

Group and Health Core U.S. Exam

Fall 2017/Spring 2018

Important Exam Information:

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| 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. |

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| Learning Objectives | |
| <p>1. Describe plan provisions typically offered under:</p> <ul style="list-style-type: none">a. Group and individual medical, dental and pharmacy plansb. Group and individual long-term disability plansc. Group life and short-term disability plansd. Supplementary plans, like Medicare Supplemente. Group and Individual Long-Term Care Insurance | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none">a) Describe typical organizations offering these coveragesb) Describe each of the coverages listed abovec) Evaluate the potential financial, legal and moral risks associated with each coverage | |
| Syllabus Resources | |
| <ul style="list-style-type: none">• <i>Group Insurance, Skwire, 7th Edition, 2016</i><ul style="list-style-type: none">◦ 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• <i>Essentials of Managed Health Care, Kongstvedt, 6th Edition, 2013</i><ul style="list-style-type: none">◦ 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• <i>Individual Health Insurance, Leida, 2nd Edition, 2015</i><ul style="list-style-type: none">◦ Ch. 2 The Products, pp. 39-83 | |

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| Learning Objectives | |
| 2. Calculate and recommend a manual rate for each of the coverages described in Learning Objective 1 | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none"> 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) Calculate 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 standard of practice in evaluating and projecting claim data | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ○ 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 • <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition, 2013 <ul style="list-style-type: none"> ○ Ch. 22 Underwriting and Rating • <i>Individual Health Insurance</i>, Leida, 2nd Edition, 2015 <ul style="list-style-type: none"> ○ Ch. 5 Setting Premium Rates • GHC-101-13: Group Disability Insurance (Sections 4 & 7) • GHC-103-13: The Challenges of Pricing Health Insurance for the 2014 Exchanges • GHC-105-17: Pricing Considerations for Drugs Covered under Pharmacy Benefit programs • GHC-107-17: CIA Study on Canadian Group LTD Termination Experience (1988-1997) p.6-17 • Mechanics and Basics of Long-Term Care Rate Increases, Long-Term Care News, August 2014 • ASOP 23, Data Quality (excl appendix) • ASOP 25, Credibility Procedures (excl appendix) • ASOP 41, Actuarial Communications (excl appendix) • Timing's Everything: The Impact of Benefit Rush, Health Watch, May 2008 | |

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| 3. Evaluate and recommend an employee benefit strategy | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe 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 | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> ○ <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ○ Ch. 19 Health Benefit Exchanges pp.319-321 ○ <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition <ul style="list-style-type: none"> ○ 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 – 699) ○ Ch. 32 Employee Benefit Plans for Small Companies (pp. 869-877) ○ <i>Canadian Handbook of Flexible Benefits</i>, McKay, 3rd Edition <ul style="list-style-type: none"> ○ 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: Views from the Market ● A Practical Guide to Private Exchanges, HealthWatch, May 2015 | |

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| Learning Objectives | |
| 4. Describe and Evaluate Government Programs providing Health and Disability Benefits in the U.S. | |
| Learning Outcomes | |
| <p>The candidate will be able to describe and evaluate benefits and eligibility requirements for:</p> <ul style="list-style-type: none"> a) Medicare including Part D b) Social Security Disability Income c) Medicaid and Children’s Health Insurance Program (CHIP) | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ◦ Ch. 9 Government Health Plans in the United States ◦ Ch. 29 Medicare-Related Rate Filings and Certifications • <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition <ul style="list-style-type: none"> ◦ Ch. 21 Medicare Part D Prescription Drug Benefits, (pp. 533-546) • <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition, 2013 <ul style="list-style-type: none"> ◦ Ch. 24 Health Plans and Medicare • GHC-800-15: AAA Issue Brief: Medicare's Financial Condition, Beyond Actuarial Balance • GHC-811-16: Medicaid 101 MACPAC • GHC-812-16: Medicaid A Primer (pp. 1-33) • GHC-813-16: Medicaid and Long Term Services and Supports (pp. 1-10) • GHC-814-16: Expanding Medicaid to the New Adult Group Through Section 1115 Waivers • Payment Reform Under the Medicare-Medicaid Financial Alignment Demonstrations, Health Watch, May 2013 • Risk Adjustment in State Medicaid Programs (Health Watch, January 2008) • ASOP 49, Medicaid Managed Care Capitation Rate Development and Certification (through page 12) | |

