

EDUCATION AND EXAMINATION COMMITTEE OF THE SOCIETY OF ACTUARIES (SOA)

FALL 2008

INDIVIDUAL LIFE AND ANNUITIES—DESIGN AND PRICING (DP) EXAM, CANADA

INTRODUCTORY STUDY NOTE

1. The Individual Life and Annuities—DP Canada examination for Fall 2008 will be given on **Thursday, October 30, from 8:30 a.m. – 11:45 a.m. and 1:30 p.m. – 4:45 p.m.** The examination will consist of six 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.
2. Any changes in the Course of Reading for this exam will be published on the “Updates” page of the SOA Fall 2008 online catalog at <http://www.soa.org/education/course-catalog/edu-updates.aspx>
3. Please note that the structure and focus of the FSA-level exams has changed since the Course 8 exams were produced. Many candidates have found the Course 8 exams to be helpful in preparing for the current FSA-level exams, however, so the online location of past Course 8 exams is provided below. When using the past Course 8 exams as a study tool, the candidate should remain cognizant of the fact that the change in FSA-level exam structure has occurred.

Past exams, solutions and case studies are available online:

<http://www.soa.org/education/resources/edu-multiple-choice-essay-examinations.aspx>

4. The Course of Reading includes textbooks, online published readings, as well as the study notes listed below. A complete listing of the Course of Reading is located in the Fall 2008 Catalog on the SOA website. Study notes listed with an asterisk (*) will also be included in the Revision set of study notes. All questions concerning study notes should be directed to Basic Education Study Materials at 847-706-3525 or azionce@soa.org

Code	Title
ILAC-D11-08*	Introductory Study Note
ILA-D100-07	World-Class New Product Development: Benchmarking Best Practices of Agile Manufacturers
ILA-D101-07	Product Development Trends
ILA-D102-07	Equity Indexed Annuities: Product Design and Pricing Considerations
ILA-D103-07	Innovative Financing: Life Insurance Securitization
ILA-D104-07	Chapter 3 of <i>Actuarial Aspects of Individual Life Insurance and Annuity Contracts</i>

Code	Title
ILA-D105-07	Life and Annuity Products and Features
ILA-D106-07	Gross Premiums for Disability Waiver Benefits
ILA-D107-07	Experience Assumptions for Individual Life Insurance and Annuities
ILA-D108-07	Asset/Liability Management
ILA-D109-07	Corporate Default and Recovery Rates, 1920-2006
ILA-D110-07	Policyholder Dividends
ILA-D111-07	LOMA Chapters 1 & 2
ILA-D112-08*	Valuation of Living and Death Benefit guarantees for Variable Annuities
ILA-D600-07	Lapse Experience Under Lapse-Supported Policies
ILA-D601-08*	Lapse Experience Under Universal Life Level Cost of Insurance Policies
ILA-D602-07	Panel Discussion #11: Preferred Underwriting Discussion
ILA-D603-07	Panel Discussion #24: Preferred Term-An Update
ILA-D604-07	H5: Developments in the Canadian Segregated Funds Marketplace
ILA-D607-08*	Life Insurance Costing and Risk Analysis
ILA-D608-08*	Lapse Experience Under Term-To-100 Insurance Policies
ILA-D609-08*	Notes on the Taxation of Life Insurance Policies and Annuity Contracts including Introduction
ILA-D610-08*	Pricing Critical Illness Insurance in Canada
ILA-D611-08*	Product Design of Critical Illness Insurance in Canada
ILA-D612-08*	Session IND-1: The Challenges of Simplified Issue Products
ILA-D613-08*	Session IND-2: Product Development 101

5. Attached are errata for the following textbook:

Investment Guarantees—Modeling and Risk Management for Equity-Linked Life Insurance, by Hardy

Also available at: <http://www.stats.uwaterloo.ca/Faculty/erratum.pdf>

6. Several book distributors carry some or all of the textbooks for the Society of Actuaries exams. A list appears in the *Fall 2008 Catalog*. A set of order forms from these distributors is included with this study note package.

The order forms contain information about prices, shipping charges, mailing policy and credit card acceptance. Any book distributor who carries books for SOA exams may have their order form included in this set unless the SOA office receives substantial complaints about service. Candidates should notify the Publication Orders Department of the SOA in writing if they encounter serious problems with any distributor.

7. 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.
8. Candidates may use the battery or solar-powered Texas Instruments BA-35 model calculator (the official SOA/CAS calculator), the BA II Plus*, the BA II Plus Professional* or TI-30X, TI-30Xa (the official CAS calculators) or TI-30X II*. Candidates using any of these calculators need not have calculators with the SOA or CAS logo. Candidates may use more than one of the approved calculators during the examinations.

Calculator instructions cannot be brought into the exam room. During the exam, the calculator must be removed from its carrying case so the supervisor can confirm it is an approved model. Candidates using a calculator other than the approved models will have their exam disqualified.

Calculators are no longer available for purchase through the SOA. 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 **TI-30X II, **BA II Plus** and **BA II Plus Professional** will need to be cleared by the examination supervisor upon the candidates' entrance to the examination room.*

9. Order forms for various seminars/workshops and study manuals are included with this set of study notes. These seminars/workshops and study manuals do not reflect any official interpretation, opinion, or endorsement of the Society of Actuaries or its E & E Committee.
10. 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 the examinations administered by the Society of Actuaries.