

# Group and Health Core U.S. Exam

Fall 2018/Spring 2019

## Important Exam Information:

<a href="#">Exam Registration</a>	Candidates may register online or with an application.
<a href="#">Order Study Notes</a>	Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.
<a href="#">Introductory Study Note</a>	The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.
<a href="#">Case Study</a>	A copy of the case study will be provided with the examinations. Candidates will not be allowed to bring their copy of the case study into the examination room.
<a href="#">Past Exams</a>	Past Exams from 2000-present are available on SOA website.
<a href="#">Updates</a>	Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices.

*Canadian version of this exam is recognized by the Canadian Institute of Actuaries.*

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**1. Topic: Products**

**Learning Objectives**

The candidate will understand how to describe plan provisions typically offered under:

- Group and individual medical, dental and pharmacy plans
- Group and individual long-term disability plans
- Group life and short-term disability plans
- Supplementary plans, like Medicare Supplement
- Group and individual long term-care insurance

**Learning Outcomes**

The Candidate will be able to:

- a) Describe typical organizations offering these coverages
- b) Describe each of the coverages listed above
- c) Evaluate the potential financial, legal and moral risks associated with each coverage

**Resources**

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 5: Medical Benefits in the United States
  - Ch. 6: Dental Benefits in the United States
  - Ch. 7: Pharmacy Benefits in the United States
  - Ch. 10: Health Benefits in Canada
  - Ch. 11: Group Life Insurance Benefits
  - Ch. 12: Group Disability Income Benefits
  - Ch. 13: Group Long-Term Care Insurance
- *Essentials of Managed Health Care*, Kongstvedt, Peter R., 6<sup>th</sup> Edition, 2013
  - Ch. 1: A History of Managed Health Care and Health Insurance in the United States (background only)
  - Ch. 2: Types of Health Insurers, Managed Health Care Organizations and Integrated Health Care Delivery Systems
- *Individual Health Insurance*, Leida, Hans, 2<sup>nd</sup> Edition, 2015
  - Ch. 2: The Products (pp. 39-83)
- [Combo Long-term Care Products: A Solution to Address Market Needs](#), The Actuary, Oct/Nov 2013

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## 2. Topic: Pricing Manual Rates

### Learning Objectives

The candidate will understand how to calculate and recommend a manual rate for each of the coverages described in Learning Objective 1.

### Learning Outcomes

The Candidate will be able to:

- a) Identify and evaluate sources of data needed for pricing, including the quality, appropriateness and limitations of each data source
- b) Develop a medical cost trend experience analysis
- c) Analyze and recommend assumptions
- d) Calculate and recommend a manual rate
- e) Identify critical metrics to evaluate actual vs. expected results
- f) Describe the product development process including risks and opportunities to be considered during the process
- g) Apply actuarial standards of practice in evaluating and projecting claim data

### Resources

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 3: Product Development
  - Ch. 20: Pricing of Group Insurance
  - Ch. 21: Estimating Medical Claim Costs (pp. 337-355)
  - Ch. 22: Estimating Dental Claim Costs
  - Ch. 23: Estimating Pharmacy Claim Costs
  - Ch. 24: Estimating Life Claim Costs
  - Ch. 25: Estimating Disability Claim Costs
  - Ch. 26: Pricing Group Long-Term Care Insurance
  - Ch. 34: Medical Claim Cost Trend Analysis
- *Essentials of Managed Health Care*, Kongstvedt, Peter R., 6<sup>th</sup> Edition, 2013
  - Ch. 22: Underwriting and Rating
- *Individual Health Insurance*, Leida, Hans, 2<sup>nd</sup> Edition, 2015
  - Ch. 5: Setting Premium Rates
- GHC-101-13: Group Disability Insurance (sections 4 and 7)
- GHC-105-17: Pricing Considerations for Drugs Covered under Pharmacy Benefit Programs

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- GHC-107-17: CIA Study on Canadian Group LTD Termination Experience, 1988-1997 (pp.6-17)
- [Mechanics and Basics of Long-Term Care Rate Increases](#), Long-Term Care News, August 2014
- [ASOP 23: Data Quality](#) (excluding Appendix)
- [ASOP 25: Credibility Procedures](#) (excluding Appendix)
- [ASOP 41: Actuarial Communications](#)
- [Timing's Everything: The impact of Benefit Rush](#), Health Watch, May 2008

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### 3. Topic: Employee Benefit Strategy

#### Learning Objectives

The candidate will understand how to evaluate and recommend an employee benefit strategy.

