



CASUALTY ACTUARIAL SOCIETY

DAVID L. MENNING
VICE PRESIDENT – ADMISSIONS

MEMORANDUM

TO: CAS Candidates and Educators
FROM: David Menning
DATE: 31 August 2010
RE: Update on changes for the 2011 CAS *Syllabus of Basic Education*

In July, the CAS Executive Council approved changes to the draft of the CAS 2011 *Syllabus of Basic Education* that was released last January. On 30 August 2010, the Executive Council approved additional changes for new Exams 7 and 9. The following changes include both those approved in July and those approved in August.

Other changes that may be made include modifications to learning objectives and knowledge statements as well as edition changes to current citations.

Revised Schedule for Release of Fall Syllabi

The CAS Executive Council approved a proposal that the individual syllabi for fall exams be released in March. Therefore, the final syllabi for Exams 6-Canada, 6-United States, and 8 will be posted in March 2011. The syllabi for spring exams will be released in November 2010.

CAS Study Kits and Web Notes will be available for Spring 2011 exams on 1 December 2010 and will be available on 1 April 2011 for the Fall 2011 exams.

Exam 5

Delete: Conger and Nolibos, “Estimating ULAE Liabilities: Rediscovering and Expanding Kittel’s Approach.”

Add: Friedland, *Estimating Unpaid Claims Using Basic Techniques*, Chapter 17.

Exam 7

Add: Brehm, P.; Gluck, S.; Kreps, R.; Major, J.; Mango, D.; Shaw, R.; Venter, G.; White, S.; and Witcraft, S., *Enterprise Risk Analysis for Property & Liability Insurance Companies*, Guy Carpenter, Section 4.1.

Brooks, D.; Care, R.J.; Chaplin, M.B.; Kaufman, A.M.; Morgan, K.A.; and Roberts, D.N., “Actuarial Aspects of Internal Models for Solvency II,” draft paper presented to the Institute of Actuaries, 23 February 2009, Chapters 1, 4, 9, and 14-28.

Embrechts, P.; Resnick, S.I.; and Samorodnitsky, G., “Extreme Value Theory as a Risk Management Tool,” *North American Actuarial Journal*, Volume 3, Number 2, April 1999.

Feldblum, S., “Dependency Modeling,” CAS Study Note, August 2010.

International Actuarial Association, “A Global Framework for Insurer Solvency Assessment,” a research report of the Insurer Solvency Assessment Working Party, 2004, Chapters 1, 2, 5, 7, 8, and 9; Appendices B, D, E, H, and I.

McNeil, A.J.; Frey, R.; and Embrechts, P., *Quantitative Risk Management*, Princeton University Press, 2005, Section 10.1, “Operational Risk in Perspective,” pp. 463-470, excluding “Notes and Comments” on page 470.

Venter, G.G., “Advances in Modeling of Financial Series.”

Venter, G.G., “Tails of Copulas.”

Venter G.G.; and Underwood, A., “Value of Risk Reduction.”

Exam 8

Delete: Feldblum and Brosius, “The Minimum Bias Procedure, A Practitioner’s Guide.”

Add: Bernegger, S., “Swiss Re Exposure Curves and the MBBEFD Distribution Class,” *ASTIN Bulletin*, Vol. 27, No. 1, 1997, pp. 99-111.

Couret, J.; and Venter, G., “Using Multi-Dimensional Credibility to Estimate Class Frequency Vectors in Workers Compensation,” *ASTIN Bulletin*, Vol. 38, No. 1, pp. 72-85.

Robertson, J.P., “NCCI’s 2007 Hazard Group Mapping,” *Variance*, Vol. 3, Issue 2, pp 194-213.

Exam 9

Add: American Academy of Actuaries, “Report of the Life Liquidity Work Group of the American Academy of Actuaries to the NAIC’s Life Liquidity Working Group,” December 2, 2000, pp. 1-9, 12 (last paragraph) – 16 (first paragraph).

Basel Committee on Banking Supervision, “Liquidity Risk: Management and Supervisory Challenges,” February 2008, Sections 1-4.

Basel Committee on Banking Supervision, “Principles for Sound Liquidity Risk Management and Supervision,” September 2008, Principles 5-7 (pp. 10-20) and Principles 9-10 (pp. 23-27).

Coval, J.; Jurek, J.; and Stafford, E., “The Economics of Structured Finance,” *Journal of Economic Perspectives*, Volume 23, Number 1, Winter 2009, for Learning Objectives C.3 and C.5.

Hull, J.C., *Options, Futures, and Other Derivatives* (Seventh Edition), Prentice Hall, 2009, Sections 23.1-23.9 for Learning Objective C.3.

