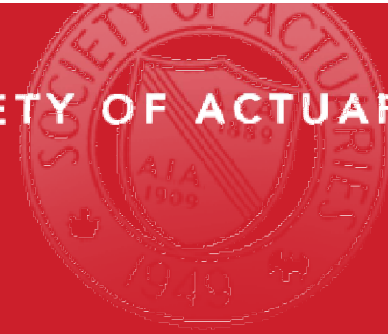


SOCIETY OF ACTUARIES



Society of Actuaries Education Update



Risk is Opportunity.®

Exam Systems

- Before 1987
 - 9 – 10 exams
- 2000 – 2005
 - 7 exams
 - APC
 - Seminar
 - PD
- FES, 1987 - 1999
 - 450 Credits
 - ASA changes (1995)
 - FEM
 - FAC (1990)
- 2005 - ?
 - 7 - 8 exams
 - ASA Changes
 - FAP/FSA Modules
 - VEE

1978 Part 8 Sample Question

- Describe the assumptions that are generally used in pricing group survivor income benefits.
- As part of your answer, indicate which of these assumptions could appropriately be used for pricing group term life insurance.

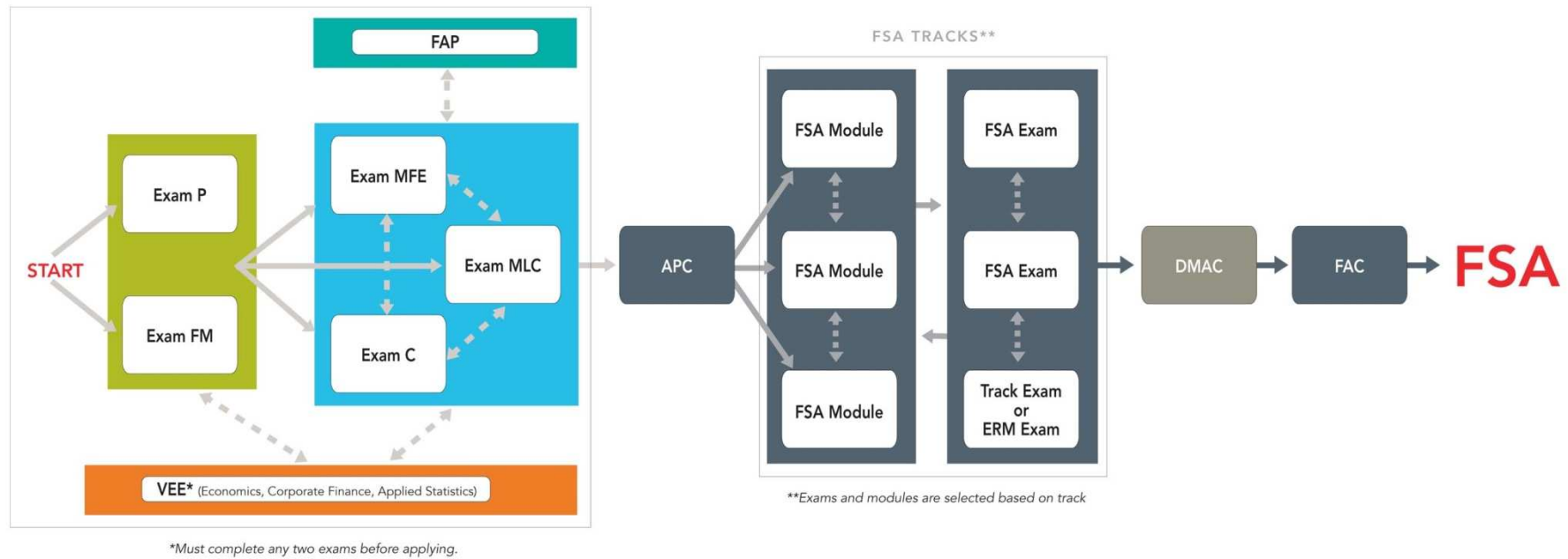
2011 ILA, CSP Sample Question

- CBA Life, a U.S. insurance company, is acquiring a block of nonparticipating, two-year term life policies from ZYX Life.

[Assumptions including best estimate and provisions for adverse deviations are provided]

- (i) Calculate the GAAP Net Level Premium for the policy using the Best Estimate Assumptions. Show all work.
- (ii) Evaluate the appropriateness of the provisions for adverse deviation, taking into consideration guidance outlined in ASOP 10 (Financial Statements under GAAP). Justify your answer.

