

Group and Health – Core CANADA SPRING 2014

Important Exam Information:

Exam Date and Time	A read-through time will be given prior to the start of the exam—15 minutes in the morning session and 15 minutes in the afternoon session.
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 not be used for this exam.
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	
<p>1. The candidate will understand how to describe plan provisions typically offered under:</p> <ul style="list-style-type: none"> a. Group and individual medical, dental and pharmacy plans b. Group and individual long-term disability plans c. Group short-term disability plans d. Supplementary plans, like Medicare Supplement e. Group and Individual Long Term Care Insurance 	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe typical organizations offering these coverages including the historical context b) Understand the historical context for each coverage c) Describe each of the coverages listed above d) Evaluate the potential financial, legal and moral risks associated with each coverage e) Describe various markets for these products 	
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. The candidate will understand how to recommend a manual rate for each of the coverage described in Learning Objective 1.	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> • Identify and evaluate sources of data needed pricing, including the quality, appropriateness and limitations of each data source • Develop an experience analysis • Calculate and recommend assumptions • Recommend a manual rate • Identify critical metrics to evaluate actual vs. expected results 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Group Insurance</i>, 6th Edition, Bluhm <ul style="list-style-type: none"> ○ Ch. 31 Pricing of Group Insurance ○ Ch. 32 Estimating Claim Costs for Life Benefits ○ Ch. 33 Estimating Medical Claim Costs ○ Ch. 34 Estimating Claim Costs for Disability Benefits ○ Ch. 35 Estimating Dental Claim Costs ○ Ch. 36 Pricing Group Long-Term Care Insurance ○ Ch. 37 Experience Rating and Funding Methods ○ Ch. 38 Medical Claims Costs Trends Analysis • <i>Essentials of Managed Health Care</i>, 6th Edition, Kongstvedt <ul style="list-style-type: none"> ○ Ch. 22 Underwriting and Rating • <i>Individual Health Insurance</i>, Bluhm <ul style="list-style-type: none"> ○ Ch. 5 Setting Premium Rates • 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 • Timing's Everything: The Impact of Benefit Rush, Health Watch, May 2008 	

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3. The candidate will understand how to recommend an employee benefit strategy.	
Learning Outcomes	
The candidate will be able to: a) Describe employer’s rationale and strategies for offering employee benefit plans b) Evaluate the elements of cafeteria plan design, pricing and management c) 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, 7th Edition, Rosenbloom</i><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, pages 491-496○ Ch. 24 Strategic Benefit Plan Management○ Ch. 25 Cafeteria Plan Design and Administration, pages 671 – 699○ Ch. 27 Employee Benefits Communications○ Ch. 32 Employee Benefit Plans for Small Companies• <i>Canadian Handbook of Flexible Benefits, 3rd Edition, McKay</i><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○ Ch. 23 Case Studies	

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Learning Objectives	
4. The candidate will understand Government Programs providing Health and Disability Benefits in Canada	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> ▪ Describe benefits and eligibility requirements for social programs in Canada ▪ Describe how private group insurance plans work within the framework of social programs in Canada ▪ Compare social programs in Canada and the U.S. 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Essentials of Managed Health Care</i>, 6th Edition, Kongstvedt <ul style="list-style-type: none"> ○ Ch. 25 Medicaid Managed Health Care • <i>Group Insurance</i>, 6th Edition, Bluhm <ul style="list-style-type: none"> ○ Ch. 12 Government Old-Age, Survivors and Disability Plans in the United States ○ Ch. 13 Government Health Care Plans in the United States • <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 • GHC-600-13: Benefits Legislation in Canada • GHC-601-13: Manulife Summary of Provincial Worker's Compensation Plans • GHC-602-13: Employment Insurance Compassionate Care Benefits, January 2013 • GHC-603-13: Health Care Transformation in Canada • GHC-604-13: Social Programs • GHC-605-13: CIA Perspectives–National Pharmacare Coverage • GHC-606-13: CIA Perspectives – Does Medicare Really Need More Funds? • GHC-607-13: CIA Perspectives: The High Cost of Dying • GHC-608-13: Changes to Quebec Generic Drug Pricing (pp. 1-2 only) • GHC-609-13: Ontario Generic Drug Pricing Reforms Finalized 	

