

Group and Health Specialty 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 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.

Recognized by the Canadian Institute of Actuaries

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1. Topic: Long Duration Contracts

Learning Objectives

The candidate will understand pricing, risk management, and reserving for individual long duration health contracts such as Disability Income, Long Term Care, Critical Illness, and Medicare Supplement.

Learning Outcomes

The Candidate will be able to:

- a) Identify differences between short-duration contracts and long-duration contracts, from the standpoints of pricing and reserving
- b) Understand and utilize experience studies in setting assumptions for long-duration contracts
- c) Apply applicable Actuarial Standards of Practice

Resources

- *Individual Health Insurance*, Leida, Hans, 2nd Edition, 2015
 - Ch. 8: Forecasting and Modeling
- GHS-101-14: Pricing Medicare Supplement Benefits, Sections IV & V
- GHS-102-14: Pricing Critical Illness Insurance in Canada
- GHS-103-14: Product Design of Critical Illness Insurance in Canada
- GHS-114-18: Chapters 16 and 19 of Disability Income Insurance: the Unique Risk, Fifth Edition, Soule
- [Report on the Proposed 2016 Cancer Claim Cost Valuation Tables](#)
- [ASOP 7: Analysis of Life, Health or Property/Casualty Insurer Cash Flows](#) (excluding Appendix)
- [ASOP 18: Long-Term Care Insurance](#) (excluding Appendix)
- [ASOP 22: Statement of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers](#) (excluding Appendix)
- [ASOP 23: Data Quality](#) (excluding Appendix)
- [ASOP 41: Actuarial Communications](#) (excluding Appendix)

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2. Topic: ERM

Learning Objectives

The candidate will understand how to evaluate health insurance organization risk and mitigation strategies.

Learning Outcomes

The Candidate will be able to:

- a) Evaluate an enterprise risk management (ERM) system
- b) Complete a capital needs assessment
- c) Integrate reinsurance arrangements within an overall risk management strategy
- d) Understand how Own Risk Solvency Assessment (ORSA) compares to traditional risk assessment
- e) Apply applicable Actuarial Standards of Practice

Resources

- *Group Insurance*, Skwire, Daniel D., 7th Edition, 2016
 - Ch. 39: Risk-Based Capital Formulas
- *Financial Enterprise Risk Management*, Sweeting, Paul, 2nd Edition, 2017
 - Ch. 7: Definitions of Risk
 - Ch. 8: Risk Identification
 - Ch. 18: Economic Capital
- GHS-116-15: NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual, NAIC, July 2014 (excluding Appendix)
- GHS-117-16: Life & Health and Annuity Reinsurance, 4th Edition, Ch. 18
- GHS-121-18: Enterprise Risk Management, Ratings Direct
- GHS-122-18: Why are Many Co-Ops Failing?
- GHS-123-18: Enterprise Risk Management: Parts One, Two and Three
- [Understanding ORSA Before Implementing It](#), Risk Management, Aug 2012
- [ASOP 46: Risk Evaluation in Enterprise Risk Management](#), (pp. 1-14, excluding Appendix)
- [ASOP 47: Risk Treatment in Enterprise Risk Management](#)

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3. Topic: Actuarial Appraisal

Learning Objectives

The candidate will understand an actuarial appraisal.

Learning Outcomes

The Candidate will be able to:

- a) Differentiate the components of an actuarial appraisal versus an embedded value
- b) Describe an approach for preparing an actuarial appraisal
- c) Describe risks associated with interpreting an actuarial appraisal and an embedded value
- d) Differentiate traditional, European, and market-consistent embedded value
- e) Apply applicable Actuarial Standards of Practice

Resources

- GHS-110-14: Ch. 4 of Mergers and Acquisitions, Toole and Herget (sections 4.1-4.8)
- GHS-124-18: 2015 Embedded Value Report for Manulife's Insurance and Other Wealth Business
- [Embedded Value: Practice and Theory](#)
- [ASOP 19: Appraisals of Casualty, Health and Life Insurance Businesses](#) (excluding Appendices)

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4. Topic: Risk Adjustment

Learning Objectives

The candidate will understand how to apply risk adjustment in actuarial work.

Learning Outcomes

The Candidate will be able to:

- a) Describe and compare risk adjustments based on commonly used clinical data and grouping methods
- b) Apply risk adjustment to underwriting, pricing, claims and care management situations
- c) Apply applicable Actuarial Standards of Practice

Resources

- *Healthcare Risk Adjustment and Predictive Modeling*, Duncan, 2nd Edition, 201
 - Ch. 4: Clinical Identification Algorithms
 - Ch. 5: Grouper Models
 - Ch. 6: Development and Construction of DRGs, DCGs, and ETGs
 - Ch. 13: Medicaid Risk Adjustment
 - Ch. 14: Risk Adjustment in Medicare
 - Ch. 21: Risk Adjustment on the ACA Exchanges
 - Ch. 22: Intro to Risk Adj: Accountable Care Organization (sections 22.1-22.5)
- GHS-119-17: The HHS-HCC Risk Adjustment Model for Individual and Small Group Markets under the Affordable Care Act (pp. E1-E26, excluding Exhibits 1, 2, 5, 6, 8, 9 and text describing those exhibits)
- GHS-120-17: HHS-Operated Risk Adjustment Methodology Meeting Discussion Paper – Ch. 4 Risk Adjustment Model Improvements (pp. 35-69 excluding section 4.2.4)
- [ASOP 12: Risk Classification](#) (excluding Appendices)