

Addendum: for use with Georgia Life & Health online ExamFX courses and study guide version #25791en/25793en, per exam content outline updates effective 11/16/2021.

*The following are **content additions** or revisions to the existing text as indicated:*

Introduction

F. Exam Breakdown – new exam breakdowns

Georgia Life Insurance Examination
95 Total Questions (80 scored, 15 pretest)
Time Limit: 2 hours; Passing Score: 70%

CHAPTER	PERCENTAGE OF EXAM
Completing the Application, Underwriting, and Delivering the Policy	15%
Types of Life Policies	15%
Life Policy Provisions, Options, and Riders	23%
Taxes, Retirement, and Other Insurance Concepts	10%
Georgia Laws, Rules, and Regulations Pertinent to Life, Accident & Sickness Insurance	30%
Georgia Rules and Codes Pertinent to Life Insurance Only	7%

Note that in the online course and study guide, the state laws and regulations are combined into one chapter that will account for 37% (30 questions) on practices exams.

Georgia Accident and Sickness Insurance Examination
95 Total Questions (80 scored, 15 pretest)
Time Limit: 2 hours; Passing Score: 70%

CHAPTER	PERCENTAGE OF EXAM
Field Underwriting Procedures	11%
Types of Accident and Sickness Policies	18%
Health Policy Provisions, Clauses, and Riders	25%
Social Insurance	4%
Other Insurance Concepts	5%
Georgia Laws, Rules, and Regulations Pertinent to Life, Accident & Sickness Insurance	30%
Georgia Rules and Codes Pertinent to Accident & Sickness Insurance Only	7%

Note that in the online course and study guide, the state laws and regulations are combined into one chapter that will account for 37% (30 questions) on practices exams.

Georgia Life, Accident and Sickness Insurance Examination
135 Total Questions (125 scored, 10 pretest)
Time Limit: 2.5 hours; Passing Score: 70%

CHAPTER	PERCENTAGE OF EXAM
Completing the Application, Underwriting, and Delivering the Policy	10%
Types of Life Policies	10%
Life Policy Provisions, Options, and Riders	14%
Taxes, Retirement, and Other Insurance Concepts	6%
Field Underwriting Procedures	7%
Types of Accident and Sickness Policies	11%
Health Policy Provisions, Clauses, and Riders	16%
Social Insurance	2%
Other Insurance Concepts	3%
Georgia Laws, Rules, and Regulations Pertinent to Life, Accident & Sickness Insurance	15%
Georgia Rules and Codes Pertinent to Life Insurance Only	3%
Georgia Rules and Codes Pertinent to Accident & Sickness Insurance Only	3%

Note that in the online course and study guide, the state laws and regulations are combined into one chapter that will account for 21% (25 questions) on practices exams.

State Laws, Rules, and Regulations

A. Georgia Laws, Rules, and Regulations Pertinent to Life and Accident & Sickness Insurance

2. Insurance Department and Commissioner

Investigation/Notice of Hearing – addition to the existing text:

If, after a hearing, the Commissioner determines that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the Commissioner will send to the person a written copy of the violations and a **cease and desist order** requiring the person to stop engaging in such method of competition, act, practice, or violation. The Commissioner may also impose one or more of the following penalties:

- A monetary fine up to \$1,000 for each violation, or \$5,000 for willful violations, where a person knew or reasonably should have known they were in violation;
- Suspension or revocation of the person's license if the person has knowingly committed the violation; or
- Any other relief as is reasonable and appropriate.

5. Unfair Trade Practices

Rebating – *addition to the existing text*

It is unlawful to pay, offer or accept any of the following as an **inducement** to buy insurance:

- Any special favor or advantage in dividends or benefits;
- Any stocks, bonds, securities, or accrued dividends or profits; or
- Anything of value not specified in the insurance contract.

In Georgia, the regulation regarding unlawful inducement does not apply to the insurer's advertising or promotional programs in which insureds or prospective insureds may be given articles of merchandise, prizes, store gift cards, gift certificates, or sporting event tickets not exceeding **\$100** in value per person in any one calendar year, as long as the giving of the item of value is not contingent upon the sale or renewal of a policy.

Coercion – *new section on the outline*

It is illegal to be involved in any activity of coercion which is intended to restrict fair trade or to create a monopoly. **Coercion** is an unfair trade practice in which an agent uses physical or mental force with the intent of inducing an applicant to purchase insurance.