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| Learning Objectives | |
| 5. Understand how to prepare and be able to interpret insurance company financial statements in accordance with US Statutory Principles and GAAP | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none">a) Prepare financial statement entries in accordance with generally accepted accounting principlesb) Interpret the results of both statutory and GAAP statements from the viewpoint of various stakeholders, including regulators, senior management, investorsc) Apply applicable standards of practice | |
| Syllabus Resources | |
| <ul style="list-style-type: none">• <i>Analysis for Financial Management</i>, Higgins, 11th Edition<ul style="list-style-type: none">○ Ch. 1 Interpreting Financial Statements○ Ch. 3 Financial Forecasting○ Ch. 4 Managing Growth• <i>Group Insurance</i>, Skwire, 7th Edition, 2016<ul style="list-style-type: none">○ Ch. 35 Group Insurance Financial Reporting○ Ch. 41 Analysis of Financial and Operational Performance• GHC-806-15: Financial Reporting Implications Under the Affordable Care Act• GHC-807-16: US GAAP for Life Insurers, Herget 2nd Edition, Chapter 1• Statement of Financial Accounting Standards No. 60 (excl. Appendix B)• ASOP 21, Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas | |

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| Learning Objectives | |
| 6. Evaluate the impact of regulation and taxation on companies and plan sponsors in the US | |
| Learning Outcomes | |
| <p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe the regulatory and policy making process in the US b) Describe the major applicable laws and regulations and evaluate their impact c) Apply applicable standards of practice | |
| Syllabus Resources | |
| <ul style="list-style-type: none"> • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ○ Ch. 4 Health Care Policy and Group Insurance ○ Ch. 15 Principles of Health Insurance Regulation ○ Ch. 16 Regulation in the United States ○ Ch. 18 The Affordable Care Act ○ Ch. 19 Health Benefit Exchanges (pp. 307-319) ○ Ch. 28 Group Insurance Rate Filings and Certifications • <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition <ul style="list-style-type: none"> ○ Ch. 25 Cafeteria Plan Design and Administration, pages 699-720 • GHC-802-13: AAA Health Reform Implementation: Understanding the Terminology (<i>background only</i>) • GHC-808-15: Affordable Care Act Risk Adjustment: Overview, Context, and Challenges • GHC-810-15: Risk Transfer Formula for Individual and Small Group Markets Under the Affordable Care Act (pages E3-E16) • GHC-815-16: Kaiser Foundation: Examining Health Care Reform: Medical Loss Ratio • Implications of Individual Subsidies in the Affordable Care Act—What Stakeholders Need to Understand, HealthWatch, May 2014 • ASOP 8, Regulatory Filings for Health Plan Entities (excl appendix) • ASOP 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans (excl appendix) • ASOP 50, Determining Minimum Value and Actuarial Value Under the Affordable Care Act (through page 7) | |

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| 7. Evaluate Retiree Group and Life Benefits in the United States | |
| Learning Outcomes | |
| The candidate will be able to: <ul style="list-style-type: none">a) Describe why employers offer retiree group and life benefitsb) Determine appropriate baseline assumptions for benefits and populationc) Determine employer liabilities for retiree benefits under various accounting standardsd) Describe funding alternatives for retiree benefitse) Apply actuarial standards of practice to retiree benefit plans | |
| Syllabus Resources | |
| <ul style="list-style-type: none">• <i>Group Insurance</i>, Skwire, 7th Edition, 2016<ul style="list-style-type: none">○ Ch. 8 Retiree Group Benefits (pages 118-129)• Statement of Financial Accounting Standards No. 106<ul style="list-style-type: none">• Appendix C – Illustrations 4 and 5 only• GHC-816-16: US Employers' Accounting of Postretirement Benefits Other Than Pensions Study Note• ASOP 6, Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions (through page 38) | |