

# Test Alert!

Vermont

Life, Accident, and Health Insurance

License Exam Manual

2/22/06

# L&H

The information included in this release, in addition to your other Kaplan Financial materials, is designed to assist you in preparing for concepts that your exam may include. We urge you to read it carefully and take time to review the sample questions and rationales.

Be sure to visit Kaplan Financial's Website at [www.kaplanfinancial.com](http://www.kaplanfinancial.com) for the latest updates to this Test Alert!

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The following information contains changes to the content of the License Exam Manual since the date of its publication. Please refer to that text when reading this information.

On page 220, insert the following content after paragraph b. Nonresident producer [Sec. 4800(3)(B)]:

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- 1.) **Nonresident licensure [Sec. 4813h]** A nonresident person may be licensed as a nonresident producer if:
  - he currently holds a producer's license in good standing in his home state;
  - he has applied for licensure and paid the required fees;
  - he has provided the Commissioner with the application that he used to obtain licensure in his home state, or the Uniform Application; and
  - his home state grants nonresident producer licenses to Vermont residents on the same terms.
- 2.) **Change of address** A nonresident producer who moves to Vermont must file a change of address and have his home state certify his licensure in good standing within 30 days of moving.

On page 246, insert the following content after paragraph d:

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- 1.) **Approval of application [Sec. 8090(g)]** If an insurer approves an applicant for a long-term care insurance policy, the insurer must deliver the policy to the applicant no later than 30 days following the approval.
- 2.) **Free-look period [Sec. 8089]** The insured may return a long-term care insurance policy within 30 days of its delivery and have the premium refunded if, after examining the policy, the insured is not satisfied for any reason. This is also true if the insured purchased the policy from a direct response insurer.

On page 247, insert the following content after paragraph l:

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- 1.) **Preexisting condition defined [Sec. 8086]** An LTC policy cannot define a preexisting condition more restrictively than a condition for which medical advice or treatment was recommended or received from a health care provider within six months before the effective date of coverage. Similarly, an LTC policy cannot exclude

coverage for a loss or confinement resulting from a preexisting condition unless the loss or confinement begins within six months after the effective date of coverage.

On page 247, insert the following content after paragraph m:

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- n. No LTC policy may establish a new waiting period if existing coverage is converted to or replaced by a new or other policy issued by the same insurer, unless the insured chooses to increase benefits.
- o. An LTC policy may not require that the insured be hospitalized before it pays benefits. It may also not condition benefits upon admission to a facility for the same or related condition that led to the hospitalization or admission to the facility.
- p. No LTC policy may cover skilled nursing care only or provide significantly more coverage for skilled care in a facility than coverage for lower levels of care.
- q. LTC policies cannot deny benefits or coverage because the need for services arises from a mental health condition or Alzheimer's disease or related disorders.
- r. LTC policies cannot be issued without coverage for home health care benefits that complies with standards for minimum benefits and coverages.
- s. LTC policies must offer adult day care benefits, either in the policy or as an optional rider.
- t. LTC policies must include an option for inflation adjustment protection.
- u. LTC policies must include a deductible or elimination period of at least 100 days for any covered benefit.
- v. No LTC policy may require a premium payment more often than monthly.
- w. An insurer or producer cannot represent an LTC policy as having a premium that is level or fixed if the premium is not fixed and may be increased.

Part II  
New Sample Questions

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There are no new questions at this time.

## Part III

### Answers and Rationales

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There are no new answers or rationales at this time.

On page 186, replace the last sentence of paragraph b in the upper half of the page with the following:

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Self-employed individuals may deduct premiums paid for medical insurance, limited to the net earnings from self-employment in the business for which the plan coverage was established.

On page 273, replace “\$41,000” in the heading “Amount of Each Monthly Payment per \$41,000 of Proceeds—Options C and D” with “\$1,000.”

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To submit comments or suggestions, please send an email to [errata@kaplan.com](mailto:errata@kaplan.com).

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