Controlled Business – *new section on the outline*

Controlled business is any coverage written on a producer's own life, health or property, and/or that of the producer's immediate family or business associates. A licensee is not allowed to collect commissions on controlled business above the state-specified limit. In the state of Georgia, a license will not be issued to a person if it is determined that the primary purpose of the license is to write controlled business. **No more than 25%** of the agent's volume of insurance per calendar year can be issued on controlled business.

B. Georgia Laws, Rules, and Regulations Pertinent to Life Insurance Only

Life Insurance Solicitation Regulation – *new section*

The purpose of the Life Insurance Solicitation Regulation is to **provide buyers with information** which will improve their ability to select the most appropriate life insurance products to serve their needs, improve their understanding of the basic features of the policy, and improve their ability to evaluate the relative costs of similar plans of life insurance.

This regulation applies to any issuer of life insurance contracts. This regulation **does not apply** to the sale of the following:

- Annuities;
- Credit life insurance;
- Group life insurance;
- Variable life insurance policies in which the death benefits and cash values vary according to the investments in a separate account; and

Life insurance policies issued in connection with pension and welfare plans that are subject to ERISA.

General Rules and Disclosures

Prior to beginning a life insurance sales presentation, insurance agents must inform a prospective applicant that they are acting as a life insurance agent and provide the prospect the full name of the insurance company the agent is representing. In addition, the following solicitation requirements apply:

- A reference to policy dividends must include a statement that dividends are not guaranteed.
- A presentation of benefits cannot display guaranteed and nonguaranteed benefits as a single sum, unless they also are shown separately nearby.
- A statement regarding the use of the Life Insurance Cost Indexes must include a prominent explanation to the effect that the indexes are useful only for the comparison of the relative costs of two or more similar policies.

Prior to soliciting or receiving an application, the insurer must provide, to all prospective purchasers, a **Buyer's Guide**. The insurer must also provide to all prospective purchasers a **Policy Summary** prior to accepting the applicant's initial premium unless the policy for which application is made contains an unconditional refund provision of at least 10 days. The insurer must also provide a Buyer's Guide and a Policy Summary to any prospective purchaser or present policyholder upon request.

Each insurer must maintain at its home office or principal office, a complete file containing one copy of each document authorized by the insurer for use in sales presentations. The file must contain one copy of each authorized form for a period of **3 years** following the date of its last authorized use.

C. Georgia Laws, Rules, and Regulations Pertinent to Accident and Sickness Insurance Only

Individual and Group Accident and Sickness Insurance

Accident and sickness insurance is provided under a policy that insures one person and their dependents.

It is illegal for contracts to contain provisions that exclude or reduce coverage for an insurable person solely because the person is eligible for or receiving medical assistance.

Basic insurance policy forms or application forms must be filed with the Commissioner for approval at least **90 days before use**. At the end of the 90 days, the form will be considered approved, unless previously approved or disapproved. The Commissioner may extend the approval period by 90 days, but must give notice before the end of the initial approval period. At the end of the extension, the form will be considered approved, unless previously approved or disapproved.

Every individual accident and sickness policy must provide for a **10-day free-look period** that allows the policyowner to return the policy if dissatisfied for any reason. Upon the return of the policy, the insurer must refund any premium paid, and the policy will be considered void from its inception.

Optional Provisions

An insurer may, at its option, include any of the following optional provisions:

- **Change of occupation** — if the insured makes a change in occupation, upon claim, the insurer will either reduce the benefits to what premiums paid would have purchased assuming the more hazardous occupation, or reduce the premium and return the excess pro rate unearned premium if the change is to a less hazardous occupation.
- **Misstatement of age** — the insurer will adjust the amount payable under the policy according to what the premium paid would have bought at the correct age of the insured.
- **Other insurance in this insurer** — if a policyholder holds multiple policies with the same company and the aggregate coverage is in excess of the maximum limit of indemnity,
 - The excess insurance will be void, and the insurer will return all premiums paid for the excess; or
 - The insured may choose which policy will remain in effect, and the insurer will return all premiums paid for all other policies.
- **Relations of earnings to insurance** — insurer may limit the insured's benefits based on their average monthly earnings for the previous 2 years.
- **Unpaid premium** — upon the payment of a claim, any unpaid premium that is due to the insurer will be deducted from the benefit.
- **Return of premium on cancellation** — if the insured cancels a policy, the earned premium will be computed on a short-rate basis.
- **Conformity with state statutes** — any provision that is in conflict with the statutes of the state in which the insured resides will be amended to conform to the minimum requirements of the statutes.
- **Illegal occupation** — the insurer is not liable for any loss sustained as a result of the insured's commission or attempted commission of a felony, or for any loss contributed to by the insured's engagement in an illegal occupation.
- **Intoxicants and narcotics** — the insurer is not liable for any loss sustained as a result of the insured's being intoxicated or under the influence of any non-prescribed narcotic.
- **Cancellation of travel accident policies** — the insurer reserves the right to cancel the policy for allowable reasons with a required notice, as specified in the Insurance Code.

