
Addendum: for use with Washington Life & Health online ExamFX courses and study guide version 22405en/22404en, per exam content outline updates effective 2/1/2019.

*The following are **content additions** to supplement your existing text unless otherwise indicated:*

LIFE & HEALTH

Insurance Regulations

C. Producer Licensing

1. Persons Required to be Licensed – *additions to existing text*

Producer

Any insurance producer who solicits, negotiates, or procures an application for insurance must make a good faith effort to determine if the insurer issuing coverage is authorized to transact insurance in Washington or conducts business through a surplus lines license.

3. License Maintenance and Duration

Renewal – *revised the renewal date requirement:*

Once a license is issued, it is the licensee's responsibility to maintain an active license. In this state, initial and reinstated licenses are valid from the date that they are issued until **the last day of the licensee's birth month, plus 1 year**. Any additional license later issued to the same licensee will continue on the same renewal cycle as the first.

Reporting of Actions – *new section*

Insurance producers must report any administrative action taken against them in another jurisdiction or by another governmental agency in this state to the Commissioner within **30 days** of the final disposition. Within 30 days of the pretrial hearing, producers must report to the Commissioner any criminal prosecutions brought forth against them. Both reports must include a copy of the order, consent to the order, and any other appropriate legal documents.

4. Designated Responsible Licensed Person (DRLP) – *new section*

All insurers are required to elect a designated responsible licensed person (DRLP). This individual is responsible for the insurer's compliance with appropriate Washington insurance laws, rules and regulations. A resident business entity acting as an insurance producer is required to designate a licensed insurance producer responsible for the business entity's compliance with the insurance laws and rules.

5. Penalties for Noncompliance

License Refusal, Nonrenewal, Suspension, Revocation, or Probation – additions to existing text

The Commissioner can choose to probate a previously suspended or revoked license. In doing so, the Commissioner may require a licensee who is placed on probation to do the following:

- Report to the Commissioner on a regular basis on matters that are related to the probation;
- Limit practice to an area prescribed by the Commissioner; and
- Maintain continuing education renewal standards with an emphasis on knowledge concerning the probation.

If a licensee violates probation orders, the Commissioner may rescind the probation and enforce the initial suspension or revocation order, and impose additional disciplinary actions.

D. Marketing Practices

3. Producer Responsibilities

Burden of Determining Authorization – new section

Any producer who solicits, negotiates, or procures an application for insurance in this state must make a good faith effort to determine whether the entity that is issuing the coverage is either authorized to transact insurance in this state, or conducting business through a surplus lines broker.

Display of License – new section

All licensed producers must visibly display their license in their place of business that is customarily open to the public.

LIFE ONLY

Insurance Regulations

G. Life Policy Clauses and Provisions

Entire Contract – new section

The entire contract provision protects against unauthorized changes to the contract. A true copy of the application for insurance must be attached and made part of the policy when issued and delivered. Upon reinstatement or renewal of a policy, the insured or beneficiary may provide a written request for a copy of the application. In response, an insurer must provide a copy within 15 days of the initial request. If a copy of the application is not provided, the application may not be used as evidence for subsequent actions.

HEALTH ONLY

Insurance Regulations

G. Health Insurance Reform

1. Definitions – *additions to existing text*

Base-bench plan — a small group plan with the largest enrollment

Information on Essential Health Benefits (EHB) benchmark plan — set of benefits included in plan

Mandated benefit or required benefit — health benefit plan specific to a type of service, device, medical equipment, or treatment for specific medical conditions

Meaningful health benefit — required benefits in an essential health benefit category

Medical necessity determination process — process of determining if health benefits are reasonably necessary for an individual

PPACA — Patient Protection and Affordable Care Act which was amended by the federal Health Care and Education Reconciliation Act of 2010

Scope or limitation requirement — requirements which limits the duration, number of times coverage is available, or imposes permitted eligibility or limitation on a particular benefit

Small group plan — health benefit plan which is offered, issued, or renewed to a small group

Stand-alone dental plan — coverage for oral care benefits, but not necessarily limited to pediatric oral care

H. Policy Clauses, Exclusions and Provisions – *additions to existing text*

Prohibited Discrimination: Health care coverage cannot be denied solely in response to any person's race, religion, national origin, or presence of sensory, mental, or physical handicap. Coverage denial based on medical conditions not meeting eligibility requirements is not considered discrimination.