

# Health, Group Life & Managed Care - Company/Sponsor Perspective

## Important Information

The examination for this course will be given on Friday, May 9<sup>th</sup> 8:30am–11:45am and 1:30pm–4:45pm and 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. Information regarding registering for exams is available on the [Exam Registration](#) page.

Study notes are part of the required Course of Reading and are not available electronically. Candidates must order the study notes from the Society of Actuaries using the Study Note Order Form. Past exams are available on the Exam Archives page of the SOA web site under [Multiple Choice/Essay Examinations](#).

Candidates should be sure to check the [Updates](#) page of the web site periodically for additional corrections or notices.

The candidate should be very familiar with the Learning Objectives as described in the Basic Education Catalog. 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.

Exam	Group/Health CSP
Learning Objectives	
1. Analyze quality measures and their importance to various stakeholders <ul style="list-style-type: none"> <li>• Medical</li> <li>• Dental</li> <li>• Group life</li> <li>• Disability income</li> <li>• Long-term care</li> <li>• Flexible benefits</li> </ul> Relates to claim management and quality of the health care provided but from the company perspective – i.e. their responsibility	
Learning Outcomes	
The candidate will be able to: <ol style="list-style-type: none"> <li>a) Identify stakeholders</li> <li>b) Describe impact of quality measures and how used by the stakeholders</li> <li>c) Describe impact of the use of quality measures on the overall healthcare system</li> <li>d) Describe cost vs. benefit trade-offs of quality measures</li> <li>e) Describe parameters that define consumer perception of quality</li> <li>f) List common quality measures and pros and cons of each</li> <li>g) Determine benefits and cautions for using a particular measure in a given scenario</li> <li>h) Identify sources/ratings used to evaluate the financial stability of an insurer/sponsor</li> </ol>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005               <ul style="list-style-type: none"> <li>○ Chapter 9, Health Care Quality: Are We Getting Our Money’s Worth</li> </ul> </li> <li>• <i>Managed Health Care Handbook</i>, Kongstvedt, Fourth Edition, 2001               <ul style="list-style-type: none"> <li>○ Chapter 41, Sales and Marketing/the Distribution Process - pp.801-804</li> <li>○ Chapter 69, State Regulation</li> </ul> </li> <li>• GH-C100-07 (formerly 8GM-204-00) Health Plan Performance Measurement Reports: A Report of the Society of Actuaries Medical Effectiveness Task Force</li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

<b>Exam</b>	<b>Group/Health CSP</b>
<b>Learning Objectives</b>	
2. Typical markets: Understands customer segments and how products are marketed to each.	
<b>Learning Outcomes</b>	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> <li>a) Compare group vs. individual product vs. government financed markets</li> <li>b) Describe common marketing channel to each major customer segment</li> <li>c) Describe the effect of the distribution channel on pricing and underwriting</li> <li>d) Compare the relationship between different marketing channels and the underlying needs of the consumers</li> </ul>	
<b>Syllabus Resources</b>	
<ul style="list-style-type: none"> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007 <ul style="list-style-type: none"> <li>○ Chapter 1, The Group Insurance Marketplace</li> <li>○ Chapter 2, Overview of Sales and Marketing</li> </ul> </li> <li>• <i>Individual Health Insurance</i>, Bluhm, 2007 <ul style="list-style-type: none"> <li>○ Chapter 10, Other Insurer Functions, pp. 295-301 only</li> </ul> </li> <li>• <i>Managed Health Care Handbook</i>, Kongstvedt, Fourth Edition, 2001 <ul style="list-style-type: none"> <li>○ Chapter 41, Sales and Marketing /The Distribution Process</li> <li>○ Chapter 42, The Employer’s view of Managed Health Care</li> </ul> </li> <li>• GH-C101-07, NAIC Model Regulation I-40-1 Advertisements of Accident and Sickness Insurance Model Regulation”</li> </ul>	