Every authorized insurer that issues individual accident and sickness policies in the state of Georgia is required to make the following coverages available either as a part of the policy or as an optional endorsement:

- Human heart transplants, including any charge for acquisition, transportation, or donation of a human heart. The coverage should be at least as extensive as treatment of any other physical illnesses covered by the policy.

- Coverage for mammograms and PAP smears:
 - One baseline mammogram for any female between the ages of 35 and 40;
 - One mammogram every 2 years for any female between the ages of 40 and 50;
 - Annual mammogram for any female who is at least 50 years old; and
 - Whenever ordered by a physician.
- Coverage for annual prostate specific antigen tests for the covered males who are 45 years of age or older, or for covered males who are 40 years of age or older if ordered by a physician.
- Coverage for bone marrow transplants for the treatment of breast cancer and Hodgkin's disease.
- Basic coverage for child wellness services for an insured child from birth through the age of 5.

Advertising

Advertisements for accident or sickness insurance policies must be accurate and sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Advertisements must be **truthful and not misleading** in fact or in implication, and must clearly and accurately state the dollar limits and time limits of benefits where applicable.

Advertisements for policies providing benefits only for specified illnesses or accidents must clearly and conspicuously in prominent type state the limited nature of the policy. If a policy provides different benefits for the same loss occurring under different circumstances or from different causes, the smaller benefits payable must be given the same prominence as the larger benefits.

All policies advertised must be identified by names that reasonably describe their contents; *for example*, Hospital and Surgical Expense Policy, Hospital Income Policy, or Disability Income Policy.

Any optional benefit advertised must be labeled as such and must be prominently and conspicuously displayed in conjunction with the conditions to qualify for the benefits. The advertisement must disclose that an additional premium may be charged for each optional benefit.

Advertisements must include the name, address, and phone number of the home or principal office of the nearest authorized representative of the insurer.

Any advertisement making reference to "Medicare Supplement Insurance" or to coverage designed to supplement "Medicare," must contain a clear, prominent, and conspicuous statement in language identical to or substantially the same as the following: "THIS IS A LIMITED POLICY DESIGNED TO COVER ONLY THOSE EXPENSES WHICH MEDICARE DOES NOT COVER."

Any advertisement that refers to the maximum benefits paid for any period greater than one day must disclose at the same time the daily rate of benefits, and when applicable, the fact that the benefits are payable only for the actual number of days of hospital

confinement and, when applicable, the limit on the number of days for which coverage is provided.

Testimonials

Testimonials used in advertisements must be genuine, represent the current opinion of the author, be applicable to the policy advertised, and be accurately reproduced.

If the person making a testimonial has a financial interest in the insurer or a related entity, that must be prominently disclosed in the advertisement.

If a person is compensated for making a testimonial, that must be prominently disclosed in the advertisement by language identical or similar to the following: "THIS IS A PAID ENDORSEMENT."

Group Insurance

Group accident and sickness insurance is a policy form that covers a group of employees, members of an association or another eligible group, with or without one or more members of their immediate family being covered. The following stipulations apply:

- A policy issued to an **employer** who is the policyholder insures at least two employees of such employer (not including the employer);
- A policy issued to an **association**, including a labor union, that has a constitution and bylaws and that was organized for a purpose other than obtaining insurance, insures at least 10 members;
- A policy issued to **the trustees of a fund** established by two or more employers in the same industry, by one or more labor unions, by one or more employers and one or more labor unions, or by an association, for which trustees are the policyholder, to insure not less than 10 people in their applicable group;
- A policy issued to a **creditor** where the creditor is the policyholder insures mortgagors of the creditor and must be written in connection with a credit transaction that is secured by a first mortgage or deed of trust;
- A policy issued to a **legal entity** providing a multiple employer welfare arrangement (MEWA), which means any employee benefit plan established or maintained for the purpose of offering or providing accident and sickness benefits to the employees of two or more employers; or
- A group policy at the discretion of the Commissioner.

