

EDUCATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

INTRODUCTORY STUDY NOTE

EXAM SESSION: SPRING 2023

EXAM: GENERAL INSURANCE - FINANCIAL AND REGULATORY ENVIRONMENT – US

DATE: Friday, April 28, 2023; Time scheduled with Prometric Test Center

1. The examination will consist of three and a half hours of written-answer questions worth 70 points.
2. The following link shows a [recommended FSA module/exam sequence for each 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. A case study will be used as a basis for some questions on the examination. Be sure to answer the questions asked by referring to the case study. For example, if asked for advantages of a particular reinsurance program to a company referenced in the case study, limit your response to the specifics for that company. Other advantages should not be listed as they are extraneous to the question and will result in no additional credit. Further, if they conflict with the applicable advantages, no credit will be given. Candidates are advised to familiarize themselves with the case study. An electronic copy of the case study will be included with the exam. Candidates will not be allowed to bring their study note copy of the case study into the examination room.
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, BAII 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

The syllabus resources include numerous online readings, two textbooks, one study note and one other resource.

Textbooks:

- Porter, K., Editor, *Insurance Regulation*, The Institutes, 1st Edition, 2008
- *General Insurance Financial Reporting Topics*, Society of Actuaries, Fifth Edition, 2021

Study note:

- FRE-802-19: National Association of Insurance Commissioners (NAIC), Accounting Practices and Procedures Manual, 2018, Preamble

Other resource:

- Selected pages from the National Association of Insurance Commissioners, Official NAIC Annual Statement Blanks, Property and Casualty, for the 2021 reporting year.

Note: Candidates should study from a completed statutory Annual Statement for a company that makes it available online. Some online examples are given below. Note that you may need to view the published statements from more than one company to view all the pages indicated in the syllabus resources - some companies do not include all pages covered on the syllabus in the online version of their annual statement.

Examples:

- Allstate (<https://www.allstate.com/about/statutory-statements.aspx> select *2021 Statutory Information, 2021 4th Quarter Statutory Information, 2021 AIC Annual Statutory Statement.*)
- Continental Casualty (www.cna.com, select *Investor Relations \ Financial \ Statutory*, select year *2021* then click on the pdf link for the *Insurance Regulatory Filing* of Continental Casualty Company with an *Event Date* of December 31, 2021.)
- Hartford (<https://ir.thehartford.com/financial-information/statutory-statements/annual> select *Annual, P&C Pool, 2021*, then click on the pdf document link for any of the P&C insurers listed.)
- Liberty Mutual (<https://www.libertymutualgroup.com> select *Investor Relations, Financial Reports*, then select *2021* for *Year* and *Statutory Statements* for *Keywords*, then select any of the companies listed.)

The SOA has reduced exam time by two hours for all FSA tracks beginning with the 2023 administration of exams. The GI track accomplished this by decreasing the two five-hour exams by one and a half hours each and increasing the two-hour exam by one hour. As such, there are major changes to the GI FREU exam syllabus resources for Spring 2023 from Fall 2022. This includes reducing the topic of Regulation and eliminating the topic of Law.

The following outlines changes to the GI FREU exam syllabus resources for 2023:

- Removed the following study notes:
 - FRE-100-20: "Government Provision of General Insurance"
 - FRE-103-14: Excerpts from Business Law for Insurance Professionals, The Institutes
 - FRE-104-17: "Usage Based Insurance and Telematics"
 - FRE-105-22: "Tort Law – Topics for General Insurance Actuaries"
 - FRE-106-18: "Captive Insurance"

- Removed the following online readings:
 - “Risk Transfer Testing of Reinsurance Contracts,” Brehm and Ruhm
 - “Estimating the Premium Asset on Retrospectively Rated Policies,” Teng and Perkins
 - “The Implications of Solvency II for U.S. Insurance Regulation,” Vaughan
 - “Use of Credit Scores by Insurers,” Canadian Council of Insurance Regulators
 - “Insurance and the discrimination laws: motor and travel insurance,” Edmunds
 - “The National Flood Insurance Program: Challenges and Solutions,” Public Policy Monograph, American Academy of Actuaries
- Updated the following online readings:
 - Official NAIC Annual Statement Blank, Property / Casualty (from 2020 to 2021)
 - Statements of Actuarial Opinion on Property and Casualty Loss Reserves, American Academy of Actuaries Public Policy Practice Note (from December 2020 to December 2021)
- Revised the readings from SOA textbook *General Insurance Financial Reporting Topics*:
 - Chapter 12 to exclude sections 12.12 and 12.13
 - Chapter 14 to exclude sections 14.2.6.3 and 14.4.2
- Revised the readings from The Institutes textbook *Insurance Regulation* (readings for Fall 2022 consisted of Chapters 1 to 6, 8, 11 and 12)
 - For 2023 the readings consist of Chapters 2 to 6, 11 (excluding pages 11.11-11.15, 11.26 - 11.30) and 12

Availability of resources

The online readings are available by following the instructions or links in the syllabus document.

The SOA’s *General Insurance Financial Reporting Topics* textbook and Porter’s *Insurance Regulation* textbook are available from [ACTEX Publication/Mad River Books](#) or [The Actuarial Bookstore](#).

The study notes are available to candidates for purchase in the complete set of study notes <http://www.soa.org/education/exam-reg/syllabus-study-materials/edu-study-notes.aspx>.

While any one resource is listed under only one learning objective, it is often the case that information contained in a resource may also cover information applicable to other learning objectives. Candidates should consider that information for a learning objective is not limited to resources listed under that learning objective; it can also include material listed under other learning objectives.