<b>Exam</b>	<b>Group/Health CSP</b>
<b>Learning Objectives</b>	
3. Legal requirements: Recalls regulatory limits on marketing healthcare products.	
<b>Learning Outcomes</b>	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> <li>a) Identify major regulations concerning healthcare marketing</li> <li>b) Describe impact on market of specific regulations</li> </ul>	
<b>Syllabus Resources</b>	
<ul style="list-style-type: none"> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007 <ul style="list-style-type: none"> <li>○ Chapter 14, Principles of Health Insurance Regulation pp. 254-256</li> </ul> </li> <li>• <i>Managed Health Care Handbook</i>, Kongstvedt, Fourth Edition, 2001 <ul style="list-style-type: none"> <li>○ Chapter 48, Tax Issues – Health Risk-Bearing Organizations (exclude appendix)</li> </ul> </li> <li>• GH-C101-07 NAIC Model Regulation I-40-1, Advertisements of Accident and Sickness Insurance Model Regulation</li> </ul>	

<b>Exam</b>	<b>Group/Health CSP</b>
<b>Learning Objectives</b>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

4. Formulate and evaluate insurer claim reserving techniques
Learning Outcomes
The candidate will be able to: a) Describe the types of claim reserves (e.g., due and unpaid, ICOS, IBNR, LAE, PVANYD) b) Explain the limitations and applications of the various valuation methods: <ul style="list-style-type: none"><li>• Lag methods</li><li>• Tabular methods</li><li>• Case reserves</li><li>• Projection methods</li><li>• Loss ratio methods</li></ul> c) Calculate appropriate claim reserves given data d) Identify adjustments to IBNR (margins, trend, seasonality, claims processing changes, etc.) e) Evaluate data resources and appropriateness for calculating reserves f) Test adequacy of the reserves vs. actual claims experience
Syllabus Resources
<ul style="list-style-type: none"><li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007<ul style="list-style-type: none"><li>○ Chapter 40 – Short Term Benefits</li><li>○ Chapter 41– Claim Reserves for Long Term Benefits</li></ul></li><li>• <i>US GAAP for Life Insurers</i>, Herget et al., Second Edition, 2006<ul style="list-style-type: none"><li>○ Chapter 10, Individual Health Insurance Section 10.9 only – Claim Reserves</li><li>○ Chapter 12 Group Insurance Section 12.1.4 only – Claim Reserves</li></ul></li><li>• GH-C102-07 (formerly 8GM-305-05) Health Reserves</li><li>• ASOP 5 Incurred Health and Disability Claims <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop005_076.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop005_076.pdf</a></li><li>• ASOP 23 Data Quality <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf</a></li><li>• Health Section News, 10/04, Reserving Challenges for Consumer-Directed Products <a href="http://www.soa.org/library/newsletters/health-section-news/2004/october/HSN0410.pdf">http://www.soa.org/library/newsletters/health-section-news/2004/october/HSN0410.pdf</a></li><li>• Canadian Standards of Practice Section 2100 (Valuation of Policy Liabilities: All Insurers) <a href="http://www.actuaries.ca/members/publications/2006/206122e.pdf">http://www.actuaries.ca/members/publications/2006/206122e.pdf</a></li><li>• Canadian Standards of Practice Section 2300 (Valuation of Policy Liabilities: Life and Health Insurers) <a href="http://www.actuaries.ca/members/publications/2006/206122e.pdf">http://www.actuaries.ca/members/publications/2006/206122e.pdf</a></li></ul>

