



Mary Frances Miller, FCAS
Vice President-Admissions

CASUALTY ACTUARIAL SOCIETY

TO: Casualty Actuarial Society Candidates and Educators
FROM: Mary Frances Miller
DATE: July 19, 2002
RE: Changes for the 2003 CAS *Syllabus of Examinations*

The following changes to the list of readings for the CAS 2003 *Syllabus of Examinations* was recently presented to the CAS Executive Council. Other changes that may be made are edition changes to current citations. All citations from *Foundations of Casualty Actuarial Science* will be modified to reflect the fourth edition. CAS Study Kits and Updates for 2003 will be available December 2, 2002.

EXAM 2

Delete: Kellison, S., *Theory of Interest* (Second Edition) 1991, Irwin/McGraw-Hill, Sections 3.8 and 4.8.
Add: Kellison, S., *Theory of Interest* (Second Edition) 1991, Irwin/McGraw-Hill, Section 5.7.

EXAM 5

Delete: McCarthy, T.L., "Premium Trend Revisited," *Casualty Actuarial Society Forum*, Winter 2000, pp. 47-78.
Add: Jones, B.D., "An Introduction to Premium Trend," CAS Study Note, 2002.

EXAM 6

Delete: D'Arcy, S.P., "Special Issues—Data Sources," *Foundations of Casualty Actuarial Science* (Third Edition), Casualty Actuarial Society, 1996, Chapter 9, pp. 567-573.
Khury, C.K., "Loss Reserves: Performance Standards," *PCAS LXVII*, 1980, pp. 1-21; and discussion of paper: Berquist, J.R., *PCAS LXVII*, 1980, pp. 22-23.
McClenahan, C.L., "A Mathematical Model for Loss Reserve Analysis," *PCAS LXII*, 1975, pp. 134-145; and discussion of paper: Skurnick D., *PCAS LXIII*, 1976, pp. 125-127.
National Association of Insurance Commissioners, "Reinsurance," *Accounting Practices and Procedures Manual for Property/Casualty Companies*, 1994, Chapter 22.
Warthen, T.V., III; and Sommer, D.B., "Dynamic Financial Modeling—Issues and Approaches," *Casualty Actuarial Society Forum*, Spring 1996, pp. 291-328.

- Add:** Dynamic Financial Analysis Committee of the Casualty Actuarial Society, “Overview of Dynamic Financial Analysis,” *DFA Research Handbook*, CAS Web Site (<http://www.casact.org/research/dfa/dfahbch1.pdf>), Chapter 1.
- McKnight, M.B., “Reserving for Financial Guaranty Products,” *Casualty Actuarial Society Forum*, Fall 2001, pp. 256-279. (Candidates will not be responsible for the general background material found on pp. 256-269.)

EXAM 7-CANADA

- Delete:** 2001 Insurance Expense Exhibit.
- Feldblum S., “The Insurance Expense Exhibit and the Allocation of Investment Income.”
- Insurance Services Office, Inc., *Superfund and the Insurance Issues Surrounding Abandoned Hazardous Waste Sites*.
- Chamber of Commerce of the United States, *Analysis of Workers’ Compensation Laws*.
- Canadian Insurance Accountants Association, Professional Development Committee, Research and Legislation Committee Information Circular HR-17, *The Insurance Companies Act Reports and Filings*.
- Feldblum, S., “NAIC Property/Casualty Insurance Company Risk-Based Capital Requirements.”
- Canadian Institute of Actuaries, “Report of the Task Force on the Future of the Canada/Quebec Pension Plans.”
- Update:** *There will be updated citations for the following readings:*
- Official NAIC Annual Statement Blanks, Property and Casualty, 2002.*
- 2002 Uniform Annual Return approved by the Canadian Council of Insurance Regulators.
- Canadian Council of Insurance Regulators, *Annual Statement Instructions P&C-1*.
- Canadian Council of Insurance Regulators, *Explanatory Notes for the Minimum Capital Test (MCT)*.
- Canadian Council of Insurance Regulators, *Guideline—Minimum Capital Test (MCT) for Property and Casualty Insurers*.
- 2001 Instructions for the Actuary’s Report on Property and Casualty Insurance Business.
- A.M. Best Canada Ltd., *Best’s Key Rating & Statistical Guide, Property- Casualty, Canada, 2002*.
- Groupement des assureurs automobiles, *Risk Sharing Plan—Procedures Manual; General Description of the Plan*.
- Add:** Insurance Bureau of Canada, “Residential Insurance Availability.”
- Canadian Institute of Actuaries, “Submission to the Commission on the Future of Health Care in Canada,” January 2002.

