregon) (ORS 733.220)
Solicitation and sales presentations (OAR 836-051-0005–0020)
Advertising (ORS 746.075, .110, .115)
Oregon Life and Health Insurance Guaranty Association (ORS 734.750–.890)
Association (ORS 743.351)
Illustrations (OAR 836-051-0500–0600)
Replacement (ORS 746.085; OAR 836-080- 0001–to 0043)
Use and disclosure of insurance information (ORS 746.600 to .605, .610, .615 to .630, .635 to .660; OAR 836-080-0430)
Field underwriting
Application procedures
Warranties and representations
Disclosures and privacy
Policy delivery
Policy review
Effective date of coverage
Premium collection methods (e.g., electronic, physical, EFT, ACH)
Statement of good health
Company underwriting
Sources of information
Application (ORS 743.039, .318)
Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)
Selection criteria and unfair discrimination (OAR 836-081-0005, 0010)

Sexual orientation prohibited (OAR 836-050-0240)
Medical and lifestyle questions (OAR 836-050-0245)
Prohibited discrimination (ORS 746.015)
Evidence of insurability (ORS 743.321)
Incontestability (ORS 743.315)
Suitability in the sale of life insurance (OAR 836-080-0090)
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 products and benefits
Medical and surgical (ORS 743B.005)
Dental (ORS 731.162, 743B.005)
Long-term care (ORS 743B.005, 743.650, OAR 836-052-0516)
Short-term care (ORS 743.652(5))
Medicare supplements (ORS 743.680, OAR 836-052-0103)
Accident (ORS 743B.005)
Disability
Student health (ORS 743.550)
Blanket (ORS 743.536)
Vision
Types of health insurance policies
TRICARE (ORS 743B.005)
Marketing requirements
Advertising (OAR 836-020-0200–0305)
Oregon Life and Health Insurance Guaranty Association (ORS 734.750–.890)
Outline of coverage (OAR 836-020-0305)
Types of Life Insurance Policies 13% (20 items)

Term life insurance
Level
Decreasing
Increasing Term
Whole (permanent, ordinary) life insurance
Continuous premium
Limited payment
Single premium
Adjustable life
Universal life
Variable life
Variable universal
Indexed universal life
Specialized policies
Joint life
Juvenile life
Survivorship Life
Group life insurance
Eligible groups
Characteristics of group life insurance
Conversion to individual policy(ORS 743.333–.339)
Incontestability (ORS 743.315)
Evidence of Insurability (ORS 743.321)
Misstatement of Age (ORS 743.324)
Payments under the policy (ORS 743.327)
Termination of individual coverage (ORS 743.333)
Continuing coverage (ORS 743.356)
Prohibited sales practices (ORS 743.348)
Policies issued to trustees of certain funds (ORS 743.354)
Life Insurance Policy Provisions, Options and Riders 7% (10 items)
Standard life insurance provisions
Ownership
Assignment (ORS 743.043)
Entire contract (ORS 743.174)
Right to examine (free look)
Payment of premiums (ORS 743.162)
Grace period (ORS 743.165)
Reinstatement (ORS 743.171)
Incontestability (ORS 743.168)
Misstatement of age/sex (ORS 743.180)
Prohibited provisions including backdating (ORS 743.225)
Beneficiaries designation options
Individuals
Classes

Minors
Types of beneficiaries
Primary and contingent
Beneficiary-related clauses
Common disaster
Settlement options
Cash payment (lump sum)
Interest only
Fixed-period
Fixed-amount installments
Life income
Joint
Last survivor
Nonforfeiture options (ORS 743.204 to .210)
Cash surrender value
Extended term
Reduced paid-up insurance
Policy loan and withdrawal options
Loans
Automatic premium loans
Withdrawals partial surrenders
Uses of dividends (ORS 743.183)
Interest rate (ORS 743.187)
Dividend options
Cash payment (lump sum)
Reduction of premium
Accumulation at interest
One-year term
Paid-up additions
Disability riders
Waiver of premium
Disability income benefit
Payor benefit life
Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300-0380, 836-052-0646)
Qualifying events
Disclosure
Effect of benefit payment
Riders covering additional insureds
Spouse
Children
Family term rider
Riders affecting the 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 11% (17 items)
Annuity principles and concepts
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Suitability in the sale of annuities (OAR 836-080-0090)
Immediate versus deferred annuities
Annuity (benefit) payment options
Life contingency options
Pure life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain
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 5% (7 items)
Uniform required provisions
Time Limit on Certain Defenses
Incontestability (ORS 743.414, .472)
Grace period (ORS 743.417)
Reinstatement (ORS 743.420)
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 (ORS 743.450)
Misstatement of age/sex (ORS 743.453, .489)