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
5. Formulate and evaluate insurer reserving techniques for other liabilities	
Learning Outcomes	
<p>The candidate will be able to:</p> <p>a) Describe different types of reserves and explain when each is required</p> <ul style="list-style-type: none"> <li>• Absorb deficiency reserves</li> <li>• Active life reserves</li> <li>• Premium reserves</li> <li>• Deferred acquisition costs</li> <li>• Claim administration expense reserves</li> <li>• Provider liability</li> </ul> <p>b) Calculate the reserve given data</p> <p>c) Demonstrate adequacy of the reserve</p> <ul style="list-style-type: none"> <li>• Gross premium valuation</li> <li>• Asset adequacy analysis</li> </ul>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Individual Health Insurance</i>, Bluhm, 2007 <ul style="list-style-type: none"> <li>○ Chapter 6, Reserves and Liabilities</li> <li>○ Appendix D</li> </ul> </li> <li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005 <ul style="list-style-type: none"> <li>○ Chapter 41, Accounting and Reporting – Employee Benefit Plans</li> </ul> </li> <li>• <i>US GAAP for Life Insurers</i>, Herget et al., Second Edition, 2006 <ul style="list-style-type: none"> <li>○ Chapter 10 Individual Health Insurance, Section 10.4 only;</li> <li>○ Chapter 12 Group Insurance, Sections 12.1.2, 12.1.3, 12.1.5, 12.1.6, 12.1.7, 12.1.8 only</li> </ul> </li> <li>• GH-C102-07 (formerly 8GM-305-05) Health Reserves</li> <li>• ASOP 7 Analysis of Life, Health, or Property/Casualty Insurer Cash Flows  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop007_089.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop007_089.pdf</a></li> <li>• ASOP 18 Long Term Care Insurance  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf</a></li> <li>• ASOP 22 Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop022_083.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop022_083.pdf</a></li> <li>• ASOP 42 Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop042_091.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop042_091.pdf</a></li> <li>• AAA Asset Adequacy Practice Note, December 2004, (pp 1-7,10-17,62-66)  <a href="http://actuary.org/pdf/practnotes/life_asset.pdf">http://actuary.org/pdf/practnotes/life_asset.pdf</a></li> <li>• Canadian Standards of Practice Sections 2100 (Valuation of Policy Liabilities: All Insurers)  <a href="http://www.actuaries.ca/members/publications/2006/206122e.pdf">http://www.actuaries.ca/members/publications/2006/206122e.pdf</a></li> <li>• Canadian Standards of Practice Section 2300 (Valuation of Policy Liabilities: Life &amp; Health Insurers)  <a href="http://www.actuaries.ca/members/publications/2006/206122e.pdf">http://www.actuaries.ca/members/publications/2006/206122e.pdf</a></li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	<b>Group/Health CSP</b>
Learning Objectives	
6. Evaluate financial performance measures for companies and plan sponsors	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> <li>a) Assess key financial measures used by various entities (insurers, HMOs, provider-owned plans)</li> <li>b) Project financial outcomes and recommend strategy to management to achieve financial goals</li> <li>c) Compare key differences and similarities in measures by accounting basis (statutory, tax, GAAP)</li> <li>d) Recommend measures for long versus short tail products</li> </ul>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Analysis for Financial Management</i>, Higgins, Eighth Edition, 2007 <ul style="list-style-type: none"> <li>○ Chapter 1, Interpreting Financial Statements</li> <li>○ Chapter 2, Evaluating Financial Performance</li> </ul> </li> <li>• <i>Enterprise Risk Management</i>, Lam, 2003 <ul style="list-style-type: none"> <li>○ Chapter 9, pp.110-115</li> </ul> </li> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007 <ul style="list-style-type: none"> <li>○ Chapter 17, Financial Reporting in the US</li> <li>○ Chapter 18, Financial Reporting in Canada</li> <li>○ Chapter 43, Analysis of Financial and Operational Performance</li> </ul> </li> <li>• <i>US GAAP for Life Insurers</i>, Herget et al., Second Edition, 2006 <ul style="list-style-type: none"> <li>○ Chapter 1, Sections 1.3-1.6 only</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• GH-C102-07 (formerly 8GM-305-05) Health Reserves</li> <li>• GH-C106-07 (formerly 8GM-300-00) U.S. Health Insurance Taxation</li> <li>• GH-C107-07 (formerly 8GM-301-00) Taxation – Canada</li> <li>• GH-C109-07 (formerly 443-23-89) Value-Based Financial Measurement</li> <li>• GH-C108-07 Calculated Risk – A Provider’s Guide to Assessing and Controlling the Financial Risk of Managed Care, Chapters 1-6</li> </ul>	
<ul style="list-style-type: none"> <li>• Financial Reporter, Issue 50 “Relationship of IRR to ROI on a Level Term Life Insurance Policy” <a href="http://www.soa.org/library/newsletters/financial-reporter/2002/september/frn0209.pdf">http://www.soa.org/library/newsletters/financial-reporter/2002/september/frn0209.pdf</a></li> <li>• Financial Reporter, Volume 48, “Why More USA Life Insurance Companies Are Considering Economic Value as an Additional Internal Accounting System” <a href="http://www.soa.org/library/newsletters/financial-reporter/2001/december/frn0112.pdf">http://www.soa.org/library/newsletters/financial-reporter/2001/december/frn0112.pdf</a></li> <li>• Financial Reporting Section Monograph “Life Insurance Earnings and the Release from Risk Policy Reserve” <a href="http://www.soa.org/library/monographs/50th-anniversary/financial-reporting-section/1999/january/m-as99-1-02.pdf">http://www.soa.org/library/monographs/50th-anniversary/financial-reporting-section/1999/january/m-as99-1-02.pdf</a></li> <li>• Financial Reporting Section Monograph “Economic Value – Added for a Life Insurance Company (XVI)” <a href="http://www.soa.org/library/monographs/50th-anniversary/financial-reporting-section/1999/january/m-as99-1-16.pdf">http://www.soa.org/library/monographs/50th-anniversary/financial-reporting-section/1999/january/m-as99-1-16.pdf</a></li> </ul>	

