

**Group and Health – Core CANADA
Fall 2015/Spring 2016**

Important Exam Information:

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| Exam Registration | Candidates may register online or with an application. |
| Order Study Notes | Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store. |
| Introductory Study Note | The Introductory Study Note has a complete listing of all study notes as well as errata and other important information. |
| Case Study | A case study will be used for this exam. A copy of the case study will be provided with the examination. Candidates will not be allowed to bring their copy of the case study into the examination room. |
| Past Exams | Past Exams from 2000-present are available on SOA website. |
| Updates | Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices. |

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| Learning Objectives | |
| 1. Describe plan provisions typically offered under: <ul style="list-style-type: none">a. Group and individual medical, dental and pharmacy plansb. Group and individual long-term disability plansc. Group life and short-term disability plansd. Supplementary plans, like Medicare Supplemente. Group and Individual Long Term Care Insurance | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none">a) Describe typical organizations offering these coveragesb) Understand the historical context for each coveragec) Describe each of the coverages listed aboved) Evaluate the potential financial, legal and moral risks associated with each coverage | |
| Syllabus Resources | |
| <ul style="list-style-type: none">• <i>Group Insurance</i>, Bluhm, 6th Edition<ul style="list-style-type: none">○ Ch.4 Group Life Insurance Benefits○ Ch.5 Group Disability Income Benefits○ Ch.6 Medical Benefits in the United States○ Ch.7 Health Benefits in Canada○ Ch.8 Dental Benefits in the United States○ Ch.9 Prescription Drug Benefits in the United States○ Ch.10 Group Long-Term Care Insurance○ <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition,<ul style="list-style-type: none">○ Ch.1 A History of Managed Health Care and Health Insurance in the United States (background only)○ Ch. 2 Types of Health Insurers, Managed Health Care Organizations and Integrated Health Care Delivery Systems○ <i>Individual Health Insurance</i>, Bluhm<ul style="list-style-type: none">○ Ch.2 The Products, pp. 33-60 | |

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| Learning Objectives | |
| 2. Calculate and recommend a manual rate for each of the coverages described in Learning Objective 1 | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Identify and evaluate sources of data needed for pricing, including the quality, appropriateness and limitations of each data source b) Develop an experience analysis c) Analyze and recommend assumptions d) Calculate and recommend a manual rate e) Identify critical metrics to evaluate actual vs. expected results f) Describe the product development process including risks and opportunities to be considered during the process. g) Apply actuarial standards of practice in evaluating and projecting claim data | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> o <i>Group Insurance</i>, Bluhm, 6th Edition <ul style="list-style-type: none"> o Ch.31 Pricing of Group Insurance o Ch.32 Estimating Claim Costs for Life Benefits o Ch.33 Estimating Medical Claim Costs o Ch.34 Estimating Claim Costs for Disability Benefits o Ch.35 Estimating Dental Claim Costs o Ch.36 Pricing Group Long-Term Care Insurance o Ch.37 Experience Rating and Funding Methods o Ch.38 Medical Claim Cost Trend Analysis o Ch.46 Product Development o <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition <ul style="list-style-type: none"> o Ch.22 Underwriting and Rating o <i>Individual Health Insurance</i>, Bluhm <ul style="list-style-type: none"> o Ch.5 Setting Premium Rates <ul style="list-style-type: none"> • GHC-101-13: Group Disability Insurance (Sections 4 & 7) • GHC-102-13: Loss Ratios and Health Coverages, American Academy of Actuaries' Loss Ratio Work Group • GHC-103-13: The Challenges of Pricing Health Insurance for the 2014 Exchanges • GHC-105-14: Pricing Considerations for Drugs Covered under Pharmacy Benefit Programs <ul style="list-style-type: none"> • Mechanics and Basics of Long-Term Care Rate Increases, Long-Term Care News, August 2014 • ASOP 23, Data Quality • ASOP 25, Credibility Procedures • Timing's Everything: The impact of Benefit Rush, Health Watch, May 2008 | |

