

Group and Health – Core US 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 plansb. Group and individual long-term disability plansc. Group short-term disability plansd. Supplementary plans, like Medicare Supplemente. 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 contextb) 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 coveragee) 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 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"> • 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>, Bluhm, 6th Edition <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 Claim Cost Trend Analysis ◦ <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition <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</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. 27 Employee Benefits Communications○ 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○ Ch. 23 Case Studies	

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4. The candidate will understand Government Programs providing Health and Disability Benefits in the U.S.	
Learning Outcomes	
The candidate will be able to: a) Describe benefits and eligibility requirements for i. Medicare, including Part D ii. Social Security, including disability income iii. Medicaid	
Syllabus Resources	
<ul style="list-style-type: none">◦ <i>Group Insurance</i>, Bluhm, 6th Edition<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○ Ch. 25 Filings and Certifications for Medicare-Related Group Coverages• <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition<ul style="list-style-type: none">○ Ch. 21 Medicare Part D Prescription Drug Benefits• <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition<ul style="list-style-type: none">○ Ch. 25 Medicaid Managed Health Care• GHC-800-13: AAA Issue Brief: Medicare's Financial Condition, Beyond Actuarial Balance• Payment Reform Under the Medicare-Medicaid Financial Alignment Demonstrations, Health Watch, May 2013	

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5. The candidate will understand how to prepare and interpret insurance company financial statements in accordance with US Statutory Principles and GAAP	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> ▪ Develop exhibits for the US statutory blank for Life and Health Companies ▪ Prepare a financial statement in accordance with generally accepted accounting principles ▪ Interpret the results of both statutory and GAAP statements from the viewpoint of various stakeholders, including regulators, senior management, investors 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>US GAAP for Life Insurers</i>, Herget, 2nd Edition <ul style="list-style-type: none"> ○ Ch. 1 GAAP Objectives and their Implications to Life Insurers ○ Ch. 2 Authorities (except Section 2.2.1.5) ○ Ch. 10 Individual Health Insurance ○ Ch. 12 Group Insurance, Large Case Pension Liabilities and Related Liabilities (pages 381 – 389) ○ Ch. 14 Shadow Adjustments (pages 441-444) • <i>Analysis for Financial Management</i>, Higgins, 10th Edition <ul style="list-style-type: none"> ○ Ch. 1 Interpreting Financial Statements ○ Ch. 3 Financial Forecasting ○ Ch. 4 Managing Growth ○ <i>Group Insurance</i>, Bluhm, 6th Edition <ul style="list-style-type: none"> ○ Ch. 21 Group Insurance Financial Reporting: United States & Canada ○ Ch. 45 Analysis of Financial and Operational Performance • <u>Statement of Financial Accounting Standards No. 60</u> (excl. Appendix B) 	

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Learning Objectives	
6. Evaluate the impact of regulation and taxation on companies and plan sponsors in the US	
Learning Outcomes	
The candidate will be able to: <ul style="list-style-type: none">▪ Describe the regulatory and policy making process in the US▪ Describe the major applicable laws and regulations and evaluate their impact	
Syllabus Resources	
<ul style="list-style-type: none">◦ <i>Group Insurance</i>, Bluhm, 6th Edition<ul style="list-style-type: none">○ Ch. 3 Health Policy and Group Insurance○ Ch. 14 Principles of Health Insurance Regulations○ Ch. 15 Regulation in the United States○ Ch. 17 Health Exchanges and Connectors○ Ch. 20 Federal Regulation & Taxation of Employer-Sponsored Group Insurance Benefits• <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition<ul style="list-style-type: none">○ Ch. 25 Cafeteria Plan Design and Administration, pages 699-720• GHC-801-13: U.S. Health Insurance• GHC-802-13: AAA Health Reform Implementation: Understanding the Terminology• GHC-803-13: Brief For the AAA as Amicus Curiae Supporting Respondents on the Severability Issue to the Supreme Court• GHC-804-13: Letter to NAIC on White Paper on Adverse Selection and Exchanges• GHC-805-13: Risk Adjustment and Other Risk-Sharing Provisions in the Affordable Care Act June 01, 2011	

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Learning Objectives	
7. The candidate will understand and evaluate Retiree Group and Life Benefits in the United States	
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>Group Insurance</i>, Bluhm, 6th Edition,<ul style="list-style-type: none">○ Ch. 19 Retiree Group Benefits• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto<ul style="list-style-type: none">○ Ch. 7 Accounting under FAS 106○ Ch. 8 Other Accounting○ Ch. 9 Actuarial Methods and Assumptions (pages 251-278 and 287-291)○ Appendix F- Measuring Retiree Group Benefit Obligations (through pg. 37)• GHC-104-13: CIA Note – Overview of Post-retirement Benefit Calculations• Statement of Financial Accounting Standards No. 106<ul style="list-style-type: none">○ Appendix C – Illustrations	