

CP 321 – Disability, Long-Term Care, and Long-Duration Health Contracts

Nov 2025/Mar 2026

Important Course Information:

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.
Syllabus Resources	Resources listed in this syllabus may include study notes, online readings, textbooks, videos and module content. Candidates are responsible for all materials in their entirety, including sections such as Appendices, unless it is stated otherwise in the syllabus.
Topic Weight Ranges	These have been provided to indicate the relative emphasis on each topic. The ranges of weights shown are intended to apply broadly over multiple sittings; however, the weights of topics on any individual exam could fall outside the published range. Candidates should also recognize that some questions will cover multiple learning objectives.
Learning Outcomes	Each resource listed indicates the specific learning outcome(s) it aligns with under that particular topic. Resources are listed in the recommended order of study to best master the overall topic and learning objective. For additional guidance, please see the course strategy guide.
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 case study will not be provided for this examination.
Past Exams	Past Exams from Fall 2020-present are available on SOA website.
Updates	Candidates should be sure to check for updates on the course homepage periodically for additional corrections or notices to the current syllabus.

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1. Topic: Plan and Product Provisions (5% - 15%)	
Learning Objectives	
The candidate will understand how to describe benefits typically offered under long duration contracts (disability income, long term care, critical illness, Medicare Supplement).	
Learning Outcomes	
The Candidate will be able to:	
<ul style="list-style-type: none"> a) Describe typical organizations offering these contracts and their motivation for offering each type b) Describe each type of contract listed above c) Evaluate the potential moral hazards and financial and legal risks associated with each contract d) Describe Social Security disability income benefits in the United States 	
Resources	Learning Outcomes
<i>Individual Health Insurance</i> , Bluhm, William and Leida, Hans, 2 nd Edition, 2015 <ul style="list-style-type: none"> • Ch. 2: The Products, pp. 62-80 	<i>1b, 1c</i>
<i>Group Insurance</i> , Skwire, Daniel D., 8 th Edition, 2021 <ul style="list-style-type: none"> • Ch. 9: Government Health Plans in the United States, pp. 149 - 153 • Ch. 12: Group Disability Income Benefits 	<i>1d</i> <i>1a-1c</i>
<i>Insuring Long-Term Care</i> , Eaton, Robert, et. al., 2 nd Edition, 2024 <ul style="list-style-type: none"> • Ch. 2: History of Long-Term Care Products • Ch. 4: Hybrid Life and Long-Term Care Products 	<i>1b, 1c</i>
Critical Illness Turns 40! , Health Watch, Sep 2023	<i>1a-1c</i>

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2. Topic: Manual Rates (25% - 35%)	
Learning Objectives	
The candidate will understand how to calculate rates for each of the contracts described in Learning Objective 1.	
Learning Outcomes	
The Candidate will be able to:	
<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) Calculate and recommend assumptions c) Calculate and recommend a manual rate (includes base rate development and applying a rating manual) and describe the role of data credibility used to calculate the rate d) Identify critical metrics to evaluate actual vs. expected results e) Recommend strategies for properly modelling, pricing, underwriting, and funding case-specific risks f) Describe the purpose and objectives of Guaranty Associations and the multi-state framework for long term care rate increases g) Apply actuarial best practices in evaluating and projecting cash flows (premiums, claims, investment income, expenses, commissions), liabilities, and required capital 	
Resources	Learning Outcomes
<i>Group Insurance</i> , Skwire, Daniel D., 8 th Edition, 2021 <ul style="list-style-type: none"> • Ch. 25: Estimating Disability Claim Costs • Ch. 29: Group Insurance Underwriting, p. 509 - 510 	2a-2d 2e
CP321-100-25: Issues to Consider in Self-Funding Long-Term Disability Insurance	2e
CP321-102-25: Short Term Disability Example	2e
Issues In Applying Credibility to Group Long-Term Disability Insurance , 2013, pp. 5-15	2e
Group Life Waiver Study Based on 2009 – 2015 Canadian Group LTD Termination Experience Report , CIA Study, Jan 2020, pp. 4 – 25, Appendix G (background only)	2d
Best Estimate Assumption for Expenses , CIA Educational Note, Nov 2006, pp. 19-39	2c
<i>Insuring Long-Term Care</i> , Eaton, Robert, et. al., 2 nd Edition, 2024 <ul style="list-style-type: none"> • Ch. 9: Long-Term Care Insurance Experience Monitoring • Ch. 10: Long-Term Care Insurance Premium Rate Increases 	2b-2d
ASOP 18: Long-Term Care (excluding Appendices)	2g

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CP321-103-25: LTCI MSA Framework: Working Draft as of 3/26/25, NAIC, 2025, Sections V-VI	<i>2f</i>
CP321-101-25: Pricing Medicare Supplement Benefits, 2020, sections II, IV, V & Appendix	<i>2a-2d</i>
<i>Individual Health Insurance</i> , Bluhm, William and Leida, Hans, 2 nd Edition, 2015 <ul style="list-style-type: none"> • Ch. 4: Managing Antiselection (pp. 109-140) 	<i>2e</i>
ASOP 23: Data Quality (excluding Appendices)	<i>2a, 2g</i>
ASOP 41: Actuarial Communications (excluding Appendices)	<i>2g</i>