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Learning Objectives	
5. The candidate will 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"> ▪ Interpret insurer financial statements from the viewpoint of various stakeholders ▪ Evaluate key financial performance measures used by L&H insurers for both short and long-term products ▪ Project financial outcomes and recommend strategy to senior management to achieve financial goals ▪ Describe the planning process of an L&H insurance company (strategic, operational, and budgeting) ▪ Compare key differences and similarities in measures by accounting basis ▪ Describe how to compute the taxable income of an L&H insurance company ▪ Explain fair value accounting principles and describe International Accounting Standards (IAS) ▪ Construct basic financial statements and its actuarial entries for an L&H insurance company. 	
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-610-13: Conversion to International Financial Reporting Standards (IFRSs) by Federally Regulated Entities (FREs) March 2010 • GHC-611-13: Market Value Margins for Insurance Liabilities in Financial Reporting and Solvency Applications, E&Y October 2007 • GHC-612-13: Simple CALM example • GHC-613-13: Educational Note: Classification of Contracts under International Financial Reporting Standards • GHC-614-13: Research Paper: Changes in Accounting Policies under International Financial Reporting Standards, exclude appendices • GHC-615-13: IFRS 4 • GHC-616-13: IFRS 4 2012 Technical Summary • GHC-617-13: IFRS Insurance Accounting Standard - P&C Perspective, CIA Annual Meeting, June 2012, Session 12 (Background only) • GHC-618-13: IFRS Phase II Accounting Issues, CIA Annual Meeting, June 2012, Session 22 (Background only) • 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 	

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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"> ▪ Describe the regulatory and policy making process in the Canada ▪ Describe the major applicable laws and regulations and evaluate their impact 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Group Insurance</i>, 6th Edition, Bluhm <ul style="list-style-type: none"> ○ Ch. 3 Health Policy and Group Insurance, appendix only ○ Ch. 14 Principles of Health Insurance Regulation ○ Ch. 16 Regulation in Canada • <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. 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-622-13: The Chaoulli Case and its Impacts on Public and Private Health Insurance • GHC-623-13: Employee Life and Health Trust: Modified Draft Legislation • GHC-624-13: Taxation of Employee Benefits (Group Insurance) in Canada, (excl section 1.4) • GHC-625-13: Legal Aspects of Group Insurance in the Province of Québec (2010 Edition) • GHC-626-13: Guideline G4 – Coordination of Benefits • GHC-627-13: Guideline G7 – Creditor's Group Insurance • GHC-628-13: The Quebec Act Respecting Prescription Drug Insurance and Its Impacts on Private Group Insurance Plans (2010) • GHC-629-13: CIA Public Position: Self-Insured Long-Term Disability Plans • GHC-630-13: Taccess Issue 1 - January 2012 - An Advisor's Guide to Understanding How Taxes Impact Group Insurance Benefits in Canada • 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. 	

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Learning Objectives	
7. Understand and Evaluate Retiree Group and Life Benefits in Canada	
Learning Outcomes	
The candidate will be able to: <ul style="list-style-type: none">▪ Describe why employers offer retiree group and life benefits▪ Determine appropriate baseline assumptions for benefits and population▪ Determine employer liabilities for retiree benefits under various accounting standards▪ Describe funding alternatives for retiree benefits▪ Apply actuarial standards of practice to retiree 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• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto<ul style="list-style-type: none">○ Ch. 7 Accounting Under FAS 106○ Ch. 9 Actuarial Methods and Assumptions (pages 251-278 and 287-291)• GHC-104-13: CIA Note – Overview of Post-retirement Benefit Calculations• GHC-632-13: IAS19• GHC-633-13: CIA Standards of Practice - Practice-Specific Standards for Post- Employment Benefit Plans (Final April 2009)• GHC-634-13: Towers Watson Comparison of IAS 19 (2008) to FASB ASC 715• GHC-635-13: Towers Watson Comparison of IAS 19 (2008) to IAS 19 (2011)• GHC-636-13: Deloitte Summaries on IAS19	