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| 3. Evaluate and recommend an employee benefit strategy | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none">a) Describe an employer's rationale and strategies for offering employee benefit plansb) Evaluate the elements of cafeteria plan design, pricing and managementc) Recommend an employee benefit strategy in light of an employer's objectives | |
| Syllabus Resources | |
| <ul style="list-style-type: none">○ <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition<ul style="list-style-type: none">○ Ch.1 The Environment of Employee Benefit Plans○ Ch.2 Functional Approach to Designing and Evaluating Employee Benefits○ Ch.7 Consumer Driven Health Plans○ Ch. 18 Selected Additional Benefits, (pp. 491-496)○ Ch. 24 Strategic Benefit Plan Management○ Ch. 25 Cafeteria Plan Design and Administration (pp. 671 - 699)○ Ch. 32 Employee Benefit Plans for Small Companies○ <i>Canadian Handbook of Flexible Benefits</i>, McKay, 3rd Edition<ul style="list-style-type: none">○ Ch.7 Flexible Accounts - Health Spending, Personal, and Perquisite, sections 7.1 - 7.3, 7.5 - 7.7○ Ch. 14 Pricing○ Ch. 16 Adverse Selection○ A Practical Guide Private Exchanges, HealthWatch, May 2015 | |

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| 4. Understand Government Programs providing Health and Disability Benefits in Canada | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none"> a) Describe eligibility requirements for social programs in Canada and the benefits provided b) Describe how private group insurance plans work within the framework of social programs in Canada c) Compare social programs in Canada and the United States | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> o <i>Group Insurance</i>, 6th Edition, Bluhm <ul style="list-style-type: none"> ▪ Ch. 3 Health Care Policy and Group Insurance, appendix only ▪ Ch. 12 Government Old-Age, Survivors and Disability Plans in the United States ▪ Ch. 13 Government Health Care Plans in the United States o <i>Morneau Shepell Handbook of Canadian Pension and Benefit Plans</i>, 15th Edition <ul style="list-style-type: none"> ▪ Ch. 3 Determination and Payment of Benefits pp. 79-84, ▪ Ch. 15 Provincial Hospital and Medical Insurance Plans ▪ Ch. 16 Workers' Compensation ▪ Ch. 17 Employment Insurance o GHC-600-13: Benefits Legislation in Canada o GHC-605-13: CIA Perspectives–National Pharmacare Coverage o GHC-608-13: Changes to Quebec Generic Drug Pricing (pp. 1-2 only) o GHC-609-13: Ontario Generic Drug Pricing Reforms Finalized o GHC-639-15: Passage of New Brunswick's Prescription and Catastrophic Drug insurance Act, Mercer Communique, pp. pp.3-4 (pp. 1-2 Background only) o Sustainability of the Canadian Health Care System and Impact of the 2014 revision to the Canada Health Transfer (Executive Summary and Chapter 11 only) | |

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| Learning Objectives | |
| 5. Understand how to prepare and interpret insurance company financial statements in accordance with IFRS & IAS | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Interpret insurer financial statements from the viewpoint of various stakeholders b) Evaluate key financial performance measures used by life and health insurers for both short and long-term products c) Project financial outcomes and recommend strategy to senior management to achieve financial goals d) Describe the planning process of a life and health insurance company (strategic, operational, and budgeting) e) Compare key differences and similarities in measures by accounting basis f) Describe how to compute the taxable income of a life and health insurance company g) Explain fair value accounting principles and describe International Accounting Standards (IAS) h) Construct basic financial statements and associated actuarial entries for a life and health insurance company. i) Describe emerging developments impacting International Financial Reporting frameworks | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> • <i>Analysis for Financial Management</i>, 10th Edition, Higgins <ul style="list-style-type: none"> ○ Ch. 1 Interpreting Financial Statements ○ Ch. 3 Financial Forecasting ○ Ch. 4 Managing Growth • <i>Group Insurance</i>, 6th Edition, Bluhm <ul style="list-style-type: none"> ○ Ch. 21 Group Insurance Financial Reporting: United States & Canada ○ Ch. 45 Analysis of Financial and Operational Performance • <i>Canadian Insurance Taxation</i>, 3rd Edition, Borgmann, et. al. <ul style="list-style-type: none"> ○ Ch.2, Taxation of Life Insurers - An Introduction • GHC-612-13: Simple CALM example • GHC-613-13: Educational Note: Classification of Contracts under International Financial Reporting Standards • GHC-615-13: IFRS 4 • GHC-619-13: IFRS Phase II - Phase I was “easy”; Phase II will be a complete redo, CIA Annual Meeting, June 2012, Session 22 (Background only) • GHC-620-13: Educational Note on Source of Earnings Calculations – Group Life and Health • GHC-640-15: CIA Research Paper, IFRS Disclosure Requirements for Life Insurers (December, 2010) • GHC-641-15: Practical Guide to IFRS, PwC, (July 2013), pages 1-36 • GHC-642-15: Exposure Draft – Insurance Contracts under IFRS – IASB, Pages 13 – 64 (Standard and Application Guidance) (June 2013) (Background only) • GHC-643-15: IFRS Update, CIA Annual Meeting, June 2014, Session 23 (Background only) | |

