

APPENDIX 4—ACCIDENT AND HEALTH INSURANCE COURSE REQUIREMENTS

SECTION A

- I. Principles of Insurance—2 Hours
 - A. Nature of risk
 - B. Risk management
 - C. Insurable and noninsurable risk
 - D. Pooling concept—law of large numbers
 - E. Government as insurer
 - F. Forms of ownership
 - G. Marketing systems
 - H. Competition in the industry
 - I. Functions of insurers
 - J. Reinsurance
 - II. General Wisconsin Insurance Laws—3 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 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 solicitation requirements
 - K. Section 628.32, Wis. Stats., written disclosure of fees other than commissions
 - 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 accident and health products to clients including specifically sales to the elderly
 - F. Social responsibility of insurance agent
 - G. Agent/company relationships
 - H. Maintaining appropriate insurance expertise
 - I. Education of policyholders
 - J. Understanding of client needs
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- IV. Policies, Terms, and Concepts—6 Hours
 - A. Types of policies
 1. Disability income
 - a. Individual disability income policy
 - b. Business overhead expense policy
 - c. Business health insurance
 2. Accidental death and dismemberment
 3. Medical expense insurance
 - a. Basic hospital, medical, and surgical policies
 - b. Major medical policies
 - c. Comprehensive major medical policies
 - d. Health maintenance organizations (HMO)
 - e. Multiple employer trusts (MET)
 - f. Service organizations (Blue plans)
 4. Medicare supplement policies
 5. Group insurance
 - a. Group conversion
 - b. Differences between individual and group contracts
 - c. General concepts
 - B. Policy provisions, clauses, and riders
 1. Mandatory provisions
 - a. Entire contract
 - b. Time limit on certain defenses (incontestable)
 - 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. Cancellable
 - c. Guaranteed renewable
 - d. Conditionally renewable
 - e. Optionally renewable
 - f. Period of time
 - C. Social insurance
 1. Medicare
 2. Medicaid
 3. Social security benefits
 - D. 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 (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.)
- E. 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 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
- V. Wisconsin Health Insurance Law—6 Hours
- A. General policy provisions
1. Right of return
 2. Right of insurer to contest
 3. Pre-existing conditions
 4. Application process
 5. Grace periods
- B. Mandated benefits
1. Handicapped children
 2. Newborn children
 3. Chiropractors services
 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
- C. Riders and endorsements
- D. Marketing methods and practices
1. Advertising Company approval of advertising
 2. Suitability
 3. Outline of coverage
 4. Replacement
 5. Medicare supplement policies
 6. Nursing home policies
 7. Continuation and conversion
 8. Cancer insurance and other dread disease
- E. Health Insurance Risk Sharing Plan