Exam	<b>Group/Health CSP</b>
Learning Objectives	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

7. Integrate reinsurance arrangements with overall financial strategy of company plan / sponsor
Learning Outcomes
<p>The candidate will be able to:</p> <ol style="list-style-type: none"> <li>a) Analyze the key risks that reinsurance will stabilize for a company's given line of business</li> <li>b) Recommend a type of reinsurance for a given scenario</li> <li>c) Assess the financial impact reinsurance has on the ceding company and reinsurance company in a given scenario</li> <li>d) Propose key considerations for a self-funded employer considering stop-loss coverage on a group health plan</li> </ol>
Syllabus Resources
<ul style="list-style-type: none"> <li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005             <ul style="list-style-type: none"> <li>○ Chapter 43, Alternative Insured and Self-Funded Arrangements</li> </ul> </li> <li>• GH-C110-07 (formerly 8GM-304-00) Reinsurance for Group Accident &amp; Health Insurance</li> <li>• GH-C111-07 (formerly 8M-700-00) Reinsurance in the Managed Care Environment</li> </ul>

Exam	<b>Group/Health CSP</b>
Learning Objectives	
8. Evaluate the impact of taxation on company / plan sponsor financial management	
Learning Outcomes	
<p>The candidate will be able to:</p> <ol style="list-style-type: none"> <li>a) Assess the tax advantage of flexible benefit offerings from a plan sponsor perspective</li> <li>b) Understand the tax implications and strategic differences among Consumer Directed Plans as well as HSAs, MSAs and HRAs</li> <li>c) Construct a model illustrating the impact of tax reserves on a LTC carrier's cash flow</li> <li>d) Explain malformations of the market generated by tax policies</li> </ol>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto, 2006             <ul style="list-style-type: none"> <li>○ Chapter 5, Funding</li> </ul> </li> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007             <ul style="list-style-type: none"> <li>○ Chapter 3, Health Care Policy and Group Insurance, pp. 44-46 only</li> <li>○ Chapter 4, Group Life Insurance Benefits, pp. 59-61, 64-65, 69, 71, 72-73 and 75-76 only</li> <li>○ Chapter 16, Regulation in Canada, pp. 325-327 only</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• <i>Managed Care Handbook</i>, Kongstvedt, 2001             <ul style="list-style-type: none"> <li>○ Chapter 48, Tax Issues – Health Risk-Bearing Organizations (exclude appendix)</li> </ul> </li> <li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005             <ul style="list-style-type: none"> <li>○ Chapter 11, Alternative Prescription Drug Plans and Their Impact on Employers, pp. 274-275 only</li> <li>○ Chapter 37, Cafeteria Plan Design and Administration pp. 1003-1007 only</li> </ul> </li> <li>• GH-C106-07 (formerly 8GM-300-00) US Health Insurance Taxation</li> <li>• GH-C107-07 (formerly 8GM-301-00) Taxation - Canada</li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
9. Evaluate the impact of regulation on company / plan sponsor financial management	
Learning Outcomes	
The candidate will be able to: a) Evaluate the interrelationship of state versus federal regulation on company financial management b) Compare the primary federal regulations with which an employer must comply when offering flexible benefit plans c) Assess the impact on financial management of a given regulation	
Syllabus Resources	
<ul style="list-style-type: none"><li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007<ul style="list-style-type: none"><li>○ Chapter 14, Principles in Health Insurance Regulation</li><li>○ Chapter 15, Regulation in the US</li><li>○ Chapter 16, Regulation in Canada</li></ul></li><li>• <i>Individual Health Insurance</i>, Bluhm, 2007<ul style="list-style-type: none"><li>○ Chapter 3, Policy Forms</li></ul></li><li>• <i>Managed Health Care Handbook</i>, Kongstvedt, 2001<ul style="list-style-type: none"><li>○ Chapter 69, State Regulation of Managed Care</li></ul></li><li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005<ul style="list-style-type: none"><li>○ Chapter 39, Fiduciary Liability Issues under ERISA</li></ul></li></ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
