

EDUCATION AND EXAMINATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

SPRING 2013

GROUP AND HEALTH—DESIGN AND PRICING (DP) EXAM

INTRODUCTORY STUDY NOTE

1. The Group and Health—Design and Pricing examination for Spring 2013 will be given on **Thursday, May 2nd, from 8:30 a.m. – 11:45 a.m. and 1:30 p.m. – 4:45 p.m.** The examination will consist of six hours of written answer questions. 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.
2. The following link shows a recommended FSA module/exam sequence for the Group and Health track: <http://www.soa.org/Education/Exam-Req/edu-fsa-recommended.aspx>

This order is NOT mandated. Each candidate will determine the appropriate sequence based on factors including readiness to sit for an exam, exam administration schedules, or study time available. Although neither of the FSA modules nor the DP exam are prerequisites for the CSP exam, please keep in mind that questions for the CSP exam will be set assuming that candidates have a basic familiarity with the general topics and concepts that are covered in the FSA modules and the DP exam.

3. Any changes in the Syllabus for this exam will be published under “Updates” in this exam’s home page on the SOA Web site.

Past exams, solutions and case studies are available at:

<http://www.soa.org/education/exam-req/syllabus-study-materials/edu-multiple-choice-exam.aspx>

The Syllabus material includes textbooks, online readings, as well as the study notes listed below. A complete listing of the Syllabus and Learning Objective is located in this exam’s home page on the SOA Web site.

Code	Title
	Case Study (Available on syllabus page of Web site)
GH-D30-12	SOA Meeting Session Material w/CD
GH-D100-07	Specialty Accident and Health Products
GH-D101-07	Group Disability Insurance
GH-D102-07	Group Life Insurance
GH-D103-07	Pricing Long-Term Care
GH-D104-07	Pricing Medicare Supplement Benefits
GH-D105-07	Direct Marketing
GH-D106-07	EBRI Fundamentals of Employee Benefits Programs
GH-D107-07	Actuarial Aspects of Taft-Hartley Welfare Plans: Reserves, Claim Forecasts and Setting Contribution Levels
GH-D109-07	Medical Underwriting: Approaches and Regulatory Restrictions
GH-D112-07	Monitoring and Projecting Pricing Trends in a Managed Care Environment

Code	Title
GH-D113-07	Group Long Term Disability-Improving Actuarial Analysis Through Understanding the Benefits Process
GH-D114-07	Actuarial Issues in the Fee-for-Service/Prepaid Medical Group
GH-D117-07	Variation by Duration in Small Group Medical Insurance Claims
GH-D118-11	National Healthcare Reform: Strategic Considerations for Large Employers
GH-D119-11	What Kind of Risk Adjustment Systems are Necessary for Health Insurance Exchanges?
GH-D120-11	Operation of a Health Exchange within the PPACA: What Needs to be in Place, How Does it Operate, and How Might States Approach Governance?
GH-D121-11	Health Insurers Need to Quickly Assess Operational Costs for Medical Services Under Healthcare Reform
GH-D122-11	Should Your State Establish a Health Insurance Exchange?
GH-D123-11	Health Insurance Exchanges: Implementation and Data Considerations for States and Existing Models for Comparison
GH-D124-11	What Do We Really Know About Consumer-Driven Health Plans?
GH-D125-11	Summary of New Health Reform Law
GH-D126-11	<i>Introduction to Credibility Theory</i> , Fourth Edition, Chapters 1,2,11 and 12
GH-D127-10	<i>The Handbook of Employee Benefits</i> , Sixth Edition, Chapter 6
GH-D128-12	Guideline G3: Group Life and Group Health Insurance
GH-D129-12	The Chaoulli Case and Its Impacts on Public and Private Health Insurance

5. Learning Objectives

The candidate should be very familiar with the Learning Objectives. These Learning Objectives are the first ingredient in developing the syllabus and also guide the examination committee when writing questions. The Learning Objectives set out the cognitive level needed to pass this exam. You will notice that the candidates are expected to “analyze,” “explain,” “calculate,” “describe,” “apply,” etc. While studying the syllabus material, candidates may want to refer back to the Learning Objectives to remain focused on the goals of the exam.

6. A Case Study that will be used as a basis for questions on the examination. Be sure to answer the questions asked by referring to the Case Study. For example, if asked for the advantages of some action the company referenced in the Case Study is considering, limit your response to the specifics for that company. Other advantages should not be listed as they are extraneous to the question and will result in no additional credit. Further, if they conflict with the applicable advantages, no credit will be given for either answer. Candidates are advised to familiarize themselves with the Case Study. A copy will be included in the examination booklet. Candidates will not be allowed to bring their study note copy of the Case Study into the examination room.
7. Several book distributors carry some or all of the textbooks for the Society of Actuaries exams. A list appears on the SOA Web site <http://www.soa.org/education/exam-req/resources/edu-txt-manuals.aspx>.
8. The examination questions for this exam will be based on the required readings for this exam. If a conflict exists (in definitions, terminology, etc.) between the readings for this exam and the

readings for other exams, the questions should be answered on the basis of the readings for this exam.

9. Candidates may ONLY use the battery or solar-powered Texas Instruments BA-35 model calculator, the BA II Plus* the BAII Plus Professional* or TI-30Xa or TI-30X II* (IIS solar or IIB battery) or TI-30X MultiView (XS solar or XB battery). Candidates may use more than one of the approved calculators during the examinations.

Calculator instructions may not be brought into the exam room. During the exam, the calculator must be removed from its carrying case so the supervisor can confirm that it is an approved model. Candidates using a calculator other than the approved models will have their exams disqualified.

Candidates can purchase calculators directly from: Texas Instruments, Attn: Order Entry, PO Box 650311, Mail Station 3962, Dallas, TX 75265, phone 800/842-2737 or <http://epsstore.ti.com>.

The memory of **TI-30X II, TI-30X MultiView, BA II Plus and BAII Plus Professional will need to be cleared by the examination supervisor upon the candidate's entrance to the examination room.*

10. A list of various seminars/workshops and study manuals appears on the SOA Web site <http://www.soa.org/education/exam-req/resources/edu-sem-workshops.aspx> and <http://www.soa.org/education/exam-req/resources/edu-txt-manuals.aspx>. These seminars/workshops and study manuals do not reflect any official interpretation, opinion, or endorsement of the Society of Actuaries or its Education Committee.

Please note that the Education Committee expects candidates to read the material cited in the *Syllabus* and to use other material as a complement to the primary sources rather than a substitution for them.

11. The Society of Actuaries provides study notes to persons preparing for this examination. They are intended to acquaint candidates with some of the theoretical and practical considerations involved in the various subjects. While varying opinions are presented where appropriate, limits on the length of the material and other considerations sometimes prevent the inclusion of all possible opinions. The study notes do not, however, represent any official opinion, interpretation, or endorsement of the Society of Actuaries. The Society is grateful to the authors for their contributions in preparing study notes.

The American Academy of Actuaries, the Canadian Institute of Actuaries, the Conference of Consulting Actuaries, and the Society of Actuaries jointly sponsor the examinations administered by the Society of Actuaries.