Illegal Occupation
Intoxicants, Narcotics, or Other Controlled Substances
Other general provisions
Right to examine/free look (ORS 743.492)
Consideration clause
Legal actions (ORS 743.441)
Renewability clause (ORS 743.495, .498, 743B.125(5))
Noncancelable
Guaranteed renewable
Conditionally renewable
Renewable at option of insurer
Nonrenewable (cancelable, term)
Cancellation (ORS 743.472, 743B.125(6))
Insuring clause
Coinsurance
Probationary period
Elimination period
Exclusions
Disability Income and Related Insurance 3% (4 items)
Benefits determination for disability
Indemnity
Loss of income
Qualifications of disability
Inability to perform duties
Presumptive
Total (own occupation, any occupation)
Partial
Permanent
Recurrent
Residual
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 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 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 8% (12 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
Hearing
Dental
Oregon requirements (individual and group)
Eligibility requirements
Newborn child coverage (ORS 743A.090)
Dependent child age limit (ORS 743A.090)
Coverage for adopted children (ORS 743A.090)
Affordable Care Act (ACA)
Eligibility
Dependent coverage
Essential health benefits
Levels of Coverage (metallic plans)
Oregon's Health Insurance Exchange/Marketplace
Definition
Medicaid
Eligibility
Benefits
Subsidies/Tax Credits
Health Insurance Portability and Accountability Act (HIPAA) requirements
Eligibility requirements
Terms
Privacy
Portability
Group Health Insurance 14% (21 items)
Characteristics of group health insurance
Group contract
Certificate of coverage
Eligible groups
Contributory versus non-contributory
Purpose of group insurance (ORS 743B.003(1) -(8))
Issuance of group contract (ORS 743B.010)
Provisions of coverage (ORS 743B.011)
Types of eligible groups
Employment-related groups (ORS 743B.010)
Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs) (ORS 750.301)
Employer group health insurance
Underwriting criteria
Eligibility for insurance (ORS 743B.105(4), (5))
Coordination of benefits provision (OAR 836-020-0770 to 0806)
Continuation of coverage under COBRA and Oregon rules (ORS 743B.347; OAR 836-052-0860)
Conversion of coverage (ORS 743B.343 -.345)

Open enrollment
Probation/waiting period
Coordination of benefits
COBRA
Eligibility
Duration of coverage
Premium
Small employer medical plans
Definition of small employer (ORS 743B.005)
Requirements of small employer (ORS 742.360)
Basic coverage (ORS 743B.005, 743B.012)
Availability of coverage (ORS 743B.104)
Renewability of coverage (ORS 743B.013 (5))
Participation requirements (ORS 743B.013(7))
Open enrollment
Purchase policy through exchange/marketplace (ORS 743B.010)
Small group tax credits
Specialized Health Insurance for Qualified Individuals 12% (18 items)
Medicare
Eligibility
Part A
Part B
Part C
Part D
Medicare supplements
Purpose (OAR 836-052-0103)
Enrollment periods (OAR 836-052-0138)
Standardized plan benefits
Core benefits (OAR 836-052-0133)
Additional benefits
Oregon regulations and required provisions
Standards for marketing (OAR 836-052-0175)
Advertising (ORS 743.687; OAR 836-052-0170)
Appropriateness of recommended purchase and excessive insurance (OAR 836-052-0180)
Right to return (free look) (ORS 743.686)
Replacement (ORS 743B.300); OAR 836-052-0165, 0190)
Pre-existing conditions
Required disclosure provisions (ORS 743.685;OAR 836-052-0160)
Outline of coverage (ORS 743.685(2);OAR 836-052-0160, 0190)
Buyer's guide (ORS 743.685(6))
Permitted compensation (OAR 836-052-0156)
Medicare SELECT (OAR 836-052-0139)
Medicaid

Eligibility
Long-Term Care policies
Definitions (ORS 743.650 to .665)
Benefit triggers (ORS 743.652(2))
Eligibility for benefits (activities of daily living) (OAR 836-052-0516(1))
Covered services (OAR 836-052-0596)
Benefit/elimination periods (ORS 743.655(5))
Levels of care (skilled, intermediate, custodial)
Benefit amounts (OAR 836-052-0586)
Optional benefits
Guarantee of insurability
Return of premium (ORS 743.652(7)(b)(E))
Qualified LTC plans (OAR 836-052-0531)
Exclusions
Oregon regulations and required provisions
Training for insurance producers (OAR 836-052-0639)
Standards for marketing (OAR 836-052-0706)
Advertising (OAR 836-052-0696)
Shopper's guide (OAR 836-052-0786)
Outline of coverage (ORS 743.655(7); OAR 836-052-0776)
Appropriateness of recommended purchase
Right to return (free look) (ORS 743.655(6))
Replacement (OAR 836-052-0626, 0736)
Renewal provisions
Continuation or conversion
Required disclosure provisions (OAR 836-052-0716)
Inflation protection (OAR 836-052-0616)
Pre-existing conditions (ORS 743.655(3); 743(b).005(21))
Protection against unintentional lapse (OAR 836-052-536(a)(b); 836-052-0740(7))
Partnership provisions (OAR 836-052-0531)
Prohibited provisions
Federal Tax Considerations for Life and Health Insurance 4% (6 items)
Taxation of personal life insurance and annuities
Premiums
Dividends
Settlements
Values included in insured's estate
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)