

Group and Health Core Canada Exam

Fall 2016/Spring 2017

Important Exam 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.
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 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.
Past Exams	Past Exams from 2000-present are available on SOA website.
Updates	Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices.

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Learning Objectives	
<p>1. Describe plan provisions typically offered under:</p> <ul style="list-style-type: none"> a. Group and individual medical, dental and pharmacy plans b. Group and individual long-term disability plans c. Group life and short-term disability plans d. Supplementary plans, like Medicare Supplement e. Group and individual long term care insurance 	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> 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 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ○ 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 ○ <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition, <ul style="list-style-type: none"> ○ 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 ○ <i>Individual Health Insurance</i>, Leida, 2nd Edition, 2015 <ul style="list-style-type: none"> ○ Ch.2 The Products, pp. 39-83 	

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Learning Objectives	
2. Calculate and recommend a manual rate for each of the coverages described in Learning Objective 1	
Learning Outcomes	
<p>The candidate will be able to:</p> <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) Develop an 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 	
Syllabus Resources	
<ul style="list-style-type: none"> o <i>Group Insurance</i>, Skwire, 7th Edition <ul style="list-style-type: none"> o Ch.3 Product Development o Ch.20 Pricing of Group Insurance o Ch.21 Estimating Medical Claim Costs pp.337-355 o Ch.22 Estimating Dental Claim Costs o Ch.23 Estimating Pharmacy Claim Costs o Ch.24 Estimating Life Claim Costs o Ch.25 Estimating Disability Claim Costs o Ch.26 Pricing Group Long-Term Care Insurance o Ch.34 Medical Claim Cost Trend Analysis o <i>Essentials of Managed Health Care</i>, Kongstvedt, 6th Edition <ul style="list-style-type: none"> o Ch.22 Underwriting and Rating o <i>Individual Health Insurance</i>, Leida, 2nd Edition <ul style="list-style-type: none"> o Ch.5 Setting Premium Rates <ul style="list-style-type: none"> • GHC-101-13: Group Disability Insurance (Sections 4 & 7) • GHC-103-13: The Challenges of Pricing Health Insurance for the 2014 Exchanges • GHC-105-14: Pricing Considerations for Drugs Covered under Pharmacy Benefit Programs • ASOP 23, Data Quality • ASOP 25, Credibility Procedures • Timing's Everything: The Impact of Benefit Rush, Health Watch, May 2008 	

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Learning Objectives	
3. Evaluate and recommend an employee benefit strategy	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> a) Describe an employer's rationale and strategies for offering employee benefit plans b) Evaluate the elements of cafeteria plan design, pricing and management c) Recommend an employee benefit strategy in light of an employer's objectives 	
Syllabus Resources	
<ul style="list-style-type: none"> o <i>Group Insurance</i>, Skwire, 7th Edition 2016 <ul style="list-style-type: none"> o Ch. 19 Health Benefit Exchanges, pp. 319-321 o <i>The Handbook of Employee Benefits</i>, Rosenbloom, 7th Edition <ul style="list-style-type: none"> o Ch.1 The Environment of Employee Benefit Plans o Ch.2 Functional Approach to Designing and Evaluating Employee Benefits o Ch.7 Consumer Driven Health Plans o Ch. 18 Selected Additional Benefits, (pp. 491-496) o Ch. 24 Strategic Benefit Plan Management o Ch. 25 Cafeteria Plan Design and Administration (pp. 671 - 699) o Ch. 27 Employee Benefits Communications o Ch. 32 Employee Benefit Plans for Small Companies o <i>Canadian Handbook of Flexible Benefits</i>, McKay, 3rd Edition <ul style="list-style-type: none"> o Ch.7 Flexible Accounts - Health Spending, Personal, and Perquisite, sections 7.1 - 7.3, 7.5 - 7.7 o Ch. 16 Adverse Selection o GHC-106-16: Health Plan Payroll Contribution Strategies and development for Employers o A Practical Guide to Private Exchanges, HealthWatch, May 2015 	

