

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

FALL 2011

INDIVIDUAL LIFE AND ANNUITIES—COMPANY SPONSOR PERSPECTIVE (CSP) EXAM, U.S.

INTRODUCTORY STUDY NOTE

1. The Individual Life and Annuities—CSP,U.S. examination for Fall 2011 will be given on **Friday, November 4th, 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. The first 15 minutes in the morning session and 15 minutes in the afternoon session will be a read-through before the actual 3 hours of writing begins.
2. The following table shows a recommended FSA module/exam sequence for the Individual Life & Annuities track:

Financial and Health Economics Module may be taken at any time
Regulation & Taxation Module should be taken before the Design & Pricing (DP) Examination and before your choice of the Operational Risk Module or Financial Reporting Module
DP Examination and your choice of the Operational Risk Module or Financial Reporting Module should be taken before the Company Sponsor Perspective (CSP) Examination

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” on this exam’s home page of the SOA Web site.
4. The Syllabus material includes textbooks, online published readings, as well as the study notes listed below. A complete listing of the Syllabus and Learning Objectives is located in this exam’s home page on the SOA Web site. Study notes listed with an asterisk (*) will also be included in the Revision set of study notes.

STUDY NOTE CODE	TITLE
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ILA-C100-07	Financial Reporting Developments -Accounting for Derivative Instruments and Hedging Activities: A Comprehensive Analysis of FASB Statement 133, as Amended and Interpreted (Overview and appendix C only)
ILA-C102-09	Actuarial Review of Reserves and Other Annual Statement Liabilities
ILA-C106-07	Chapter 4 of <i>Insurance Industry Mergers & Acquisitions</i>
ILA-C107-07	Securitization of Life Insurance Assets and Liabilities
ILA-C110-07	The Economics of Insurance How Insurers Create Value For Shareholders
ILA-C112-07	Asset-Liability Management for Insurers
ILA-C113-07	Asset/Liability Management
ILA-C114-07	Life Insurance Forecasting and Liability Models: An Examination of the Trade-offs Involved with Certain Modeling Decisions
ILA-C116-07	Mapping of Life Insurance Risks: AAA Report to NAIC
ILA-C119-07	Chapter 19 of <i>Life and Accident and Health Insurance Accounting</i>
ILA-C121-08	Economic Capital Modeling: Practical Considerations
ILA-C124-10	Insurance Criteria: Refining the Focus of Insurer Enterprise Risk Management Criteria
ILA-C125-10	Insurance Risk Management Response to the Financial Crisis
ILA-C126-10	SEC Guidance on Internal Control Over Financial Reporting
ILA-C127-11	Insurance Contracts, Exposure Draft July 2010
ILA-C800-07	IASA <i>Life and Accident and Health Insurance Accounting</i> Chapters 8 pp. 12-16 and 12 pp 1-15 & 32-33
ILA-C802-07	Chapters 2 and 7 of <i>US Tax Reserves for Life Insurers</i>
ILA-C803-07	NAIC Standard Valuation Law
ILA-C804-07	NAIC Actuarial Opinion and Memorandum Regulation
ILA-C807-09	Market Value Margins for Insurance Liabilities in Financial Reporting and Solvency Applications, October 2007
ILA-C808-11	Fundamentals of the Principle-Based Approach to Statutory Reserves and Risk Based Capital
ILA-C809-09	Emerging Financial Reporting Issues
ILA-C810-10	AAA: Practice Note on FAS 157 & FAS 159
ILA-C811-10	Actuarial Guideline XXXV
ILA-C812-10	A Discussion of Actuarial Guideline 43 for Variable Annuities

5. Attached are errata for the following textbooks:

US GAAP for Life Insurers, Second Edition, (first printing) editor T. Herget.

<http://www.soa.org/files/pdf/Errata%20GAAP%20Text%202nd%20Edition%2010%20Mar%2006.pdf>

Valuation of Life Insurance Liabilities, Lombardi, L., Fourth Edition, 2006, ACTEX

http://www.actexamdriver.com/client/client_pages/actex_errata2.cfm

6. Learning Objectives

The candidate should be very familiar with the Learning Objectives. These Learning Objectives describe what is expected from candidates who complete this exam and, therefore, were the first ingredient in developing the syllabus. You will notice that candidates are expected to “analyze,” “explain,” “calculate,” “apply,” etc. These skills represent the level of ability that is expected from CSP candidates, and exam questions will be established and evaluated with

these specific skills in mind. While studying the syllabus material, candidates may want to refer back to the Learning Objectives to remain focused on the goals of this exam.

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>. A set of order forms from these distributors is included with the study note package.

The order forms contain information about prices, shipping charges, mailing policy and credit card acceptance. Any book distributor who carries books for SOA exams may have their order form included in this set unless the SOA office receives substantial complaints about service. Candidates should notify the Study Materials Administrator of the SOA in writing if they encounter serious problems with any distributor.

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 BA II Plus Professional*, 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 it is an approved model. Candidates using a calculator other than the approved models will have their exam 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 **BA II Plus Professional** will need to be cleared by the examination supervisor upon the candidate's entrance to the examination room.*

10. Order forms for various seminars/workshops and study manuals are included with the set of study notes. A list appears on the SOA Web site <http://www.soa.org/education/exam-req/resources/edu-sem-workshops.aspx>. These seminars/workshops and study manuals do not reflect any official interpretation, opinion, or endorsement of the SoA or its Education & Examination Committee.

Please note that the Examination 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. These 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.