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| Learning Objectives | |
| 6. Evaluate the impact of regulation and taxation on companies and plan sponsors in Canada | |
| Learning Outcomes | |
| The candidate will be able to: | |
| <ul style="list-style-type: none"> a) Describe the regulatory and policy making process in Canada b) Describe the major applicable laws and regulations and evaluate their impact | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> • <i>Canadian Handbook of Flexible Benefits</i>, 3rd Edition, McKay <ul style="list-style-type: none"> ○ Ch. 12 Taxation of Flexible Benefits (12.1 – 12.4 only) ○ Ch. 13 Discrimination Issues • <i>Canadian Insurance Taxation</i>, 3rd Edition, Borgmann, et. al. <ul style="list-style-type: none"> ○ Ch. 1 (background only) ○ Ch. 2 Taxation of Life Insurers – An Introduction ○ Ch. 4 Income for Tax Purposes – General Rules, pages 29-30 (excl 'Imputed Interest Benefit on Real Property') and 34-38 ○ Ch. 6 Reserves, pages 69-90 ○ Ch. 11 Investment Income Tax, pages 149-155 • GHC-621-13: Canadian Life and Health Insurance Association: Guideline G3, Group Life and Health Insurance • GHC-625-13: Legal Aspects of Group Insurance in the Province of Québec (2010 Edition) • GHC-626-13: Guideline G4 – Coordination of Benefits • GHC-628-13: The Quebec Act Respecting Prescription Drug Insurance and Its Impacts on Private Group Insurance Plans (2010) • GHC-631-13: Canadian Life & Health Insurance Association: The protection of personal information under Group Benefit Plans • GHC-637-13: Chapters 16 and 17 of <i>Canadian Life & Health Insurance Law</i>, Jones, H. E. • GHC-644-15: Taccess, Issue 2, July 2014 - An Advisor's Guide to Understanding How Taxes Impact Group Insurance Benefits in Canada • GHC-645-15: Canadian Health Insurance Tax Guide – Employee Life and Health Trusts (Sun Life) • GHC-646-15: Canadian Health Insurance Tax Guide – Health and Welfare Trusts (Sun Life) • GHC-647-15: CLHIA Position Paper (2010) Protecting Canadians' LTD Benefits • GHC-648-15: Canadian life and health insurance industry agreement to protect Canadians' drug coverage (September 2012) | |

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| 7. Understand and evaluate post-retirement and post-employment benefits in Canada | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none">a) Describe why employers offer post-retirement and post-employment benefitsb) Determine appropriate baseline assumptions for benefits and populationc) Determine employer liabilities, service cost and expense for post-retirement and post-employment benefits for financial reporting purposes under IFRS and understand differences compared to US GAAPd) Describe funding alternatives for post-retirement and post-employment benefitse) Apply actuarial standards of practice to post-retirement and post-employment benefit plans | |
| Syllabus Resources | |
| <ul style="list-style-type: none">• <i>Morneau Shepell Handbook of Canadian Pension & Benefit Plans</i>, 15th Edition, Gottlieb & Whiston<ul style="list-style-type: none">○ Ch. 22 Post-retirement and Post-employment Benefits• GHC-632-13: IAS19• GHC-633-14: CIA Standards of Practice - Practice-Specific Standards for Post- Employment Benefit Plans• GHC-636-13: Deloitte Summaries on IAS19 (background only)• GHC-649-15: Towers Watson Comparison of IAS 19, rev. 2011 with FASB ASC 715, Summary of Provisions Affecting Accounting for Post-retirement Benefits• GHC-650-15: Supplement Calculation Note for IAS 19 | |