FSA Pathway (effective July 1, 2013)



Fellowship Requirements

- Nation-Specific Tracks:
 - Individual Life and Annuities
 - Retirement Benefits
 - Group and Health (new in 2013)
 - General Insurance
- Other tracks:
 - Corporate Finance and ERM
 - Quantitative Finance and Investment

Two Exceptions

- U.S. Retirement Benefits
 - Enrolled Actuaries Exams required
 - So four, not three, exams
- General Insurance
 - Additional exam on policy coverages and business environment
 - Provides additional background beyond FAP
 - Some other tracks may follow suit

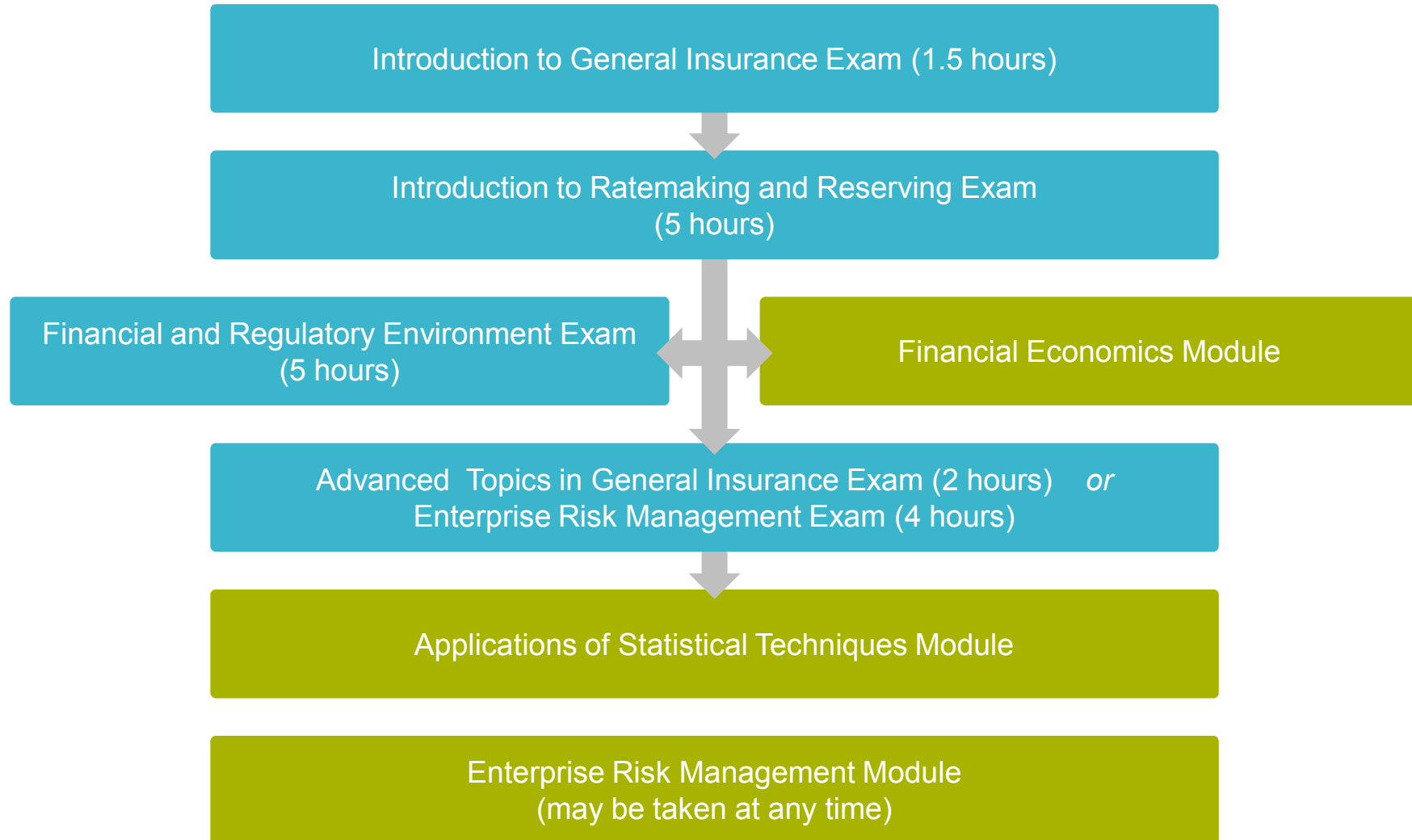
Why Add General Insurance?

- SOA is the only international organization that covers multiple, but not all, practice areas
- SOA candidates benefit by being able to explore all areas of actuarial practice before selecting a specialty track.

Objectives of GI Track

- Be consistent with other SOA tracks
 - Track consistency already an SOA objective
- Be attractive regardless of location
 - Actuarial methodologies represented on a broad international basis
 - Nation specific expectations for financial and regulatory environment
- Be recognized as qualified to practice, including signing statutory reports, in the U.S. and Canada.

