

Group and Health Core Canada Exam

Fall 2018/Spring 2019

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 copy of the case study will be provided with the examinations. Candidates will not be allowed to bring their copy of the case study into the examination room.
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.

Canadian version of this exam is recognized by the Canadian Institute of Actuaries.

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1. Topic: Products

Learning Objectives

The candidate will understand how to describe plan provisions typically offered under:

- Group and individual medical, dental and pharmacy plans.
- Group and individual long-term disability plans.
- Group life and short-term disability plans.
- Supplementary plans, like Medicare Supplement.
- Group and individual long term care insurance.

Learning Outcomes

The Candidate will be able to:

- a) Describe typical organizations offering these coverages
- b) Describe each of the coverages listed above
- c) Evaluate the potential financial, legal and moral risks associated with each coverage

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 5: Medical Benefits in the United States
 - Ch. 6: Dental Benefits in the United States
 - Ch. 7: Pharmacy Benefits in the United States
 - Ch. 10: Health Benefits in Canada
 - Ch. 11: Group Life Insurance Benefits
 - Ch. 12: Group Disability Income Benefits
 - Ch. 13: Group Long-Term Care Insurance
- *Essentials of Managed Health Care*, Kongstvedt, Peter R., 6th Edition, 2013
 - 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
- *Individual Health Insurance*, Leida, Hans, 2nd Edition, 2015
 - Ch. 2: The Products (pp. 39-83)
- [Combo Long-term Care Products: A Solution to Address Market Needs](#), The Actuary, Oct/Nov 2013

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2. Topic: Pricing Manual Rates

Learning Objectives

The candidate will understand how to calculate and recommend a manual rate for each of the coverages described in Learning Objective 1.

Learning Outcomes

The Candidate will be able to:

- a) Identify and evaluate sources of data needed for pricing, including the quality, appropriateness and limitations of each data source
- b) Develop a medical cost trend experience analysis
- c) Analyze 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 standards of practice in evaluating and projecting claim data

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 3: Product Development
 - Ch. 20: Pricing of Group Insurance
 - Ch. 21: Estimating Medical Claim Costs (pp. 337-355)
 - Ch. 22: Estimating Dental Claim Costs
 - Ch. 23: Estimating Pharmacy Claim Costs
 - Ch. 24: Estimating Life Claim Costs
 - Ch. 25: Estimating Disability Claim Costs
 - Ch. 26: Pricing Group Long-Term Care Insurance
 - Ch. 34: Medical Claim Cost Trend Analysis
- *Essentials of Managed Health Care*, Kongstvedt, Peter R., 6th Edition, 2013
 - Ch. 22: Underwriting and Rating
- *Individual Health Insurance*, Leida, Hans, 2nd Edition, 2015
 - Ch. 5: Setting Premium Rates
- GHC-101-13: Group Disability Insurance (sections 4 & 7)
- GHC-105-17: Pricing Considerations for Drugs Covered under Pharmacy Benefit Programs

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- GHC-107-17: CIA Study on Canadian Group LTD Termination Experience, 1988-1997 (pp.6-17)
- [Mechanics and Basics of Long-Term Care Rate Increases](#), Long-Term Care News, August 2014
- [ASOP 23: Data Quality](#) (excluding Appendix)
- [ASOP 25: Credibility Procedures](#) (excluding Appendix)
- [ASOP 41: Actuarial Communications](#)
- [Timing's Everything: The impact of Benefit Rush](#), Health Watch, May 2008

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3. Topic: Employee Benefit Strategy

Learning Objectives

The candidate will understand how to evaluate and recommend an employee benefit strategy.

Learning Outcomes

The Candidate will be able to:

- a) Describe the structure of employee benefit plans and products offered and the rationale for offering these structures
- b) Describe elements of flexible benefit design and management
- c) Recommend an employee benefit strategy in light of an employer's objectives

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 19: Health Benefit Exchanges (pp. 319-321)
- *The Handbook of Employee Benefits*, Rosenbloom, J.S., 7th Edition, 2011
 - 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. 671-680, 686-699)
 - Ch. 32: Employee Benefit Plans for Small Companies (pp. 869-877)
- *Canadian Handbook of Flexible Benefits*, McKay, Robert J., 3rd Edition, 2007
 - Ch. 7: Flexible Accounts - Health Spending, Personal, and Perquisite (sections 7.1-7.3, 7.5-7.7)
 - Ch. 16: Adverse Selection
- GHC-106-16: Health Plan Payroll Contribution Strategies and development for Employers
- GHC-108-17: Post-Affordable Care Act Trends in Health Coverage for Small Business
- [Practical Guide to Private Exchanges](#), HealthWatch, May 2015

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4. Topic: Government Programs

Learning Objectives

The candidate will understand Government Programs providing Health and Disability Benefits in Canada.

