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## CHANGES COMING TO THE SYLLABUS FOR EXAM MLC, MODELS FOR LIFE CONTINGENCIES

By Stuart Klugman

A revised set of learning objectives for Exam MLC will be in place for the spring 2012 administration of this examination. It is expected that syllabus materials will be announced around June 2011. The draft objectives (it is possible minor adjustments will be made over the next year) are available at [SOA.org](http://SOA.org). In this article we provide the motivation for making changes and an overview of the process used to bring them about.

The last substantial change to the learning objectives for this exam was in 1986 with the introduction of the Actuarial Mathematics text. There have been revisions to theory and practice since that time that are not reflected in the current syllabus. Among them are:

- The significant presence of flexible premium, interest-sensitive life insurance in addition to traditional life insurance.
- Analysis is done in spreadsheets and modeling software using discrete time steps rather than through integrals.
- Multi-state models have been well-developed and provide a more flexible approach to multiple-life and multiple-decrement situations.
- The risk currently emphasized (time of death risk in a single policy) is far less important than less-diversifiable risks such as investment and mortality.

Based on these observations, a task force was formed in 2007. It was chaired by Stuart Klugman and had eight members. After outlining issues of importance, the task force convened a brainstorming meeting on December 5, 2007. The twenty attendees included academics, current and past examination committee members and authors of life contingencies textbooks. They spent a day refining a proposed syllabus. The results were then turned over to a learning objectives drafting group chaired by James

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Miles that created formal statements of learning objectives. Drafts were made available for comment by potential textbook authors and the Education and Research Section Council. The draft was then sent to the Preliminary Education Curriculum Committee and the Education Executive Group for final approvals.

Stuart Klugman, FSA, CERA, PhD, is staff fellow, education at the Society of Actuaries in Schaumburg, Ill. He can be reached at [sklugman@soa.org](mailto:sklugman@soa.org).



475 North Martingale Road, Suite 600 Schaumburg, Illinois 60173  
Phone: 847.706.3500 Fax: 847.706.3599 [www.soa.org](http://www.soa.org)