Canadian Institute of Actuaries, “The Appointed Actuary’s Report for Insurance Company Published Financial Statements,” June 1997.

Canadian Institute of Actuaries, “Standards of Practice for the Appointed Actuary of an Insurance Company,” 1992.

Canadian Institute of Actuaries/CICA, “Joint Policy Statement.”

Canadian Institute of Actuaries, “Recommendations for Property-Casualty Insurance Financial Reporting,” Section 1.09, 1997.

Canadian Institute of Actuaries, “Recommendations for Property and Casualty Insurance Company Financial Reporting,” 1989.

Canadian Institute of Actuaries, “Explanatory Notes to Canadian Institute of Actuaries’ Recommendations for Property and Casualty Company Financial Reporting,” 1993.

Canadian Institute of Actuaries, “Provision for Adverse Deviations Property and Casualty Insurance Companies,” 1993.

Canadian Institute of Actuaries, “Educational Note: Discounting,” 1999.

Canadian Institute of Actuaries, “Educational Note: The Application of the Standards for the Appointed Actuary’s Report to Property and Casualty Insurance Companies,” 1997.

Gorvett, R.W.; Tedeschi, J.L.; and Ward, K.A., “Special Issues—Data Sources,” *Foundations of Casualty Actuarial Science* (Fourth Edition), Casualty Actuarial Society, 2001, Chapter 10, pp. 787-796.

EXAM 7-UNITED STATES

Delete: Insurance Accounting and Systems Association, *Property-Casualty Insurance Accounting* (Seventh Edition), 1998, Chapter 1 only.

O’Connell, J.; and Joost, R.H., “Giving Motorists a Choice Between Fault and No-Fault Insurance,” *Virginia Law Review*, February 1986.

Update: *There will be updated citations for the following readings:*

Official NAIC Annual Statement Blanks, Property and Casualty, 2002.

Committee on Property and Liability Financial Reporting, American Academy of Actuaries, “Property and Casualty Practice Note, Statements of Actuarial Opinion on P&C Loss Reserves as of December 31, 2001.”

2002 Insurance Expense Exhibit.

Add: Gorvett, R.W.; Tedeschi, J.L.; and Ward, K.A., “Special Issues—Data Sources,” *Foundations of Casualty Actuarial Science* (Fourth Edition), Casualty Actuarial Society, 2001, Chapter 10, pp. 787-796.

A.M. Best, “Annual Review of the Excess and Surplus Lines Industry,” September 2001, Sections IV and V.

EXAM 8

Delete: Bodie, Z.; Kane, A.; and Marcus, A.J., *Investments* (Fifth Edition), McGraw-Hill/Irwin, 2002, Chapter 26.

Elton, E.J.; and Gruber, M.J., *Modern Portfolio Theory and Investment Analysis* (Fifth Edition), John Wiley & Sons, 1995, Chapters 4-9, 12-14, 16, and 20.

Fabozzi, F.J., *The Handbook of Fixed Income Securities* (Sixth Edition), McGraw-Hill, 2001, Chapters 2, 4-5, 8-11, 16, 44, and 45.

Hull, J.C., *Options, Futures, and Other Derivatives* (Fourth Edition), Prentice Hall, 2000, the following sections of Chapter 4: 4.14, 4.15, and Summary.

Add: Bodie, Z.; Kane, A.; and Marcus, A.J., *Investments* (Fifth Edition), McGraw-Hill/Irwin, 2002, Chapters 6-9 (excluding 9.4, including all appendices), 10-12, 14-15, 16.1-16.2, and 25 (pp. 863-872).

Chew, D.H., *The New Corporate Finance: Where Theory Meets Practice* (Third Edition), McGraw-Hill Irwin, 2001, Chapters 29, 32, and 33.

Hull, J.C., *Options, Futures, and Other Derivatives* (Fourth Edition), Prentice Hall, 2000, Chapters 4.1-4.5, 4.8, 4.9, 5, 12.1-12.4, 12.7, and 12.8.

EXAM 9

Delete: Section on Cancellation of Policy from the National Council on Compensation Insurance *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance*, (Part 2, Section III).

Van Slyke, O.E., "The Cost of Capital: An Axiomatic Approach," *Actuarial Considerations Regarding Risk and Return in Property-Casualty Insurance Pricing*.

Add: Brosius, J.E., "Table M Construction," CAS Study Note.

Fisher, G.K., "Pricing Aggregates on Deductible Policies," CAS Study Note, 2002.

Skurnick, D., "The California Table L," *PCAS LXI*, 1974, pp. 124-140.

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