Learning Outcomes

The Candidate will be able to:

- a) Describe eligibility requirements for social programs in Canada and the benefits provided.
- b) Describe how private group insurance plans work within the framework of social programs in Canada.
- c) Compare social programs in Canada and the United States and discuss the value of the different systems.

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 9: Government Health Plans in the United States
 - Ch. 18: The Affordable Care Act
- *Morneau Shepell Handbook of Canadian Pension and Benefit Plans*, 16th Edition, 2016
 - Ch. 2: Determination and Payment of Benefits (pp. 48-54, 59-65)
 - Ch. 17: Provincial Hospital and Medical Insurance Plans
 - Ch. 18: Workers' Compensation
 - Ch. 19: Employment Insurance
- GHC-600-16: Benefits Legislation in Canada, 2015 Mercer (exclude sections III and X)
- GHC-605-13: CIA Perspectives–National Pharmacare Coverage
- GHC-608-13: Changes to Quebec Generic Drug Pricing (pp. 1-2 only)
- GHC-609-13: Ontario Generic Drug Pricing Reforms Finalized
- GHC-651-16: The high states of medications, insurers and governments
- GHC-652-16: Mercer Communique – Quebec amends the act respecting prescription drug insurance and the health insurance act
- GHC-653-16: Telus Health Note – How much does that drug cost?
- GHC-673-17: CIA Public Position on a National Pharmacare Plan
- GHC-686-18: Morneau Shepell News & Views Newsletter, December 2016, Volume 13, Issue 12 (article 2, Quebec: Bill 92 and article 4, Employment Insurance Changes)
- GHC-687-18: OHIP+ Set to Launch January 1
- GHC-688-18: BC Changes to Health Premiums
- GHC-689-18: BC Medical Services Plan Premiums to be Reduced by 50% on January 1, 2018

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- [Sustainability of the Canadian Health Care System and Impact of the 2014 revision to the Canada Health Transfer](#), Sep 2013 (Executive Summary and Ch. 11 only)

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5. Topic: Financial Statements

Learning Objectives

The candidate will understand how to prepare and interpret insurance company financial statements in accordance with IFRS & IAS.

Learning Outcomes

The Candidate will be able to:

- a) Interpret insurer financial statements from the viewpoint of various stakeholders
- b) Evaluate key financial performance measures used by life and health insurers for both short and long-term products
- c) Project financial outcomes and recommend strategy to senior management to achieve financial goals
- d) Describe the planning process of a life and health insurance company (strategic, operational, and budgeting)
- e) Compare key differences and similarities in measures by accounting basis
- f) Describe how to compute the taxable income of a life and health insurance company
- g) Explain fair value accounting principles and describe International Accounting Standards (IAS)
- h) Construct basic financial statements and associated actuarial entries for a life and health insurance company
- i) Describe emerging developments impacting International Financial Reporting frameworks

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 35: Group Insurance Financial Reporting
 - Ch. 41: Analysis of Financial and Operational Performance
- *Canadian Insurance Taxation*, Swales, et. al., 4th Edition, 2015
 - Ch. 2: Taxation of Life Insurers - An Introduction
- GHC-612-13: Simple CALM example
- GHC-613-13: Educational Note: Classification of Contracts under International Financial Reporting Standards
- GHC-620-13: Educational Note on Source of Earnings Calculations – Group Life and Health
- GHC-654-16: Many Are Awaiting Developments on IFRS 4
- GHC-655-16: ASB Memorandum, June 22, 2015
- GHC-656-16: Final SOI for ISAP 4, September 2014
- GHC-682-17: International Standards for Insurers
- GHC-683-17: CIA Educational Note Dynamic Capital Adequacy Testing

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- GHC-684-17: OSFI Guideline E18 – Stress Testing
- GHC-690-18: An Actuarial Overview of LICAT (background only)
- GHC-691-18: IFRS 17 – Implications of the Proposed New Standard
- GHC-692-18: In Depth: A Look at Current Financial Reporting Issues (pp. 1-77, 84-89)
- GHC-693-18: OSFI Guideline Life Insurance Capital Adequacy Test
 - Read introductions to all chapters below:
 - Ch. 1: Overview and General Requirements (all sections) (pp. 5-13)
 - Ch. 2: Available Capital (section 2.1-2.2) (pp. 14-37)
 - Ch. 3: Credit Risk – On-Balance Sheet Items (section 3.1.2-3.1.8) (pp. 44-50)
 - Ch. 5: Interest rate risk (section 5.1-5.1.3.2) (pp. 82-94)
 - Ch. 6: Insurance Risk: (section 6.1 thru 6.8.1, excluding 6.7) (pp. 118- 134)
 - Ch. 8: Operational Risk (all sections) (pp. 168-170)
 - Ch. 10: Credit for Reinsurance (section 10.1-10.4.1) (pp. 180- 186)
 - Ch. 11: Aggregation and Diversification of Risk (all sections) (pp. 193-200)

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6. Topic: Regulation & Taxation

Learning Objectives

The candidate will evaluate the impact of regulation and taxation on insurance companies and plan sponsors in Canada.