10. Evaluate the risk profile of a portfolio of products	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> <li>a) Describe the type and magnitude of risks inherent in various products and market segments</li> <li>b) Develop a portfolio of products to manage the overall risk to a company / plan sponsor</li> <li>c) Calculate risk adjusted returns and economic value added for separate products within the portfolio</li> </ul>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• GH-C112-07, <i>Dynamic Financial Condition Analysis Handbook</i> <ul style="list-style-type: none"> <li>○ Chapter 1</li> <li>○ Chapter 2</li> <li>○ Chapter 6</li> </ul> </li> <li>• GH-C113-07 Mapping of Health Company Risks</li> <li>• “Pricing in a Return-on-Equity Environment”, TSA XXXIX, pp. 257-271  <a href="http://www.soa.org/library/research/transactions-of-society-of-actuaries/1987/january/tsa87v3911.pdf">http://www.soa.org/library/research/transactions-of-society-of-actuaries/1987/january/tsa87v3911.pdf</a> </li> <li>• RSA 9, #4 (p. 1861-1900) “A Practical Application of Analysis Techniques in Health Insurance”  <a href="http://www.soa.org/files/pdf/RSA83V9N422.PDF">http://www.soa.org/files/pdf/RSA83V9N422.PDF</a> </li> <li>• RSA 19, #3 (p.1711-1724)” CFT as Management Tool”  <a href="http://www.soa.org/files/pdf/RSA93V19N313.PDF">http://www.soa.org/files/pdf/RSA93V19N313.PDF</a> </li> <li>• RSA 17, #3 B (p. 1359-1375) “Health Valuation Actuary”  <a href="http://www.soa.org/files/pdf/RSA91V17N3B9.PDF">http://www.soa.org/files/pdf/RSA91V17N3B9.PDF</a> </li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
11. Evaluate financial impacts of book of business risks to an insurer, provider, and / or employer of various portfolios of products	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> <li>a) Describe book of business level risks and common actions to mitigate</li> <li>b) Determine if a given risk is present in a model scenario</li> <li>c) Construct a model to quantify the net impact of major health / morbidity / mortality risks on an insurer</li> </ul>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Enterprise Risk Management</i>, Lam, 2003               <ul style="list-style-type: none"> <li>○ Chapter 4, What is Enterprise Risk Management</li> <li>○ Chapter 8, Risk Transfer</li> <li>○ Chapter 9, Risk Analysis</li> <li>○ Chapter 15, Business Applications</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• GH-C112-07, DFCA Handbook , Ch.. 2 and 5 (Ch. 1 for background only)</li> <li>• GH-C113-07, Mapping of Health Company Risks</li> <li>• GH-118-07, Value-at-Risk (Part 1 -see link below for Part 2)</li> <li>• GH-C119-07 Views on Risk Capital: Economic Capital vs. Rating Agency Capital vs. Regulatory Capital and,               <ul style="list-style-type: none"> <li>○ MP3 Audio <a href="http://www.ermssymposium.org/2005/presentations.html">http://www.ermssymposium.org/2005/presentations.html</a>, 3<sup>rd</sup> Annual ERM Symposium “</li> </ul> </li> <li>• GH-C114-07, Economic Capital: Recent Trends in Implementation and,               <ul style="list-style-type: none"> <li>○ MP3 Audio <a href="http://www.ermssymposium.org/2005/presentations.html">http://www.ermssymposium.org/2005/presentations.html</a>, 3<sup>rd</sup> Annual ERM Symposium “</li> </ul> </li> <li>• GH-C108-07, Calculated Risk – A Provider’s Guide to Assessing and Controlling the Financial Risk of Managed Care</li> </ul>	
<ul style="list-style-type: none"> <li>• TSA XXXVI “Required Surplus for the Insurance Risk for Certain Lines of Group Insurance <a href="http://www.soa.org/library/research/transactions-of-society-of-actuaries/1984/january/tsa84v364.pdf">http://www.soa.org/library/research/transactions-of-society-of-actuaries/1984/january/tsa84v364.pdf</a></li> <li>• Financial Reporter, Number 48 “A New Perspective on Risk Management: Creating Value by Managing Risk <a href="http://www.soa.org/library/newsletters/financial-reporter/2001/december/frn0112.pdf">http://www.soa.org/library/newsletters/financial-reporter/2001/december/frn0112.pdf</a></li> </ul>	
