

Group and Health – Core US Fall 2015 and Spring 2016

Important Exam Information:

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.
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. Describe plan provisions typically offered under:</p> <ol style="list-style-type: none"> a. Group and individual medical, dental and pharmacy plans b. Group and individual long-term disability plans c. Group life and 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> <ol style="list-style-type: none"> a) Describe typical organizations offering these coverages 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 	
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) Calculate 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 standard of practice in evaluating and projecting claim data 	
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 ○ Ch. 46 Product Development • <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 • GHC-105-14: Pricing Considerations for Drugs Covered under Pharmacy Benefit programs 	

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- [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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Learning Objectives	
3. Evaluate and recommend an employee benefit strategy	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe employer’s rationale and strategies for offering employee benefit plans b) Evaluate the elements of cafeteria plan design, pricing and management c) Evaluate and 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 to Private Exchanges, HealthWatch, May 2015 	

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Learning Objectives	
4. Describe and Evaluate Government Programs providing Health and Disability Benefits in the U.S.	
Learning Outcomes	
<p>The candidate will be able to describe and evaluate benefits and eligibility requirements for:</p> <ul style="list-style-type: none"> a) Medicare including Part D b) Social Security Disability Income c) Medicaid and Children’s Health Insurance Program (CHIP) 	
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, (pp. 533-546) • <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition <ul style="list-style-type: none"> ○ Ch. 24 Health Plans and Medicare ○ Ch. 25 Medicaid Managed Health Care • GHC-800-15: AAA Issue Brief: Medicare's Financial Condition, Beyond Actuarial Balance, July 2014 • Payment Reform Under the Medicare-Medicaid Financial Alignment Demonstrations, Health Watch, May 2013 	

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Learning Objectives	
5. Understand how to prepare and be able to 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"> a) Prepare financial statement entries in accordance with generally accepted accounting principles b) Interpret the results of both statutory and GAAP statements from the viewpoint of various stakeholders, including regulators, senior management, investors c) Apply applicable standards of practice 	
Syllabus Resources	
<ul style="list-style-type: none"> • <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 • GHC-806-15: Financial Reporting Implications Under the Affordable Care Act • GHC-807-15: US GAAP for Life Insurers, Herget, 2nd Edition, Chapters 1 & 2(Ch. 2 is for background only) • <u>Statement of Financial Accounting Standards No. 60 (excl. Appendix B)</u> • <u>ASOP 21, Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas</u> 	

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Learning Objectives	
6. Evaluate the impact of regulation and taxation on companies and plan sponsors in the US	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe the regulatory and policy making process in the US b) Describe the major applicable laws and regulations and evaluate their impact c) Apply applicable standards of practice 	
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 (including appendix) ○ Ch. 14 Principles of Health Insurance Regulations ○ Ch. 15 Regulation in the United States ○ Ch. 17 Health Benefit Exchanges and Connectors ○ Ch. 20 Federal Regulation of Taxation of Employer-Sponsored Group Insurance Benefits ○ Ch. 24 Small Group Rate Filings and Rate Certifications • <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 Taxation • GHC-802-13: AAA Health Reform Implementation: Understanding the Terminology (<i>background only</i>) • GHC-808-15: Affordable Care Act Risk Adjustment: Overview, Context, and Challenges • GHC-809-15: The HHS-HCC Risk Adjustment Model for Individual and Small Group Markets under the Affordable Care Act, pp E3-E9, E18-E27 Excluding all exhibits except Exhibit 10 • GHC-810-15: Risk Transfer Formula for Individual and Small Group Markets Under the Affordable Care Act, pp E3-E16 • Implications of Individual Subsidies in the Affordable Care Act—What Stakeholders Need to Understand, HealthWatch, May 2014 • ASOP 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans • ASOP 41, Actuarial Communications • ASOP 8, Regulatory Filings for Health Plan Entities 	

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Learning Objectives	
7. Evaluate Retiree Group and Life Benefits in the United States	
Learning Outcomes	
The candidate will be able to: <ul style="list-style-type: none">a) Describe why employers offer retiree group and life benefitsb) Determine appropriate baseline assumptions for benefits and populationc) Determine employer liabilities for retiree benefits under various accounting standardsd) Describe funding alternatives for retiree benefitse) 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 (pages 304-314)• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto<ul style="list-style-type: none">○ Ch. 7 Accounting under FAS 106 (pages 171-190; glossary as background only)○ Ch. 9 Actuarial Methods and Assumptions (pages 251-278 and 287-292)• Statement of Financial Accounting Standards No. 106<ul style="list-style-type: none">• Appendix C – Illustrations 1, 2, 4 and 5 only• ASOP 6, Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions (through page 38)	