#### Learning Outcomes

The Candidate will be able to:

- a) Describe the structure of employee benefit plans and products offered and the rationale for offering these structures
- b) Describe elements of flexible benefit design and management
- c) Recommend an employee benefit strategy in light of an employer's objectives

#### Resources

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 19: Health Benefit Exchanges (pp. 319-321)
- *The Handbook of Employee Benefits*. Rosenbloom, Jerry S., 7<sup>th</sup> Edition, 2011
  - Ch. 1: The Environment of Employee Benefit Plans
  - Ch. 2: Functional Approach to Designing and Evaluating Employee Benefits
  - Ch. 7: Consumer Driven Health Plans
  - Ch. 18: Selected Additional Benefits (pp. 491-496)
  - Ch. 24: Strategic Benefit Plan Management
  - Ch. 25: Cafeteria Plan Design and Administration (pp. 671-680, 686-699)
  - Ch. 32: Employee Benefit Plans for Small Companies (pp. 869-877)
- *Canadian Handbook of Flexible Benefits*, McKay, Robert J., 3<sup>rd</sup> Edition, 2007
  - Ch. 7: Flexible Accounts - Health Spending, Personal, and Perquisite (sections 7.1-7.3, 7.5-7.7)
  - Ch. 16: Adverse Selection
- GHC-106-16: Health Plan Payroll Contribution Strategies and development for Employers
- GHC-108-17: Post-Affordable Care Act Trends in Health Coverage for Small Business
- [Practical Guide to Private Exchanges](#), HealthWatch, May 2015

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**4. Topic: Government Programs**

**Learning Objectives**

The candidate will understand how to describe and evaluate Government Programs providing Health and Disability Benefits in the United States.

**Learning Outcomes**

The Candidate will be able to:

- a) Describe Medicare benefits and evaluate price and filing.
- b) Describe Medicaid program structure and benefits and evaluate pricing and filing.
- c) Describe Social Security Disability Income benefits

**Resources**

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 9: Government Health Plans in the United States
- *The Handbook of Employee Benefits*, Rosenbloom, J.S., 7<sup>th</sup> Edition, 2011
  - Ch. 21: Medicare Part D Prescription Drug Benefits (pp. 533-546)
- *Essentials of Managed Healthcare*, Kongstvedt, P.R., 6<sup>th</sup> Edition, 2013
  - Ch. 24: Health Plans and Medicare (pp. 499-513)
- GHC-800-15: AAA Issue Brief: Medicare's Financial Condition, Beyond Actuarial Balance
- GHC-812-16: Medicaid A Primer (pp. 1-33)
- GHC-813-16: Medicaid and Long Term Services and Supports (pp. 1-10)
- GHC-817-18: Section 1115 Medicaid Demonstration Waivers
- [Payment Reform Under the Medicare-Medicaid Financial Alignment Demonstrations](#), Health Watch, May 2013
- [Risk Adjustment in State Medicaid Programs](#), Health Watch, Jan 2008
- [ASOP 49: Medicaid Managed Care Capitation Rate Development and Certification](#) (pp. 1- 12)

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**5. Topic: Financial Statements**

**Learning Objectives**

The candidate will understand how to prepare and be able to interpret insurance company financial statements in accordance with US Statutory Principles and GAAP.

