

# QUICK NOTES™

Insurance Schools, Inc.

## Supplemental Study Guide

For

# NEW YORK

## LIFE, ACCIDENT & HEALTH INSURANCE AGENT / BROKER EXAMINATION

**SERIES 17-55**

(September 2015 Edition)

### What is Insurance Schools Quick Notes™ Study Guide?

Insurance Schools Quick Notes™ Study Guide is a comprehensive study guide that follows the Prometric state exam content outline and covers every topic listed on the New York Life, Accident & Health Insurance Agent/Broker Examination (Series 17-55).

**This supplemental study guide is designed to be used as an adjunct learning tool along with our online practice exam simulator and is not a substitute for the required New York prelicensing education course.**

Insurance Schools Quick Notes™ Study Guide does not meet the New York prelicensing education course requirement and no course completion certificate will be issued based upon the purchase of this product.

Excerpts of New York laws and regulations cited in this study guide have been condensed to emphasize important, testable topics you will see on your state exam.

This study guide should not be used as a substitute for competent legal advice.

Click here <http://www.insurance-schools.com/Category.aspx?CategoryID=516> to purchase the New York Life, Accident & Health online practice exam simulator which contains nearly 3,000 questions including state specific insurance law questions for New York.

## I.0 Insurance Regulation 7% of State Exam

### I.1 Licensing

**Process (2103(d-i))** - The Superintendent may issue a license to any person, firm or corporation who has complied with the requirements of the Insurance Code, authorizing the licensee to act as agent of any authorized insurer. Every individual applicant for a license under this section and every proposed sub-licensee **must be 18 years of age** or older at the time of issuance of such license. The person must submit to and pass a written examination required by the Superintendent.

Each individual will be required to pass the type of examination prescribed by the Superintendent for the line of authority for which the license is sought. No individual will be deemed qualified to take the examination or examinations unless he has successfully completed a course approved as to method and content by the Superintendent requiring **not less than 40 hours** of classroom work or the equivalent in correspondence work or similar instruction.

#### Definitions

**Producer Definition (2101(k))** - An **insurance producer** means an insurance agent, insurance broker, reinsurance intermediary, excess lines broker, or any other person required to be licensed under the insurance laws of this state to sell, solicit or negotiate insurance.

**Who Should be Licensed (2101(k)(1))** - The term “insurance producer” **does not include**:

An officer, director or employee of a licensed insurer, fraternal benefit society or health maintenance organization or of a licensed insurance producer, provided that the officer, director or employee does not receive any commission on policies written or sold to insure risks residing, located or to be performed in this state and:

- (a) the officer, director or employee's activities are executive, administrative, managerial, clerical or a combination of these, and are only indirectly related to the sale, solicitation or negotiation of insurance;
- (b) the officer, director or employee's function relates to underwriting, loss control, inspection or the processing, adjusting, investigating or settling of a claim on a contract of Insurance; or
- (c) the officer, director or employee is acting in the capacity of a special agent or agency supervisor assisting licensed insurance producers where the person's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation or negotiation of insurance.

**Home State (2101(l))** - **Home state** means the District of Columbia or any state or territory of the United States in which an insurance producer maintains his, her or its principal place of residence or principal place of business and is licensed to act as an insurance producer.

**Our online practice exam simulator for the New York Life, Accident & Health Agent/Broker exam includes hundreds of practice questions dealing with Insurance Regulations. This is out of nearly 3,000 total questions.**

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**Negotiate (2101(m))** - **Negotiate** or **negotiation** means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from licensed insurers, fraternal benefit societies or health maintenance organizations for purchasers.

**Sell (2101(n))** - **Sell** or **sale** means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of a licensed insurer, fraternal benefit society or health maintenance organization.

**Solicit (2101(o))** - **Solicit** or **solicitation** means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular licensed insurer, fraternal benefit society or health maintenance organization.

## Types of Licensees

### Agents (2101(a, k)); 2103; Reg. 6, Part 22.2; Reg. 7, Part 23.2)

**2101(a)** In this section, **insurance agent** means any authorized or acknowledged agent of an insurer, fraternal benefit society or health maintenance organization issued a certificate of authority pursuant to the public health law, and any sub-agent or other representative of such an agent, who acts as such in the solicitation of, negotiation for, or sale of, an insurance, health maintenance organization or annuity contract, *other than as a licensed insurance broker*.

**2101(k)** In this section, **insurance producer** means an insurance agent, insurance broker, reinsurance intermediary, excess lines broker, or any other person required to be licensed under the insurance laws of this state to sell, solicit or negotiate insurance.

The applicant must be **at least 18 years of age** at the time of license issuance.

An examination is required for each applicant, except where noted for applicants with a change in residency moving to New York (see code 2103 below). Holders of certain professional designations such as CLU or CPCU may also be exempt.

### Brokers (2101(c, h, k); 2104)

A broker refers to:

- **2101(c)** a licensed insurance representative who does not represent a specific insurance company, but places business among various companies. Legally, the broker is usually regarded as a representative of the insured rather than the insuring company.
- **2101(h)** **any licensed attorney** at law of this state.

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**Consultants (2107)** - The Superintendent may issue an insurance consultant's license to any person, firm, association or corporation who or which has complied with the requirements of this chapter with respect to either: life insurance, meaning all of those kinds of insurance authorized. Any such license issued to a firm or association will authorize only the members of such firm or association named in such license as sub-licensees to act individually as consultants there under, and any such license issued to a corporation will authorize only the officers and directors thereof named in such license as sub-licensees to act individually as consultants there under.

