

GH – Design & Pricing Exam

Spring 2024/Fall 2024

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.

Syllabus Readings

Readings listed in this syllabus may include study notes, online readings and textbooks. Candidates are responsible for all readings in their entirety, including sections such as Appendices, unless it is stated otherwise in the syllabus.

[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 exam.

[Past Exams](#)

Past Exams from Fall 2020-present are available on SOA website.

[Updates](#)

Candidates should be sure to check for updates on the Exam Study page periodically for additional corrections or notices to the current syllabus.

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1. Topic: Plan Provisions and Government Programs

Learning Objectives

The candidate will understand how to describe and evaluate plan provisions and government programs, including:

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

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 moral hazard and financial and legal risks associated with each coverage
- d) Describe Medicare benefits and evaluate pricing and filing requirements
- e) Describe Medicaid program structure and benefits and evaluate pricing and filing requirements
- f) Describe Social Security disability income benefits
- g) Describe the Affordable Care Act and evaluate impacts on pricing and filing
- h) Compare social programs in Canada and the United States and evaluate the value of the different systems
- i) Describe assumptions used and apply to a retiree health valuation*

****Note: This learning outcome is applicable starting with the Fall 2024 exam administration***

Resources

- *Group Insurance*, Skwire, Daniel D., 8th Edition, 2021
 - 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. 9: Government Health Plans in the United States
 - Ch. 10: Health Benefits in Canada
 - Ch. 11: Group Life Insurance Benefits
 - Ch. 12: Group Disability Income Benefits

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- Ch. 19: The Affordable Care Act
- *Individual Health Insurance*, Bluhm, William and Leida, Hans, 2nd Edition, 2015
 - Ch. 2: The Products, pp. 39-83
- *Insuring Long-Term Care*, Eaton, Robert, et. al., 2022
 - Ch. 2: History of LTC Products
- GHDP-142-23: Medicaid A Primer, pp. 1-33
- GHDP-143-24: Medicare Part D Prescription Drug Benefits
- GHDP-144-23: Medicare Advantage: Eight Critical Considerations for Every Organization as ESRD Eligibility Expands in 2021
- GHDP-145-24**: Retiree Health Benefits – Accounting and Valuation Assumptions
[Excel Model: Retiree Health Case Study](#)
- ****Note: This study note will be tested starting with the Fall 2024 exam administration**
- [Combination Products: An Accelerated Education](#), Product Matters, Jul 2019
- [Medicare Advantage Expanded Supplemental Benefits Over the Years](#), Health Watch, Special Edition, Mar 2021
- [ASOP 49: Medicaid Managed Care Capitation Rate Development and Certification](#), pp. 1-12
- [Medicare Advantage Experience Data: Pitfalls and Concerns Beyond ASOP #23](#), Health Watch, Feb 2019
- [Critical Illness Turns 40!](#), Health Watch, Sep 2023

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2. Topic: 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) Calculate 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 standard of practice in evaluating and projecting claim data

Resources

- *Group Insurance*, Skwire, Daniel D., 8th Edition, 2021
 - Ch. 3: Product Development
 - Ch. 20: Pricing of Group Insurance
 - Ch. 21: Estimating Medical Claim Costs (exclude Appendix: Data Sources)
 - 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. 35: Medical Claim Cost Trend Analysis
- *Individual Health Insurance*, Bluhm, William and Leida, Hans, 2nd Edition, 2015
 - Ch. 5: Setting Premium Rates
- *Insuring Long-Term Care*, Eaton, Robert, et. al., 2022
 - Ch. 6: LTCI Experience Monitoring
 - Ch. 7: LTCI Premium Rate Increases
- GHDP-101-13: Group Disability Insurance (sections 4 & 7)
- GHDP-105-17: Pricing Considerations for Drugs Covered under Pharmacy Benefit programs
- GHDP-127-19: Chapters 16 and 19 of *Disability Income Insurance: The Unique Risk*, 5th Edition, Soule

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- GHDP-128-21: Pricing Medicare Supplement Benefits, 2020, sections IV & V
- [ASOP 12: Risk Classification](#) (excluding Appendices)
- [ASOP 18: Long-Term Care](#) (excluding Appendices)
- [ASOP 23: Data Quality](#) (excluding Appendices)
- [ASOP 25: Credibility Procedures](#) (excluding Appendices)
- [ASOP 41: Actuarial Communications](#) (excluding Appendices)
- [Timing's Everything: The Impact of Benefit Rush](#), Health Watch, May 2008
- [2019 Group Long-Term Disability Experience Study Preliminary Report](#), Sep 2020 (excluding Appendices)
- [Best Estimate Assumption for Expenses](#), CIA Educational Note, Nov 2006, pp. 19-39

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3. Topic: Underwriting

Learning Objectives

The candidate will understand how to apply principles of pricing and risk assessment to case specific and block of business management.

Learning Outcomes

The Candidate will be able to:

- a) Understand the risks and opportunities associated with a given coverage, eligibility requirement or funding mechanism
- b) Understand, evaluate and apply various risk adjustment mechanisms
- c) Recommend strategies for properly pricing, underwriting and funding case specific risks
- d) Describe and apply approaches to claim credibility and pooling
- e) Apply Total Risk Analysis (TRA) strategies to block and case specific pricing

Resources

- *Group Insurance*, Skwire, Daniel D., 8th Edition, 2021
 - Ch. 26: Experience Rating and Funding Methods
 - Ch. 29: Group Insurance Underwriting
 - Ch. 30: Managing Selection in a Multiple-Choice Environment
 - Ch. 34: Health Risk Adjustment (pp. 579-585)
- *Individual Health Insurance*, Bluhm, William and Leida, Hans, 2nd Edition, 2015
 - Ch. 4: Managing Antiselection (pp. 109-148)
- GHDP-118-17: Issues to Consider in Self-Funding Long-Term Disability Insurance
- GHDP-136-20: Illustrative Examples on Experience Rating and Funding Methods
- GHDP-137-20: Short Term Disability Example
- [Level Funding: An Alternative to ACA for Small Groups](#), Health Watch, May 2016
- [Issues In Applying Credibility to Group Long-Term Disability Insurance](#), 2013, pp. 5-15
- [The Role of the Actuary in Self-Insurance](#), May 2018, sections 4, 5 & Appendices (excluding 4.1.1 – 4.1.5, 4.4, 4.6.1 - 4.6.3, Appendix D)
- [Calculated Risk: Driving Decisions Using the 5/50 Research](#), Sections 1 (background only), 2 & 3
[Excel Model: Calculated Risk](#)