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Learning Objectives	
4. Understand Government Programs providing Health and Disability Benefits in Canada	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> a) Describe eligibility requirements for social programs in Canada and the benefits provided b) Describe how private group insurance plans work within the framework of social programs in Canada c) Compare social programs in Canada and the United States and discuss the value of the different systems. 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ▪ Ch. 9 Government Health Care Plans in the United States ▪ Ch. 18 The Affordable Care Act • <i>Morneau Shepell Handbook of Canadian Pension and Benefit Plans</i>, 15th Edition <ul style="list-style-type: none"> ▪ Ch. 3 Determination and Payment of Benefits pp. 71-74; 79-84 ▪ Ch. 15 Provincial Hospital and Medical Insurance Plans ▪ Ch. 16 Workers' Compensation ▪ Ch. 17 Employment Insurance • GHC-600-16: Benefits Legislation in Canada, 2015 Mercer (exclude sections III and X) • GHC-605-13: CIA Perspectives–National Pharmacare Coverage • GHC-608-13: Changes to Quebec Generic Drug Pricing (pp. 1-2 only) • GHC-609-13: Ontario Generic Drug Pricing Reforms Finalized • GHC-639-15: Passage of New Brunswick's Presentation and Catastrophic Drug insurance Act, Mercer Communique, pp. p.3-4 (pp. 1-2 Background only) • GHC-651-16: The high states of medications, insurers and governments • GHC-652-16: Mercer Communique – Quebec amends the act respecting prescription drug insurance and the health insurance act • GHC-653-16: Telus Health Note – How much does that drug cost? • Sustainability of the Canadian Health Care System and Impact of the 2014 revision to the Canada Health Transfer, September 2013 (Executive Summary & Chapter 11 only) 	

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Learning Objectives	
5. Understand how to prepare and interpret insurance company financial statements in accordance with IFRS & IAS	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> a) Interpret insurer financial statements from the viewpoint of various stakeholders b) Evaluate key financial performance measures used by life and health insurers for both short and long-term products c) Project financial outcomes and recommend strategy to senior management to achieve financial goals d) Describe the planning process of a life and health insurance company (strategic, operational, and budgeting) e) Compare key differences and similarities in measures by accounting basis f) Describe how to compute the taxable income of a life and health insurance company g) Explain fair value accounting principles and describe International Accounting Standards (IAS) h) Construct basic financial statements and associated actuarial entries for a life and health insurance company. i) Describe emerging developments impacting International Financial Reporting frameworks 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Analysis for Financial Management</i>, 11th Edition, Higgins <ul style="list-style-type: none"> ○ Ch. 4 Managing Growth • <i>Group Insurance</i>, Skwire, 7th Edition, 2016 <ul style="list-style-type: none"> ○ Ch. 35 Group Insurance Financial Reporting ○ Ch. 41 Analysis of Financial and Operational Performance • <i>Canadian Insurance Taxation</i>, 4th Edition, Swales and Erinc 2015. <ul style="list-style-type: none"> ○ Ch.2, Taxation of Life Insurers - An Introduction • GHC-612-13: Simple CALM example • GHC-613-13: Educational Note: Classification of Contracts under International Financial Reporting Standards • GHC-619-13: IFRS Phase II - Phase I was “easy”; Phase II will be a complete redo, CIA Annual Meeting, June 2012, Session 22 (Background only) • GHC-620-13: Educational Note on Source of Earnings Calculations – Group Life and Health • GHC-640-15: CIA Research Paper, IFRS Disclosure requirements for life Insurers (December, 2010) • GHC-641-15: Practical Guide to IFRS, PwC, (July 2013), pages 1-36 • GHC-642-15: Exposure Draft – insurance Contracts under IFRS – IASB, Pages 13-64 (Standard and Application Guidance) (June 2013) (Background only) • GHC-654-16: Many Are Awaiting Developments on IFRS 4 • GHC-655-16: ASB Memorandum, June 22, 2015 • GHC-656-16: Final SOI for ISAP 4, September 2014 • GHC-657-16: IASB Staff Paper, Effect of Board Deliberations on the 2013 Exposure Draft Insurance Contracts, Feb., 2016 • GHC-658-16: Session 5 – IFRS and Capital Development Home and Abroad (background only) 	

