

# 2008 Syllabus Outline - Individ. Life and Annuities - Design Pricing (ILA-DP)

## A Product Design

- 1 Overview - Life Insurance Products - A.1
  - A.1.1 Life Insurance Overview (LIP 1)
  - A.1.2 Product Design for Life Insurance & Annuities (ILA-D111)
- 2 Product Descriptions - A.2
  - A.2.1 Life (ILA-D101 & ILA-D105)
  - A.2.2 Annuities (ILA-D101 & ILA-D105)
  - A.2.3 EIA (ILA-D102)
- 3 Specific Products - Published References - A.3
  - A.3.1 Equity Indexed Universal Life: "The Devil's in the Details"
  - A.3.2 VUL Secondary Guarantees: Catalyst for Sales Rebound
  - A.3.3 Return of Premium Term
  - A.3.4 Designing & Pricing LTCI Combination Insurance Products
- 4 Product Development Process - A.4
  - A.4.1 Product Development (LIP Ch 2)
  - A.4.2 Product Development Process (LOMA 11 & ILA-D101)
  - A.4.3 World Class New Product Development (ILA-D100)
  - A.4.4 The Role of the Actuary in Product Roll-out (ILA-D803)
  - A.4.5 The Process of Premium Formulation
  - A.4.6 The PD Process (ILA-D104)
  - A.4.7 **Valuation Actuaries on PD teams (Published Reference)**

## B Pricing - Assumptions

- 1 General Pricing Assumptions - B.1
  - B.1.1 Mortality Assumptions (LIP 3)
  - B.1.2 Lapse Assumptions (LIP 3)
  - B.1.3 Interest Rate Assumptions (LIP 3)
  - B.1.4 Expense & other Assumptions (LIP 3)
  - B.1.5 Experience Assump. for Individ. Life and Annuities (ILA-D107)
  - B.1.6 Macro Pricing (TSA 43)
  - B.1.7 Pricing - Marketing Perspective (LOMA 12 & LIMRA 6)
- 2 Specific Pricing and Assumptions Topics
  - B.2.1 Gross Premiums for Disability Waiver Benefits (ILA-D106)
  - B.2.2 Dynamic Policyholder Behavior in Pricing of VA's
  - B.2.3 Managing Variable Policyholder Behavior Risk
  - B.2.4 **Valuation of Living and DB guarantees for VA's (ILA-D112)**
  - B.2.5 Term Mortality and Lapses
  - B.2.6 Lapse Experience Under Lapse Supported Products
  - B.2.7 Mortality Table Slope - the Discussion Goes On
  - B.2.8 Does Preferred Wear Off?
  - B.2.9 Hidden Costs of Administering Complex Products
  - B.2.10 Hidden Costs of Product Complexity
  - B.2.11 Living to 100: "Ending the Mortality Table"
  - B.2.12 ASOP 23: Data Quality
  - B.2.13 Pricing in a Return-on-Equity Environment
  - B.2.14 Stochastic Pricing (RSA 27)
  - B.2.15 **Stochastic Pricing (SOA annual meeting 2005)**
  - B.2.16 **Pricing Response to Life Settlements**
  - B.2.17 **PD Challenges in a Principles Based World**
  - B.2.18 **Product Implementation Survey**

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## C Pricing - Calculations

- 1 Life Insurance Products and Finance - C.1
  - C.1.1 Basic Actuarial Math (Ch 4)
  - C.1.2 Life Insurance Cash Flows (Ch 5)
  - C.1.3 Reinsurance (Ch 7)
  - C.1.4 Investment Income (Ch 8)
  - C.1.5 Taxes (Ch 9)
  - C.1.6 Required Capital (Ch 10)
  - C.1.7 Profit Measures (Ch 11)
  - C.1.8 Annuity Products (Ch 13)
  - C.1.9 Financial Modeling (Ch 14)

## D Pricing - Investment Considerations

- 1 Investment Guarantees - D.1
  - D.1.1 Investment Guarantees - Intro. (Chap. 1)
  - D.1.2 Long-term Stock Returns (Chap. 2)
  - D.1.3 Guarantee Liability (Chap. 6)
  - D.1.4 Dynamic Hedging for Guarantees (Chap. 8)
  - D.1.5 Risk Measures (Chap. 9)
  - D.1.6 Guaranteed Annuity Options (Chap. 12)
  - D.1.7 Equity Indexed Annuities (Chap. 13)
- 2 Study Notes - D.2
  - D.2.1 Innovative Financing: Life Insurance Securitization (ILA-D103)
  - D.2.2 Asset-Liability Management (ILA-D108)
  - D.2.3 Corporate Default & Recovery Rates (ILA-D109)
- 3 Published References - D.3
  - D.3.1 Inflation-Indexed Income Annuities: Pricing Consider. and Invest. Strategies
  - D.3.2 Pitfalls in Equity-Indexed Products
  - D.3.3 Variable Annuity Risk and Seeking the Perfect Hedge
  - D.3.4 What's Backing Your Life Insurance Guarantee?

## E Marketing

- 1 General -- Life & Health Marketing (LOMA) and Marketing for Actuaries (LIMRA) - E.1
  - E.1.1 Marketing Management Process (LOMA 5-6, LIMRA 1-2)
  - E.1.2 Marketing Segmentation & Target Markets (LOMA 7)
  - E.1.3 Marketing Information Systems (LOMA 8)
  - E.1.4 Market Research (LOMA 9, LIMRA 3)
- 2 Distribution (LOMA & LIMRA) - E.2
  - E.2.1 Distribution (LOMA 15 & LIMRA 4-5)
  - E.2.2 Compensation (LOMA 16 & LIMRA 6)
  - E.2.3 Distribution Channel Strategies (LOMA 17)
- 3 Customers (LOMA) E.3
  - E.3.1 Customer Behavior (LOMA 13)
  - E.3.2 Customer Relationships (LOMA 14)

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## F Regulation and Taxation

- 1 Life Insurance and Modified Endowments under IRC 7702 & 7702A - F.1
  - F.1.1 Introduction to Life Insurance Taxation (Chap. 1)
  - F.1.2 Qualification as Life Insurance (Chap. 2)
  - F.1.3 Assumptions under 7702 (Chap. 3)
  - F.1.4 Benefits under 7702 (Chap. 4)
  - F.1.5 Specific Products under 7702 (Chap. 6)
  - F.1.6 Review of Tax Policy (Chap. 9)
- 2 Non-forfeiture - F.2
  - F.2.1 General Approaches (ILA-D800)
  - F.2.2 Standard NF Laws (ILA-D801 & ILA-D802)
- 3 Dividends & Non-Guaranteed Elements - F.3
  - F.3.1 Policyholder Dividends (ILA-D110)
  - F.3.2 Non-guaranteed Elements (ASOP 1)
- 4 Illustrations - F.4
  - F.4.1 Illustration and Disclosure (LIMRA 7)
  - F.4.2 NY Section 4228 (LIMRA 8)