### **Adjusters (2101(g), 2108)**

**2101(g)** The Superintendent may, in his discretion require an applicant for a license under this section to present evidence, in such form as he prescribes, that such applicant has been employed, for a period which he deems reasonable, by an insurer, an independent adjuster or a public adjuster, in the performance of duties which in his opinion would provide the applicant with a satisfactory preliminary training for the duties and responsibilities which would evolve upon him as a licensee under this section. The term **independent adjuster** means any person, firm, association or corporation who for money, commission or any other thing of value, acts in this state **on behalf of an insurer** in the work of investigating and adjusting claims arising under insurance contracts issued by such insurer and who performs such duties required by such insurer as are incidental to such claims and also includes any person who for compensation or anything of value investigates and adjusts claims on behalf of any independent adjuster.

**2108** - Adjusters will be licensed as either independent adjusters, or as public adjusters. The Superintendent may prescribe the types of independent adjusters' licenses according to the kind or kinds of insurance claims which the licensee is to be authorized to investigate and adjust. No adjuster may act on behalf of an insurer unless licensed as an independent adjuster, and no adjuster may act on behalf of an insured unless licensed as a public adjuster. A **public adjuster works on behalf of the insured** for a fee.

### **Nonresident (2101(d, e); 2103(g)(5, 11); 2136)**

**2101(d)** In this section, **non-resident insurance agent** means an individual who is *a non-resident of this state* and who is *licensed or authorized to act as an insurance agent in the state in which he resides, or in which he or the firm or association of which he is a member or employee, or the corporation, of which he is an officer, director, or employee maintains an office as an insurance agent.*

**2101(e)** In this section, "*non-resident insurance broker*", means an individual who is a non-resident of this state and who is *licensed or authorized to act as an insurance broker in the state in which he resides, or in which he, or the firm or association of which he is a member or employee, or the corporation, of which he is an officer, director or employee maintains an office as an insurance broker.*

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**2103(g)(5)** In the discretion of the Superintendent, no written insurance examination will be required of any individual seeking to be named as a licensee or sub-licensee who is a non-resident insurance agent.

**2103(g)(11)** No written insurance examination will be required of any individual who applies for an insurance agent license in this state who was previously licensed for the same line or lines of authority **in another state**, provided, however, that the applicant's home state grants non-resident licenses to residents of this state on the same basis. Such individual will also not be required to complete any prelicensing education. *This exemption is only available if the person is currently licensed in that state or if the application is received within 90 days of the date of cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's producer database records, maintained by the National Association of Insurance Commissioners, its affiliates or subsidiaries indicate that the producer is or was licensed in good standing for the line of authority requested.* An individual or entity licensed in another state that moves to this state **must make an application within 90 days** of establishing legal residence to become a resident licensee. No prelicensing education or examination will be required of that person to obtain any line of authority previously held in the prior state except where the Superintendent determines otherwise by regulation.

**2136 – Reciprocity** - The Superintendent will waive any requirements for a nonresident license applicant otherwise applicable under this chapter if:

- (a) the applicant has a current and valid license in his or her home state and is in good standing in his or her home state;
- (b) the applicant has submitted a completed application in the form prescribed by the Superintendent or submitted the application for licensure submitted to his or her home state;
- (c) the applicant has paid the fees required by this chapter; and
- (d) the applicant's home state awards nonresident insurance producer licenses to residents of this state on the same basis as provided in this subsection.

### **Business Entities (2101(p); 2103(e))**

**2101(p)** A **business entity** means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity.

**2103(e)** Before any original insurance agent's license is issued to a business entity, there must be on file in the office of the Superintendent an application by the prospective licensee in such form or forms and supplements, and containing information the Superintendent prescribes and for each business entity, the sub-licensee or sub-licensees named in the application must be designated responsible for the business entity's compliance with the insurance laws, rules and regulations of this state.

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**Temporary License (2109; Regs. 9, 18, 29, Part 20.1)** – A temporary license may be issued in the case of death, service in armed forces or disability.

The Superintendent may issue a temporary insurance agent's or insurance broker's license, or both, without requiring the applicant to pass a written insurance examination or to satisfy certain requirements except as to age in the following cases:

- (1) In the event of the death of a person who at the time of his death was a licensed accident and health insurance agent;
  - (a) to the executor or administrator of the estate of such deceased agent or broker;
  - (b) to a surviving next of kin of such deceased agent or broker, where no administrator of his estate has been appointed and no executor has qualified under his duly probated will;
  - (c) to the surviving member or members of a firm or association, which at the time of the death of a member was such a licensed insurance agent or licensed insurance broker; or
  - (d) to an officer or director of a corporation upon the death of the only officer or director who was qualified as a sub-licensee or to the executor or administrator of the estate of such deceased officer or director;
- (2) to any person who may be designated by a person licensed pursuant to this chapter as an insurance agent, or an insurance broker, or both, and who is absent because of service in any branch of the armed forces of the United States.
- (3) to the next of kin of a person who has become totally disabled and prevented from pursuing any of the duties of his or her occupation, and who at the commencement of his or her disability the license or licenses may be issued for a term **not exceeding 90 days** from the death of such additional term or terms of 90 days each, not exceeding in the aggregate 15 months.

The Superintendent may issue renewal licenses *for an additional term or terms of 90 days each exceeding the aggregate period of 15 months* when in his judgment it will best serve the interests of any person serving in the armed forces of the United States. No person **holding a temporary license is permitted to solicit new business** under the temporary license.

## Maintenance and Duration

### Renewal (2103(j); Reg. 5, Part 21.2)

All individual insurance agent licenses must be **renewed every two years**. Individual licenses are issued with an **expiration date determined by the date of birth**:

- The license of an agent born in an even numbered year will expire on the agent's birthday in an even numbered year.
- The license of an agent born in an odd numbered year will expire on the agent's birthday in an odd numbered year.

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