Venter, G., “Modeling and Managing Liquidity Risk,” for background only.

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:** Autorité des Marchés Financiers, “*Commercial Practices in the Quebec Damage Insurance Brokerage Sector*” April 14, 2005.
- Autorité des Marchés Financiers, “*Distribution of Financial Product and Services Section*” Bulletin de L’Autorité des Marchés Financiers, Volume 3, Number 9, March 9, 2006.
- Brown C., *Introduction to Canadian Insurance Law* (2nd Edition) Lexis Nexis Canada 2006.
- Canadian Institute of Actuaries, “Educational Note: DCAT—Minimum Regulatory Capital Requirement” July 2003.
- Canadian Institute of Actuaries, “Educational Note: Review of Work of an Actuary” September 2003.
- Canadian Institute of Actuaries, “Submission to the Commission on the Future of Health Care in Canada” January 2002.
- CEA and Towers Perrin “*Solvency II Introductory Guide*” June 2006.
- Insurance Corporation of British Columbia “*Supporting Evidence on ICBC’s Proposed Increase of Basic Insurance Rates*” January 27, 2006.
- Kerr, M; Kurtz J and Olivio L.M., *Canadian Tort Law in a Nutshell* (2nd Edition) Thomson Carswell, 2005.
- Add:** American Tort Reform Association, *Tort Reform Record*, Summer 2010 Edition (A.5).
- Blanchard, R.S., “Basic Insurance Accounting—Selected Topics,” Casualty Actuarial Society Study Note, June 2007, pp. 7–18 (C.1).
- Canadian Institute of Actuaries, “Educational Note: IFRS 4,” 2010 (D.1).
- Canadian Underwriter, *Tort Reform Tension*, August 2005 (A.5).
- Davidson, J., “The Cap on Non-Pecuniary General Damages: Where is it going and how does it affect litigation?,” Macmillan Rooke Boeckle LLP, Spring 2007 (A.5).
- EMB Consulting, *Solvency II—Understanding the Directive*, 2008 (C.3).
- Financial Services Commission of Ontario, *Changes to Automobile Insurance Regulations*, Bulletin No. A-01/10, March 2010 (A.2).
- Financial Services Commission of Ontario, *Transition to the New Statutory Accidents Benefits Schedule—Effective September 1, 2010*, Bulletin No. A-04/10, April 2010 (A.2).
- Ministry of Health British Columbia, *Bill 22—2008 Health Care Cost Recovery Act*, 2008 (A.1).
- Office of the Superintendent of Financial Institutions, “Stress Testing Guideline E-18,” December 2009 (C.2).

Registered Insurance Brokers of Ontario, *Code of Conduct*, August 2007, Paragraph 7.1, *Disclosure of Facts Indicating Potential Conflicts of Interest Disclosure*, and Paragraph 8, *Fee Disclosure* (A.2).

Steenek, L.R., *Commutation of Claims*, CAS Study Note (C.1).

Towers Perrin, *2009 Update on U.S. Tort Cost Trends*, 2009. (If 2010 Update is available at when the syllabus is released, the 2010 Update will be used.)

U.S. Federal Trade Commission, *Credit-Based Insurance Scores: Impact on Consumers of Automobile Insurance*, July 2007, pp. 1-4 (A.2).

Modify: Annually updated editions of MSA publications, OSFI Annual Return and Notes, and AM Best will be cited (Sections C and D).

Baer, M.G.; and Rendall, J.A., *Cases on the Canadian Law of Insurance* (Sixth Edition), Carswell, 2000, pp. 67-91, 93-100 302-304, 518-529, 821-827 and 829-831. Candidates are responsible for the following cases: *Glenn v. Scottish Union and National Insurance Company Ltd.* (Chapter 1); *Regal Films Corporation Ltd. v. Glens Falls Insurance Company* (Chapter 2); *Fletcher v. MPIC* (Chapter 8); *Broadhurst and Ball v. American Home*; and *Dillon v. Guardian Insurance* (Chapter 11).

Canadian Institute of Actuaries: “Educational Note: Discounting” will be updated in the fall 2010 and will replace the current July 2005 edition (C.1, C.3, and D.1).

Groupement des Assureurs Automobile Risk Sharing Plan – Procedures Manual April 2008: Update the page references of the new manual (B.1-3).

“Landmark Legal Insurance Cases in Canada”: Two additional cases will be added to the current list of cases: *Resurface Corp. v. Hanke*; and *Morrow v. Zhang* (A.3).

Office of the Superintendent of Financial Institutions: Eliminate “Notes on the Development of the Minimum Capital Test (MCT)” (C.2).