



CASUALTY ACTUARIAL SOCIETY

VIRGINIA R. PREVOSTO
VICE PRESIDENT – ADMISSIONS

MEMORANDUM

TO: CAS Candidates and Educators
FROM: Virginia Prevosto, Vice President-Admissions
DATE: 15 November 2011
RE: Changes for the Fall 2012 CAS *Syllabus of Basic Education*

The CAS Executive Council has approved the following changes for the Fall 2012 CAS *Syllabus of Basic Education*. Other changes that may be made include modifications to learning objectives and knowledge statements as well as edition changes to current citations.

The Fall 2012 exam syllabi will be posted in early March 2012 and the Study Kits will be available in mid-April 2012.

Exam 3L

The following changes to the Exam 3L syllabus were previously approved and posted but are included for completeness as they are effective with the October 2012 exam.

Delete: Bowers, Gerber, Hickman, Jones, and Nesbitt, *Actuarial Mathematics*.
Add: Asimow, L.A.; and Maxwell, M.A., *Probability and Statistics with Applications: A Problem Solving Text*, 2010, ACTEX Publications, Inc.
Modify: Larsen, R.J.; and Marx, M.L., *An Introduction to Mathematical Statistics and Its Applications*, Prentice Hall, the fifth edition will be used.

Exam 6-United States

Delete: A.M. Best, *Annual Review of the Excess and Surplus Lines Industry*, September 2001.
CPCU Society's Connecticut Chapter, "Flood Insurance and Hurricane Katrina, Evaluation of the National Flood Insurance Program and Overview of the Proposed Solutions," CPCU eJournal, September 2006.
Feldblum, S., "Notes to the Financial Statement," CAS Study Note, May 2004.
Williams, Orice, "Ongoing Challenges Facing the National Flood Insurance Program," Federal Emergency Management Agency, Testimony before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, October 2, 2007.

Add: Feldblum, S., "Discounting of Property-Casualty Loss Reserves," CAS Study Note, October 2011.
Feldblum, S., "Rating Agencies," CAS Study Note, June 2011, pp. 1-8 and 15-19. Candidates are not responsible for Section 4, Appendices B-D, and the end notes.

National Association of Insurance Commissioners, “The United States Insurance Financial Solvency Framework,” 2010.

Schwartzman, J.; and Ross, G., “The Dodd-Frank Act and the insurance industry: Strategic considerations of U.S. financial reform,” 27 September 2010.

Williams Brown, Orice, “Flood Insurance, Public Policy Goals Provide a Framework for Reform,” United States Government Accountability Office, Testimony Before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, June 23, 2011, pp. 2-13.

Modify: Feldblum, S., “The Insurance Expense Exhibit and the Allocation of Investment Income,” (Fifth Edition), CAS Study Note, May 1997, including 2012 Addendum.

Exam 8

Delete: Cummins, J.D.; Smith, B.D.; Vance, R.N.; and VanDerhei, J.L., *Risk Classification in Life Insurance*.

Modify: Grossi, P.; and Kunreuther, H., Editors, *Catastrophe Modeling: A New Approach to Managing Risk*, 2005, Springer, Chapter 2-6, (excluding references at the end of each chapter). Chapter 7 was removed.

In addition, the Canadian Institute of Actuaries made the following changes for Exam 6-Canada with the concurrence of the Syllabus Committee chairperson and the senior part specialist for Exam 6-U.S.:

Exam 6-Canada

Delete: A.M. Best Company, *Best’s Key Rating Guide, Property/Casualty, United States & Canada*, 2010.

CPCU Society’s Connecticut Chapter, “Flood Insurance and Hurricane Katrina, Evaluation of the National Flood Insurance Program and Overview of the Proposed Solutions,” CPCU eJournal, September 2006.

EMB, “Solvency II, Understanding the Directive,” 2009.

Feldblum, S., “Statutory Surplus: Computation, Pricing and Valuation,” CAS Study Note, June 2003.

KPMG, “Property and Casualty Insurance Compensation Corporation (PACICC), The P&C Actuary’s Role in Solvency Monitoring.”

Office of the Superintendent of Financial Institutions Canada, Guideline E-15, “Appointed Actuary: Legal Requirements, Qualifications and External Review,” November 2006.

Add: British Columbia Health Care Costs Recovery Act, [SBC 2008], Chapter 27.

Feldblum, S., “Rating Agencies,” CAS Study Note, June 2011, pp. 1-8 and 15-19. Candidates are not responsible for Section 4, Appendices B-D, and the end notes.

Insurance Bureau of Canada, “Code of Conduct for Insurers’ use of Credit Information (CODE).”

International Financial Reporting Standards Foundation, IFRS 4, “Insurance Contracts,” as of 31 December 2010.

KPMG, “Property and Casualty Insurance Compensation Corporation (PACICC), The P&C Actuary’s Role in Solvency Monitoring.”

KPMG, “Solvency II,” pp. 3 to 8 only.

Office of the Superintendent of Financial Institutions Canada Guideline, “Internal Target Capital Ratio for Insurance Companies,” June 2011.

Property and Casualty Insurance Compensation Corporation, “Guide to Compensation Plan for Property and Casualty Insurers,” December 2003.

Swiss Re, “Making Flood Insurable for Canadian Homeowners,” November 2010, Sections 3, 5, 6, 7, and 8.

Modify: Dibra, S.; and Leadbetter, D., “Why insurers fail: The dynamics of property and casualty insurance insolvency in Canada,” Property and Casualty Insurance Compensation Corporation, 2007—this will be tested in Section B of the syllabus.

“Landmark Legal Insurance Cases in Canada” which covers the following cases: Whiten v. Pilot Insurance Co.; Somersall v. Friedman; Somersall v. Scottish and York; Sansalone v. Wawanesa Mutual Insurance Co.; Nichols v. American Home Assurance Co.; Amos v. Insurance Corporation of British Columbia; KP Pacific Holdings Ltd. v. Guardian Insurance Co. of Canada; Alie v. Bertrand & Frere Construction Company Limited; British Columbia v. Imperial Tobacco Canada Ltd.; Herbison v. Lumbermens Mutual Casualty Co; Vytlingam v. The Citadel General Assurance Company; Resurface Corp. v. Hanke; and Morrow v. Zhang (Sections I, II, III, IV, VI (E), VII, VIII, and IX.).