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Learning Objectives	
6. Evaluate the impact of regulation and taxation on companies and plan sponsors in Canada	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> a) Describe the regulatory and policy making process in Canada b) Describe the major applicable laws and regulations and evaluate their impact 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Canadian Handbook of Flexible Benefits</i>, 3rd Edition, McKay <ul style="list-style-type: none"> ○ Ch. 12 Taxation of Flexible Benefits (12.1 – 12.4 only) ○ Ch. 13 Discrimination Issues • <i>Canadian Insurance Taxation</i>, 4th Edition, Swales and Erinc 2015 <ul style="list-style-type: none"> ○ Ch. 1 (background only) ○ Ch. 4 Income for Tax Purposes – General Rules, pages 37-38 (exclude 'Imputed Interest Benefit on Real Property') and 43-47 ○ Ch. 6 Reserves, pages 79-96 ○ Ch. 9 Investment Income Tax, pages 135-142 • GHC-621-13: Canadian Life and Health Insurance Association: Guideline G3, Group Life and Health Insurance • GHC-625-16: Legal Aspects of Group Insurance in the Province of Quebec (2015) • GHC-628-16: The Quebec Act Respecting Prescription Drug Insurance and Its Impacts on Private Group Insurance Plans (2015 edition) • GHC-631-13: Canadian Life & Health Insurance Association: The protection of personal information under Group Benefit Plans • GHC-637-13: Chapters 16 and 17 of <i>Canadian Life & Health Insurance Law</i>, Jones, H. E. • GHC-644-15: Taccess Issue 2 – July 2014 - An Advisor's Guide to Understanding How Taxes Impact Group Insurance Benefits in Canada • GHC-647-15: CLHIA Position Paper (2010) Protecting Canadians' LTD Benefits • GHC-648-15: Canadian life and health insurance industry agreement to protect Canadians' drug coverage (September 2012) • GHC-659-16: Ontario 2014 budget will forbid employers from self-insuring LTD plan to employees • GHC-660-16: Self-funding disability plans: time running out on federally regulated employers • GHC-661-16: Employee Life and Health trusts & Health and Welfare Trusts • GHC-662-16: Firefighter who died of cancer was killed in the line of duty, court says • GHC-663-16: West Nile victim wins \$130,000 insurance payout • GHC-664-16: Disability insurance at risk for 1.1 million • GHC-665-16: Nortel employees seek clarity around health and welfare trust • GHC-666-16: Nortel employees to take fight to SCC • GHC-671-16: CLHIA Guideline G4: Coordination of Benefits • GHC-672-16: CLHIA Guideline G17: Coordination of Benefits for Out-of-Country/Out-of-Province/Territory Medical Expenses 	

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Learning Objectives	
7. Understand and evaluate post-retirement and post-employment benefits in Canada	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe why employers offer post-retirement and post-employment benefits b) Determine appropriate baseline assumptions for benefits and population c) Determine employer liabilities, service cost and expense for post-retirement and post-employment benefits for financial reporting purposes under IFRS and understand differences compared to US GAAP d) Describe funding alternatives for post-retirement and post-employment benefits e) Describe current issues faced by governments, employers and employees related to post-retirement and post-employment benefits f) Apply actuarial standards of practice to post-retirement and post-employment benefit plans 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Morneau Shepell Handbook of Canadian Pension & Benefit Plans</i>, 15th Edition, Gottlieb & Whiston <ul style="list-style-type: none"> ○ Ch. 22 Post-retirement and Post-employment Benefits • GHC-632-13: IAS19 • GHC-633-14: CIA Standards of Practice - Practice-Specific Standards for Post- Employment Benefit Plans • GHC-649-15: Towers Watson Comparison of IAS 19, rev. 2011 with FASB ASC 715, Summary of Provisions Affecting Accounting for Post-retirement Benefits • GHC-650-15: Supplement Calculation Note for IAS 19 • GHC-667-16: Hicks Morley Pension and benefits 2013 Case law Update; Employer’s Ability to Unilaterally reduce or Eliminate post-retirement benefits, (pg. 62 – 70) • GHC-668-16: The New Reality of Retiree Benefits • GHC-669-16: The end of retiree benefits? 	