Learning Outcomes

The Candidate will be able to:

- a) Describe the regulatory and policy making process in Canada
- b) Describe the major applicable laws and regulations and evaluate their impact
- c) Understand the impact of the taxation of both insurance companies and the products they provide

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 12: Taxation of Flexible Benefits (sections 12.1-12.4)
 - Ch. 13: Discrimination Issues
- *Canadian Insurance Taxation*, Swales, et. al., 4th Edition, 2015
 - Ch. 1: Insurance Corporations (background only)
 - Ch. 4: Income for Tax Purposes - General Rules (pp. 37-38, excluding “Imputed Interest Benefit on Real Property” and 43-47)
 - Ch. 6: Reserves (pp. 79-96)
 - Ch. 9: Investment Income Tax (pp. 135-142)
- GHC-621-13: Canadian Life and Health Insurance Association: Guideline G3, Group Life and Health Insurance
- GHC-625-16: Legal Aspects of Group Insurance in the Province of Québec (2015 Edition)
- GHC-628-17: The Quebec Act Respecting Prescription Drug Insurance and Its Impacts on Private Group Insurance Plans
- 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 Canadian Life & Health Insurance Law, Jones, H. E.
- GHC-644-17: Taccess Issue 2 – July 2016 - An Advisor’s Guide to Understanding How Taxes Impact Group Insurance Benefits in Canada
- GHC-647-15: CLHIA Position Paper (2010) Protecting Canadians’ LTD Benefits
- GHC-648-15: Canadian life and health insurance industry agreement to protect Canadians’ drug coverage (September 2012)
- GHC-659-16: Ontario 2014 budget will forbid employers from self-insuring LTD plan to employees

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- GHC-660-16: Self-funding disability plans: time running out on federally regulated employers
- GHC-661-16: Employee Life and Health Trusts & Health and Welfare Trusts
- GHC-662-16: Firefighter who died of cancer was killed in the line of duty, court says
- GHC-663-16: West Nile victim wins \$130,000 insurance payout
- GHC-671-16: CHLIA Guideline G4 – Coordination of Benefits
- GHC-672-16: CHLIA Guideline G17 – Coordination of Benefits for Out-of-Country/Out-of-Province/Territory Medical Expenses
- GHC-685-17: Compagnie d'assurances Standard Life v. Tremblay 2010 QCCA 933: A Hefty Price to Pay for Unwarranted Surveillance

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7. Topic: Retiree

Learning Objectives

The candidate will understand and evaluate post-retirement and post-employment benefits in Canada.

Learning Outcomes

The Candidate will be able to:

- a) Describe why employers offer post-retirement and post-employment benefits
- b) Determine appropriate baseline assumptions for benefits and population
- c) Determine employer liabilities, service cost and expense for post-retirement and post-employment benefits for financial reporting purposes under IFRS and understand differences compared to US GAAP
- d) Describe funding alternatives for post-retirement and post-employment benefits
- e) Describe current issues faced by governments, employers and employees related to post-retirement and post-employment benefits
- f) Apply actuarial standards of practice to post-retirement and post-employment benefit plans

Resources

- *Morneau Shepell Handbook of Canadian Pension and Benefit Plans*, 16th Edition, 2016
 - Ch. 24: Post-retirement and Post-employment Benefits
- GHC-632-13: IAS19
- GHC-633-17: CIA Standards of Practice - Practice-Specific Standards for Post- Employment Benefit Plans
- GHC-649-15: Towers Watson Comparison of IAS 19, rev. 2011 with FASB ASC 715, Summary of Provisions Affecting Accounting for Post-retirement Benefits
- GHC-650-15: Supplement Calculation Note for IAS 19
- GHC-667-16: Hicks Morley Pension and benefits 2013 Case law Update; Employer's Ability to Unilaterally reduce or Eliminate post-retirement benefits (pp. 62-70)
- GHC-668-16: The New Reality of Retiree Benefits
- GHC-669-16: The end of retiree benefits