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3. Topic: Reserving (15% - 25%)	
Learning Objectives	
The candidate will understand how to apply valuation principles for long-duration contracts.	
Learning Outcomes	
The Candidate will be able to:	
<ul style="list-style-type: none"> a) Describe and calculate types of non-claim reserves held for long duration health contracts: policy reserves, unearned premium reserves, and premium deficiency reserves b) Describe and calculate types of claim reserves held for long duration health contracts: PVANYD (present value of amounts not yet due), ICOS (in course of settlement), and IBNR (incurred but not reported) c) Explain the limitations and biases of traditional valuation methods d) Calculate appropriate claim reserves given data e) Describe, calculate, and evaluate the impact of environmental factors on reserve calculations (trend, seasonality, claim processing changes, etc.) f) Evaluate data resources and appropriateness for calculating reserves g) Apply applicable best practices related to reserving 	
Resources	Learning Outcomes
<i>Group Insurance</i> , Skwire, Daniel D., 8 th Edition, 2021 <ul style="list-style-type: none"> • Ch. 40: Claim Reserves for Long-Term Benefits 	3a-3e, 3g
<i>Individual Health Insurance</i> , Bluhm, William and Leida, Hans, 2 nd Edition, 2015 <ul style="list-style-type: none"> • Ch. 6: Reserves and Liabilities 	3a-3g
<i>Insuring Long-Term Care</i> , Eaton, Robert, et. al., 2 nd Edition, 2024 <ul style="list-style-type: none"> • Ch. 8: Long-Term Care Insurance Valuation 	3a, 3b
CP321-104-25: Practices for Preparing Health Contract Reserves	3a, 3g
CP321-105-25: Supplemental Comments (March 2022) for CP321-104-25	3a, 3g

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4. Topic: Financial Statements (5% - 15%)	
Learning Objectives	
The candidate will understand how to prepare and interpret insurance company financial statements for long duration contracts.	
Learning Outcomes	
The Candidate will be able to:	
<ul style="list-style-type: none"> a) Compare valuation standards under IFRS 17, US GAAP, and Statutory Accounting b) Prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and IFRS 17 c) Interpret the results of both statutory and GAAP statements from the viewpoint of stakeholders, including regulators, senior management, and investors d) Project financial outcomes and recommend a strategy e) Apply applicable best practices 	
Resources	Learning Outcomes
CP321-107-25: Health Insurance Accounting Basics for Actuaries, Sections 4 -7	<i>4a-4d</i>
CP321-106-25: Excerpt from AAA Application of ASU 2018-12 to the Accounting for Long-Duration Contracts under U.S. GAAP (Section IV only)	<i>4b, 4e</i>

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5. Topic: Asset Adequacy (0% - 10%)	
Learning Objectives	
The candidate will understand how to evaluate asset matching and asset adequacy standards for long duration contracts.	
Learning Outcomes	
The Candidate will be able to:	
<ul style="list-style-type: none"> a) Understand the principles of Asset-Liability Management (ALM) b) Evaluate techniques for addressing mismatched assets and liabilities c) Describe asset adequacy approaches commonly applied to long-duration health contracts d) Describe cash flow projections and interactions between asset and liability cash flows 	
Resources	Learning Outcomes
CP321-108-25: ALM for Life, Annuities, and Pensions, Sections 2, 5 & 6	<i>5a, 5b</i>
CP321-109-25: Chapter 3 of Modelling in Life Insurance – A Management Perspective, 2016	<i>5d</i>
ASOP 22: Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities (excluding Appendices)	<i>5c</i>

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6. Topic: Retiree Group Benefits (20% - 30%)	
Learning Objectives	
The candidate will understand how to design and perform valuations of retiree group benefits.	
Learning Outcomes	
The Candidate will be able to:	
<ul style="list-style-type: none"> a) Describe why employers offer retiree group benefits b) Determine appropriate demographic, economic, and benefit assumptions and apply to a retiree health valuation c) Determine employer liabilities, service cost, and expense for post-retirement and post-employment benefits and prepare disclosure information for financial reporting purposes d) Describe current issues faced by governments, employers, and employees related to post-retirement and post-employment benefits e) Apply actuarial best practices to post-retirement and post-employment benefit plans f) Propose ways to manage the range of risks faced by plan participants and retirees through retiree health and life plan designs g) Advise a plan sponsor regarding the choice of design elements for their retiree health program given situational context 	
Resources	Learning Outcomes
CP321-110-25: Chapter 24 of Morneau Shepell Handbook of Canadian Pension & Benefit Plans, 17 th Edition, 2020	<i>6a, 6b, 6d, 6f, 6g</i>
CP321-113-25: IAS 19: A Primer on Non-Pension Benefit Accounting for Valuation Actuaries	<i>6a-6g</i>
CP321-111-25: IAS19	<i>6b, 6c</i>
CP321-112-25: Comparison of IAS 19, Rev. 2011 with FASB ASC 715: Summary of Provisions Affecting Accounting for Postretirement Benefits	<i>6c</i>
CIA Educational Note – Health Care Trend Rate , May 2012, pp. 4-17 only	<i>6b, 6e, 6g</i>
CIA Educational Note – Setting the Accounting Discount Rate Assumption for Pension and Post-Employment Benefit Plans	<i>6b, 6e, 6g</i>
CIA Standards of Practice - Practice-Specific Standards for Non-Pension Employee Future Benefit Plans	<i>6b, 6c, 6e, 6f</i>
CP321-114-25: New Approaches Needed to Save Retiree Benefits	<i>6d-6g</i>
CP321-115-25: Mercer Quick Poll: 2022 Post-Retirement Benefit Trends – Supporting a Challenging Labour Environment	<i>6d-6g</i>

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CP321-116-25: Retiree Health Benefits: Going, Going, Nearly Gone?, KFF, Apr 2024	<i>6d-6g</i>
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