<ul style="list-style-type: none"> <li>• Risk and Rewards, Number 30 “Measuring Financial Risk: The Layperson’s Introduction to Value at Risk” <a href="http://www.soa.org/library/newsletters/risks-and-rewards/1998/march/rm9803.pdf">http://www.soa.org/library/newsletters/risks-and-rewards/1998/march/rm9803.pdf</a></li> <li>• Financial Reporter Number 39 “Value-at-Risk – An Overview” (Part 2) <a href="http://www.soa.org/library/newsletters/financial-reporter/1999/may/frn9905.pdf">http://www.soa.org/library/newsletters/financial-reporter/1999/may/frn9905.pdf</a></li> <li>• Health Section News 8/05 “Taking a Closer Look at Enterprise Risk Management <a href="http://www.soa.org/library/newsletters/health-section-news/2005/august/hsn0508.pdf">http://www.soa.org/library/newsletters/health-section-news/2005/august/hsn0508.pdf</a></li> <li>• Health Section News 1/06 “Enterprise Risk Management”, <a href="http://www.soa.org/library/newsletters/health-watch-newsletter/2006/january/hsn0601.pdf">http://www.soa.org/library/newsletters/health-watch-newsletter/2006/january/hsn0601.pdf</a></li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
12. Complete a capital needs assessment	
Learning Outcomes	
<p>The candidate will be able to:</p> <ol style="list-style-type: none"> <li>a) Calculate capital needs for a given insurer</li> <li>b) Assess capital needs against assets</li> <li>c) Determine actions needed to address issues identified by assessment</li> <li>d) Understand key elements of NAIC RBC model</li> </ol>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Enterprise Risk Management</i>, Lam, 2003               <ul style="list-style-type: none"> <li>○ Chapter 9, Risk Analysis, pp. 110-115 only</li> </ul> </li> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007               <ul style="list-style-type: none"> <li>○ Chapter 19, Risk Based Capital Formulas</li> <li>○ Chapter 43, Analysis of Financial and Operational Performance</li> </ul> </li> <li>• GH-C113-07 Mapping of Health Company Risks</li> <li>• GH-C115-07 (formerly 590-35-96), Risk Based Capital for Life Insurers</li> <li>• GH-C119-07, “Views on Risk Capital: Economic Capital vs. Rating Agency Capital vs. Regulatory Capital, 3<sup>rd</sup> Annual ERM Symposium and,               <ul style="list-style-type: none"> <li>○ MP3 Audio <a href="http://www.ermssymposium.org/2005/presentations.html">http://www.ermssymposium.org/2005/presentations.html</a></li> </ul> </li> <li>• GH-C114-07 Economic Capital: Recent Trends in Implementation, 3<sup>rd</sup> Annual ERM Symposium and,               <ul style="list-style-type: none"> <li>○ MP3 Audio <a href="http://www.ermssymposium.org/2005/presentations.html">http://www.ermssymposium.org/2005/presentations.html</a></li> </ul> </li> <li>• GH-C108-07, Calculated Risk – A Provider’s Guide to Assessing and Controlling the Financial Risk of Managed Care</li> <li>• ASOP 12, Risk Classification <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop012_101.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop012_101.pdf</a></li> <li>• ASOP 18, Long-Term Care Insurance <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf</a></li> <li>• ASOP 31, Documentation in Health Benefit Ratemaking <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop031_060.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop031_060.pdf</a></li> <li>• ASOP 41, Actuarial Communications <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop041_086.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop041_086.pdf</a></li> <li>• “Required Surplus for the Insurance Risk for Certain Lines of Group Insurance”, TSA XXXVI <a href="http://www.soa.org/library/research/transactions-of-society-of-actuaries/1984/january/tsa84v364.pdf">http://www.soa.org/library/research/transactions-of-society-of-actuaries/1984/january/tsa84v364.pdf</a></li> <li>• Dynamic Capital Adequacy Testing – Life and Property and Casualty, CIA June 1999 <a href="http://www.actuaries.ca/members/publications/1999/9930e.pdf">http://www.actuaries.ca/members/publications/1999/9930e.pdf</a></li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

