

# EDUCATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

## INTRODUCTORY STUDY NOTE

**EXAM SESSION:** FALL 2020

**EXAM:** INDIVIDUAL LIFE AND ANNUITIES—LIFE FINANCIAL MANAGEMENT, CANADA

**DATE:** Wednesday, November 4, 2020

1. The examination will consist of five hours and 15 minutes of written-answer questions worth 100 points.
2. The following link shows a recommended FSA module/exam sequence for each track:  
<http://www.soa.org/Education/Exam-Req/edu-new-fsa-recommended.aspx>  

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. However, the Education committees believe that these recommendations provide the most effective guide for candidate success. An examination/module may assume familiarity with material that is covered in any requirement that is recommended to come before that examination or module.
3. The Syllabus material includes textbooks, online readings, and the study notes listed in the Appendix. Study notes listed with an asterisk (\*) will also be included in the Revision set of study notes. The Appendix also may contain additional important information regarding this exam. A complete listing of the Syllabus and Learning Objectives is located in this exam's home page on the SOA Web site.
4. 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>.
5. Any changes in the Syllabus for this exam will be published under "Updates" in this exam's home page on the SOA Web site.
6. Past exams, solutions and case studies are available at: <http://www.soa.org/education/exam-req/syllabus-study-materials/edu-multiple-choice-exam.aspx>
7. There is no case study for this examination.
8. The candidate should be very familiar with the Learning Objectives. 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.

9. 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.
10. Candidates may ONLY use these battery or solar-powered Texas Instruments models: BA-35, BA II Plus\*, BAII Plus Professional\*, TI-30Xa, TI-30X II\* (IIS solar or IIB battery), and TI-30X MultiView\* (XS solar or XB battery). Candidates may use more than one of the approved calculators during the examination.

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 that it is an approved model. Candidates using a calculator other than the approved models will have their exams 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 the **BA II Plus, BA II Plus Professional, TI-30X II and TI-30X MultiView** calculators will need to be cleared by the examination supervisor upon the candidate's entrance to the examination room.*

11. A list of various seminars/workshops and study manuals appears on the SOA Web site <http://www.soa.org/education/exam-req/resources/edu-sem-workshops.aspx> and <http://www.soa.org/education/exam-req/resources/edu-txt-manuals.aspx>. These seminars/workshops and study manuals do not reflect any official interpretation, opinion, or endorsement of the Society of Actuaries or its Education Committee.

Please note that the Education 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.

12. 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 various examinations administered by the Society of Actuaries.

## APPENDIX

Study notes for this exam

<b>Code</b>	<b>Title</b>	<b>Former Code</b>
LFM-106-07	Chapter 4 of <i>Insurance Industry Mergers &amp; Acquisitions</i>	LFV-106-07
LFM-137-16	EVA/RAROC Versus MCEV Earnings: A Unification Approach	LFV-137-16
LFM-138-16	Prudential Financial, Inc.: Stockholders' Equity and Balance Sheet Leverage	LFV-138-16
LFM-141-18	IFRS 17 Insurance Contracts—IFRS Standards Effects Analysis	LFV-141-18
LFM-142-20	Detailing the New Accounting for Long-Duration Contracts of Insurers	
LFM-143-20	Fundamentals of the Principle-Based Approach to Statutory Reserves for Life Insurance	
LFM-144-20	The Modernization of Insurance Company Solvency Regulation in the U.S.: Issues and Implications	
LFM-145-20	Global Insurance Regulatory Issues: Implications for U.S. Policy and Regulation	
LFM-146-20	The Next Chapter: Creating an Understanding of Special Purpose Vehicles	
LFM-147-20	Compendium of A.M. Best's Publications	
LFM-148-20	Theory of Risk Capital in Financial Firms	
LFM-603-13	OSFI Guideline D-9 -Source of Earning Disclosure (Life Insurance Companies)	LFV-603-13
LFM-618-13	OSFI Guideline D-10: Accounting for Financial Instruments Designated as Fair Value Option	LFV-618-13
LFM-620-14	OSFI Guideline E-15: Appointed Actuary—Legal Requirements, Qualifications and Peer Review	LFV-620-14
LFM-632-12	OSFI Guideline B-3: Sound Reinsurance Practices and Procedures	LFV-632-12
LFM-634-19	CIA Standards of Practice: Practice-Specific Standards for Insurers, Feb. 2018	LFV-634-19
LFM-635-13	OSFI Guideline E-16: Participating Account Management and Disclosure to Participating Policyholders and Adjustable Policyholders	LFV-635-13
LFM-636-20	OSFI Draft Guideline A-4: Regulatory Capital and Internal Capital Targets	
LFM-637-13	Evidence for Mean Reversion in Equity Prices	LFV-637-13
LFM-641-19	OSFI Guideline: Own Risk and Solvency Assessment (E19)	LFV-641-19
LFM-645-19	OSFI Guideline—Life Insurance Capital Adequacy Test (LICAT)	LFV-645-19
LFM-648-19	In Depth: A Look at Current Financial Reporting Issues	LFV-648-19
LFM-649-20	Exposure Draft of IAN 100—International Actuarial Note 100: Application of IFRS 17 Insurance Contracts	

<b>Code</b>	<b>Title</b>	<b>Former Code</b>
LFM-650-20	FASB in Focus: Accounting Standards Update No. 2018-12: Targeted Improvements to the Accounting for Long-Duration Contracts Issued by Insurance Companies	
LFM-651-20	Capital Allocation in the Insurance Sector	
LFM-652-20	Canadian Life and Health Insurance Guidelines (CLHIA): Guideline G-6—Illustrations	
LFM-653-20	Economic Capital Modeling: Practical Considerations	
LFM-654-20	Market Value Margins for Insurance Liabilities in Financial Reporting and Solvency Applications	