

EDUCATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

INTRODUCTORY STUDY NOTE

EXAM SESSION: SPRING 2023

EXAM: INDIVIDUAL LIFE AND ANNUITIES—LIFE FINANCIAL MANAGEMENT, U.S.

DATE: Tuesday, May 9, 2023; Time scheduled with Prometric Test Center

1. The examination will consist of four hours of written-answer questions worth 80 points.
2. The SOA has established a [recommended order for each fellowship track](#)

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.
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 on the SOA Web site.
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.

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. 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

Code	Title
LFM-106-07	Chapter 4 of <i>Insurance Industry Mergers & Acquisitions</i>
LFM-136-16	Chapter 11, pages 499-502 of <i>Life Insurance Products and Finance</i>
LFM-138-16	Prudential Financial, Inc.: Stockholders' Equity and Balance Sheet Leverage
LFM-141-18	IFRS 17 Insurance Contracts–IFRS Standards Effects Analysis
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-148-20	Theory of Risk Capital in Financial Firms
LFM-151-22	IAIS–International Capital Standard, ComFrame, Holistic Framework for Systemic Risk in the Insurance Sector
LFM-152-22	Introduction to Source of Earning Analysis
LFM-813-13	U.S. Insurance Regulation Solvency Framework and Current Topics
LFM-822-16	Study Note on Actuarial Guidelines 38 & 48
LFM-845-20	Chapters 1 and 2 of <i>Life Insurance & Modified Endowments Under Internal Revenue Code Sections 7702 and 7702A</i> , Second Edition
LFM-846-20	Company Tax—Introductory Study Note (this study note is a link only and will not be included in the printed study note set)
LFM-847-20	Life Insurance Regulatory Framework
LFM-848-22	A Comprehensive Guide–Reinsurance
LFM-850-22	Changes to Section 7702 (IRC) and Nonforfeiture Interest Rates
LFM-851-23*	OSFI Guideline: Life Insurance Capital Adequacy Test, Chapter 1
LFM-852-22	National Association of Insurance Commissioners (NAIC) Group Capital Calculation (GCC): Public Summary
LFM-853-22	National Association of Insurance Commissioners (NAIC) Group Capital Calculation (GCC): Pictorial
LFM-854-22	National Association of Insurance Commissioners (NAIC) Group Own Risk and Solvency Assessment (ORSA) Guidance Manual
LFM-856-23*	Chapters 1, 3–6, 7 (section 1, 2, 5-7) 8 (sections 2.8.2, 3-5), 11–12, 13 (sections 2.3, 3 & 4), 19 and 20 of <i>US GAAP for Life Insurers, 2022</i>

The following additional information applies to this exam:

1. *Statutory Valuation of Individual Life and Annuity Contracts*, 5th Edition
 - Chapter 24, VM-21: PBR for Variable Annuities has been updated with new information and is the required reading for the exams. Access to the updated chapter is available digitally to everyone who purchased the text from [ACTEX](#)
 - Textbook [Errata](#)