<b>Exam</b>	<b>Group/Health CSP</b>
<b>Learning Objectives</b>	
13. Complete an actuarial opinion	
<b>Learning Outcomes</b>	
<p>The candidate will be able to:</p> <ol style="list-style-type: none"> <li>a) Describe applicable ASOP's and regulations</li> <li>b) Describe components of an opinion and memorandum for a given insurer</li> <li>c) Develop documentation for an opinion</li> <li>d) Discuss communication and implications of an opinion</li> <li>e) Discuss approaches to deal with obstacles to producing an unqualified opinion</li> </ol>	
<b>Syllabus Resources</b>	
<ul style="list-style-type: none"> <li>• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto, 2006             <ul style="list-style-type: none"> <li>○ Appendix E</li> </ul> </li> <li>• <i>Group Insurance</i>, Bluhm, Fifth Edition, 2007             <ul style="list-style-type: none"> <li>○ Chapter 20, Actuarial Certification of Reserves</li> <li>○ Chapter 21, Small Group Rate Filings and Rate Certifications</li> </ul> </li> <li>• ASOP 5, Incurred Health and Disability Claims  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop005_076.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop005_076.pdf</a> </li> <li>• ASOP 7, Analysis of Life, Health or Property/Casualty Insurer Cash Flows  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop007_089.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop007_089.pdf</a> </li> <li>• ASOP 8, Regulatory Filings for Rates and Financial Projections for Health Plans  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop008_100.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop008_100.pdf</a> </li> <li>• ASOP 18, Long Term Care Insurance  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop018_064.pdf</a> </li> <li>• ASOP 22, Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop022_083.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop022_083.pdf</a> </li> <li>• ASOP 23, Data Quality  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf</a> </li> <li>• ASOP 25, Credibility Procedures Applicable to Accident and Health, Group Term Life and Property/Casualty Coverages, pp. 1-5  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop025_051.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop025_051.pdf</a> </li> <li>• ASOP 42, Determining Health and Disability Liabilities other than Liabilities for Incurred Claims  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop042_091.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop042_091.pdf</a> </li> <li>• AAA Public Policy Monograph, "The Impact of Consumer-Driven Health Plans on Health Costs: A Closer Look at Plans with Health Reimbursement Accounts"  <a href="http://www.actuary.org/pdf/health/cdhp_jan04.pdf">http://www.actuary.org/pdf/health/cdhp_jan04.pdf</a> </li> <li>• Health Section News, 10/2004, "Read, Write, Think"  <a href="http://www.soa.org/files/pdf/HSN0410.pdf">http://www.soa.org/files/pdf/HSN0410.pdf</a> </li> </ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	Group/Health CSP
Learning Objectives	
14. Understand an actuarial appraisal	
Learning Outcomes	
The candidate will be able to: a) Describe applicable ASOPs and other guidelines b) Describe components of an actuarial appraisal c) Describe an approach for preparing an actuarial appraisal d) Describe risks associated with interpreting an actuarial appraisal	
Syllabus Resources	
<ul style="list-style-type: none"><li>• GH-C103-07 The Actuary and Health Insurance Mergers and Acquisitions</li><li>• GH-C104-07 <i>Mergers and Acquisitions</i>, Toole and Herget<ul style="list-style-type: none"><li>○ Chapter 4, Valuation Techniques</li></ul></li><li>• GH-C105-07 Components of Insurance Firm Value and the Present Value of Liabilities</li><li>• ASOP 23, Data Quality <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop023_097.pdf</a></li></ul>	

