

EDUCATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

INTRODUCTORY STUDY NOTE

EXAM SESSION: FALL 2016

EXAM: INDIVIDUAL LIFE AND ANNUITIES—LIFE FINANCE AND VALUATION, CANADA

DATE & TIME: Thursday, November 3, 2016; 8:30 a.m. – 11:45 a.m. and 1:30 p.m. – 3:45 p.m.

1. The examination will consist of five hours of written answer questions. A read-through time will be given prior to the start of the exam, 15 minutes in the morning session and 15 minutes in the afternoon session. No writing is allowed during the read-through time.
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-reg/resources/edu-sem-workshops.aspx> and <http://www.soa.org/education/exam-reg/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

Code	Title
LFV-102-09	Actuarial Review of Reserves and Other Annual Statement Liabilities
LFV-106-07	Chapter 4 of <i>Insurance Industry Mergers & Acquisitions</i>
LFV-131-14	Economic Capital Overview
LFV-132-14	Practical Guide to IFRS, July 2013
LFV-133-16	Cluster Analysis: A Spatial Approach to Actuarial Modeling
LFV-134-16	Ready or Not, Here it Comes? Status of IASB Re-deliberations on the IFRS for Insurance Contracts and Where We Go From Here
LFV-135-16	How We Responded to Feedback on the 2013 Exposure Draft
LFV-136-16	Chapter 11, pages 499-502 of <i>Life Insurance Products and Finance</i>
LFV-137-16	EVA/RAROC Versus MCEV Earnings: A Unification Approach
LFV-138-16	Prudential Financial, Inc.: Stockholders' Equity and Balance Sheet Leverage
LFV-603-13	OSFI Guideline D-9 -Source of Earning Disclosure (Life Insurance Companies)
LFV-606-16	OSFI Guideline – Minimum Continuing Capital and Surplus Requirements (MCCSR) For Life Insurance Companies, January 1, 2015
LFV-618-13	OSFI Guideline D-10: Accounting for Financial Instruments Designated as Fair Value Option
LFV-620-14	OSFI Guideline E-15: Appointed Actuary–Legal Requirements, Qualifications and Peer Review
LFV-626-10	Session PD-28: Embedded Value (EV) and Market-Consistent Embedded Value (MCEV). What is the Difference?
LFV-628-10	Framework for a New Standard Approach to Setting Capital Requirements
LFV-632-12	OSFI Guideline B-3: Sound Reinsurance Practices and Procedures
LFV-634-16	CIA Standards of Practice: Practice-Specific Standards for Insurers
LFV-635-13	OSFI Guideline E-16: Participating Account Management and Disclosure to Participating Policyholders and Adjustable Policyholders
LFV-636-13	OSFI Guideline A-4: Internal Target Capital Ratio for Insurance Companies
LFV-637-13	Evidence for Mean Reversion in Equity Prices
LFV-640-14	OSFI: Life Insurance Regulatory Framework
LFV-641-15	OSFI: Draft Guideline: Own Risk and Solvency Assessment (E19)

Code	Title
LFV-642-16	Life Insurance Capital Framework Standard Approach
LFV-643-16	OSFI Update to the Life Insurance Regulatory Framework

The following additional information applies to this exam:

1. Textbook errata:

[Valuation of Life Insurance Liabilities, Lombardi, L., Fourth Edition, 2006, ACTEX](#)