General Insurance Track



Introduction to General Insurance Exam

- Coverages and business environment
- Multiple-choice exam with expected higher pass rate
- Supplements material in FAP
- Offered twice annually, first time in February 2014

Introduction to Ratemaking and Reserving Exam

- Unified view of ratemaking and reserving
- Global focus
- SOA has published a textbook
- First offering: October 30, 2013

Financial and Regulatory Environment Exam

- Will offer separate U.S. and Canadian versions
- First offering: Spring 2014

Advanced Module - Applications of Statistical Techniques

- To be introduced mid-November
- Opportunity for hands-on experience with case studies
- Topics include:
 - Generalized linear models with emphasis on classification ratemaking – including mixed models for adding credibility
 - Cluster analysis
 - Stochastic and Bayesian reserving methods
 - Measuring reserve variability

Other Elements

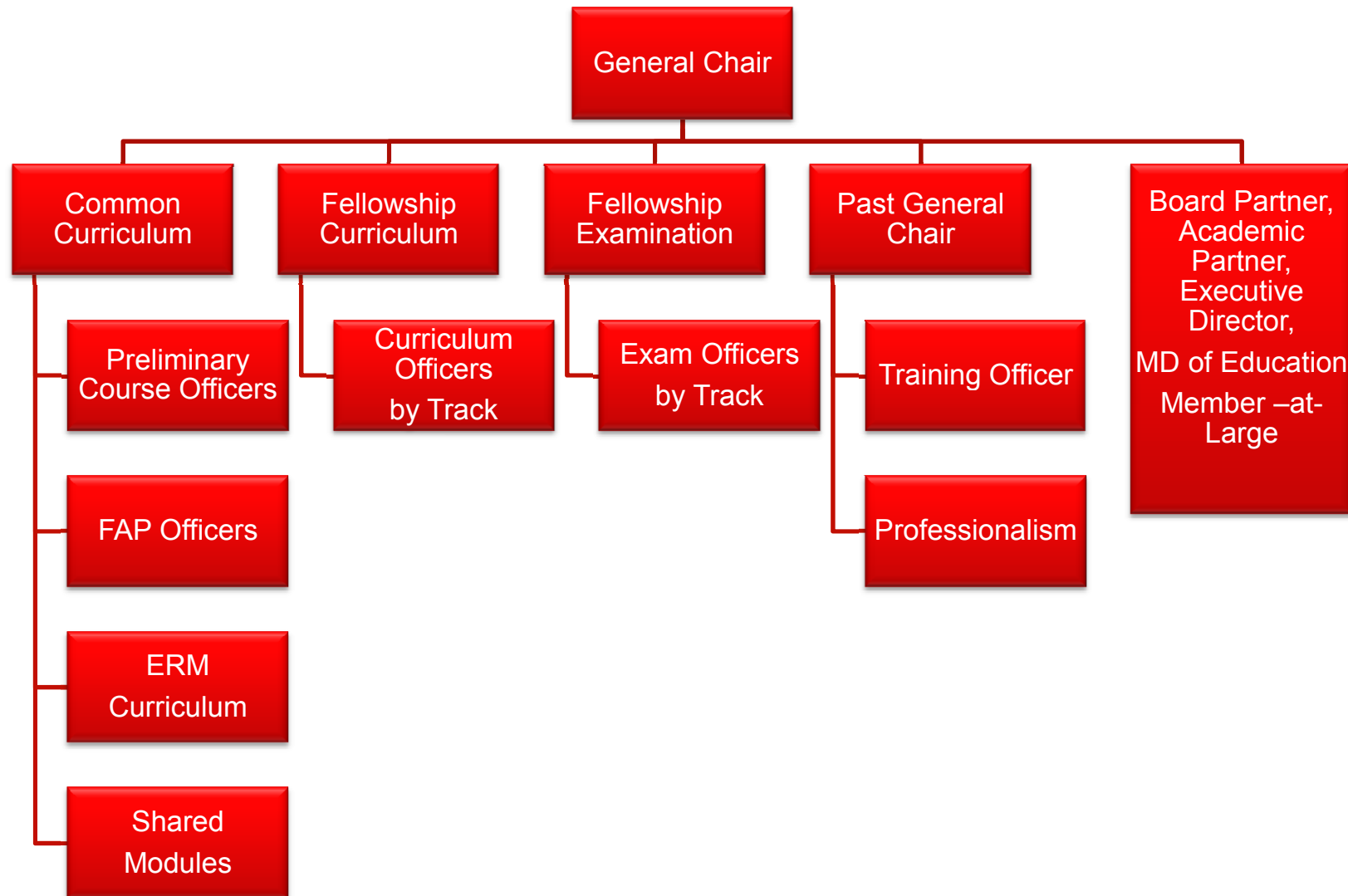
Financial Economics

- E-Learning module
- Will be enhanced with general insurance topics

Advanced Topics

- Two hour exam
- Syllabus due shortly

Consider Volunteering



Questions and Answers

Acronyms Defined

Acronym	Definition
APC	Associateship Professionalism Course
CFE	Corporate Finance & ERM Track
CSP	Company/Sponsor Perspective Exam
DMAC	Decision-Making & Communication Module
ERM	Enterprise Risk Management
Exam C	Construction of Models
Exam FM	Financial Mathematics
Exam MFE	Models of Financial Economics
Exam MLC	Models of Life Contingencies
Exam P	Probability
FAC	Fellowship Admissions Course

Acronyms Defined

Acronym	Definition
FAP	Fundamentals of Actuarial Practice
FEM	Flexible Education Methods
FES	Flexible Examination System
GH	Group & Health Track
GI	General Insurance Track
ILA	Individual Life & Annuities Track
PD	Professional Development
QFI	Quantitative Finance & Investment Track
R	Retirement Track
VEE	Validation by Educational Experience