## Health, Group Life & Managed Care - Company/Sponsor Perspective

Exam	<b>Group/Health CSP</b>
Learning Objectives	
15. Demonstrate an understanding of the requirements regarding retiree life and health benefits	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> <li>a) Determine appropriate baseline assumptions for benefits and population</li> <li>b) Project future retiree benefit costs</li> <li>c) Describe principles outlined in ASOP #6</li> <li>d) Describe funding alternatives for retiree benefits</li> </ul>	
Syllabus Resources	
<ul style="list-style-type: none"> <li>• <i>Fundamentals of Retiree Group Benefits</i>, Yamamoto, 2006 <ul style="list-style-type: none"> <li>○ Chapter 7, U.S. Accounting</li> <li>○ Chapter 8, Other Accounting</li> <li>○ Chapter 9, Actuarial Methods and Assumptions</li> </ul> </li> <li>• <i>The Handbook of Employee Benefits</i>, Rosenbloom, Sixth Edition, 2005 <ul style="list-style-type: none"> <li>○ Chapter 45, Costing and Funding Retirement Benefits</li> </ul> </li> <li>• GH-C117-07 (formerly 8M-501-04) Financial Review of Prescription Drug Component of the Medicare Modernization Act of 2003</li> <li>• ASOP #6, Measuring Retiree Group Benefit Obligations  <a href="http://www.actuarialstandardsboard.org/pdf/asops/asop006_084.pdf">http://www.actuarialstandardsboard.org/pdf/asops/asop006_084.pdf</a> </li> </ul>	