Required Provisions

Georgia law requires group accident and sickness policies to include the following provisions:

- All statements made by the insured will be deemed representations and not warranties.
- The insurer must provide certificates to the policyholder, who is required to distribute them to each insured. Certificates must state the insurance protection to which the person is entitled and to whom the insurance benefits are payable.

- Newly eligible employees or members or dependents may be added to the group originally insured in accordance with the terms of the policy.
- Dependent children of an insured will continue to be insured up to the age of 26 as long as the coverage of the member continues in effect.
- Group policies have a grace period of 31 days for the payment of any premium due except the first.

Small Groups

Georgia law defines “**small group**” as a group of **at least 2 and no more than 50** employees, members, or enrollees. Insurers may pool the claims experiences produced by small groups they cover for rating purposes.

The initial and renewal rating of each small group may consider the following factors:

- Age;
- Sex,
- Size;
- Area;
- Industry; and
- Occupational and avocational factors.

Any newly eligible group member who has had creditable coverage under another health benefit plan within the previous 90 days is eligible for coverage immediately upon completion of any waiting period. Once the creditable coverage terminates, the insurer must offer a conversion policy to the eligible group member.

Blanket Policies

Blanket accident and sickness insurance covers special groups:

- Passengers of a common transportation carrier;
- Employees in a hazardous profession;
- Students/campers and teachers/supervisors of an educational institution or camp;
- Members of any religious, charitable, recreational, educational, or civic organization;
- Members, officials, and supervisors of a sports team; or
- Members of a group exposed to risks or classes of risks that the Superintendent approves.

Medicare Supplement Policies

Open Enrollment

Insurers may not deny the issuance of any Medicare supplement policy or discriminate in the pricing of a policy because of the health status, claims experience, or receipt of health care, if an application for a policy has been submitted prior to or within **6 months** beginning with the first day of the first month in which the applicant is both: age 65 or older, and is enrolled for benefits under Medicare Part B.

Free Look

Medicare supplement policies must have a notice prominently printed on the first page stating that the policyholder are entitled for a **30-day free-look period**, during which the policy can be return with a full refund of premium, if the policyholder is not satisfied with the policy for any reason.

Standards for Marketing

Medicare Supplement policies that are advertised or marketed in this state may not contain limitations or exclusions of coverage, except those permitted by pre-existing condition clauses, that are more restrictive than Medicare. Policies may not use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described pre-existing diseases or conditions.

No supplement policy or certificate in force may contain benefits that duplicate benefits provided by Medicare.

Twisting, high-pressure tactics, and cold lead advertising are prohibited. The terms Medicare Supplement, Medigap, Medicare Wrap-Around, and similar words may not be used unless the policy is in full compliance of the law.

Any sale of a Medicare supplement policy or certificate that will provide an individual more than one Medicare supplement policy or certificate is prohibited.

A Medicare supplement policy or certificate may NOT be issued to an individual enrolled in Medicare Part C unless the effective date of the coverage is after the termination date of the individual's Part C coverage.

On or before March 1 of each year, issuers must report the policy number and date of issuance for every individual resident of this state for which the issuer has more than one Medicare supplement policy or certificate in force.

Permitted Compensation

Insurers may provide commissions to insurance producers for the sale of Medicare supplement policies only if the first-year commission **does not exceed 200% of the commission** or other compensation paid for the sale or servicing of policy in the second year. Commissions provided in subsequent (renewal) years must be the same as that in the second year, and must be provided for no fewer than 5 renewal years.

Replacement

Application forms for Medicare supplement insurance policies must include a question to determine if the applicant intends to replace any existing accident and sickness policy with the Medicare supplement policy. If that is so, the insurer or its agent must furnish the applicant with a **Notice Regarding Replacement** prior to issuing or delivering the Medicare supplement policy.

Replacement notices must be signed by the applicant and the agent. Each party must retain a signed copy.