**Learning Outcomes**

The Candidate will be able to:

- a) Prepare financial statement entries in accordance with generally accepted accounting principles
- b) Interpret the results of both statutory and GAAP statements from the viewpoint of various stakeholders, including regulators, senior management, investors
- c) Apply applicable standards of practice

**Resources**

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 35: Group Insurance Financial Reporting
  - Ch. 41: Analysis of Financial and Operational Performance
- GHC-806-15: Financial Reporting Implications Under the Affordable Care Act
- GHC-818-18: Revised Actuarial Statement of Opinion Instructions for the NAIC Health Annual Statement
- GHC-819-18: Practices for Preparing Health Contract Reserves
- GHC-820-18: ACA's Impact on Financial Statements
- [Statement of Financial Accounting Standards No. 60](#) (excluding Appendix B)
- [Impact of Codification on Health Reserves](#) (pp. 1-11)
- [ASOP 21: Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas](#)
- [ASOP 28: Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets](#) (excluding Appendix)

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**6. Topic: Regulation & Taxation**

**Learning Objectives**

The candidate will understand how to evaluate the impact of regulation and taxation on insurance companies and plan sponsors in the United States.

**Learning Outcomes**

The Candidate will be able to:

- a) Describe the regulatory and policy making process in the United States
- b) Describe the major applicable laws and regulations and evaluate their impact
- c) Apply applicable standards of practice

**Resources**

- *Group Insurance*, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016
  - Ch. 4: Health Care Policy and Group Insurance
  - Ch. 15: Principles of Health Insurance Regulation
  - Ch. 16: Regulation in the United States
  - Ch. 18: The Affordable Care Act
  - Ch. 19: Health Benefit Exchanges (pp. 307-319)
  - Ch. 28: Group Insurance Rate Filings and Certifications
- *The Handbook of Employee Benefits*, Rosenbloom, Jerry S., 7<sup>th</sup> Edition, 2011
  - Ch. 25: Cafeteria Plan Design and Administration (pp. 699-720)
- GHC-802-13: AAA Health Reform Implementation: Understanding the Terminology (background only)
- GHC-815-16: Kaiser Foundation: Examining Health Care Reform: Medical Loss Ratio
- GHC-821-18: Employer Guide for Compliance with the Mental Health Parity and Addiction Equity Act
- GHC-822-18: Understanding the Affordable Care Act's State Innovation ("1332") Waivers
- GHC-823-18: Recent Policy Changes Under the Affordable Care Act
- [Implications of Individual Subsidies in the Affordable Care Act—What Stakeholders Need to Understand](#), HealthWatch, May 2014
- [ACA Risk Adj - A Critical Element in Assuring Market Stability and Affordability](#), The Actuary Oct 2016
- [ASOP 8: Regulatory Filings for Health Plan Entities](#) (excluding Appendix)
- [ASOP 26: Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans](#) (excluding Appendix)
- [ASOP 50: Determining Minimum Value and Actuarial Value Under the Affordable Care Act](#) (pp. 1-7)



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<b>7. Topic: Retiree</b>
<b>Learning Objectives</b>
The candidate will understand how to evaluate Retiree Group and Life Benefits in the United States.
<b>Learning Outcomes</b>
The Candidate will be able to: <ul style="list-style-type: none"><li>a) Describe why employers offer retiree group and life benefits</li><li>b) Determine appropriate baseline assumptions for benefits and population</li><li>c) Determine employer liabilities for retiree benefits under US GAAP</li><li>d) Describe funding alternatives for retiree benefits</li><li>e) Apply actuarial standards of practice to retiree benefit plans</li></ul>
<b>Resources</b>
<ul style="list-style-type: none"><li>• <i>Group Insurance</i>, Skwire, Daniel D., 7<sup>th</sup> Edition, 2016<ul style="list-style-type: none"><li>○ Ch. 8: Post-retirement and Post-employment Benefits</li></ul></li><li>• GHC-816-16: US Employers' Accounting of Postretirement Benefits Other Than Pensions Study Note</li><li>• <a href="#">Statement of Financial Accounting Standards No. 106</a> (Appendix C: Illustrations 4 and 5 only)</li><li>• <a href="#">ASOP 6: Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions</a> (pp. 1-38)</li></ul>