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SYLLABUS OF BASIC EDUCATION
Fall 2021 and Spring 2022
Regulation and Financial Reporting
Exam 6-United States

The syllabus for this four-hour exam is defined in the form of learning objectives, knowledge statements, and readings.

LEARNING OBJECTIVES set forth, usually in broad terms, what the candidate should be able to do in actual practice. Included in these learning objectives are certain methodologies that may not be possible to perform on an examination, such as complex simulations, but that the candidate would still be expected to explain conceptually in the context of an examination.

KNOWLEDGE STATEMENTS identify some of the key terms, concepts, and methods that are associated with each learning objective. These knowledge statements are not intended to represent an exhaustive list of topics that may be tested, but they are illustrative of the scope of each learning objective.

READINGS support the learning objectives. It is intended that the readings, in conjunction with the material on earlier examinations, provide sufficient resources to allow the candidate to perform the learning objectives. Some readings are cited for more than one learning objective. The CAS Syllabus & Examination Committee emphasizes that candidates are expected to use the readings cited in this *Syllabus* as their primary study materials.

Thus, the learning objectives, knowledge statements, and readings complement each other. The learning objectives define the behaviors, the knowledge statements illustrate more fully the intended scope of the learning objectives, and the readings provide the source material to achieve the learning objectives. Learning objectives should not be seen as independent units, but as building blocks for the understanding and integration of important competencies that the candidate will be able to demonstrate.

Note that the range of weights shown should be viewed as a guideline only. There is no intent that they be strictly adhered to on any given examination—the actual weight may fall outside the published range on any particular examination.

The overall section weights should be viewed as having more significance than the weights for the individual learning objectives. Over a number of years of examinations, absent changes, it is likely that the average of the weights for each individual overall section will be in the vicinity of the guideline weight. For the weights of individual learning objectives, such convergence is less likely. On a given examination, in which it is very possible that not every individual learning objective will be tested, there will be more divergence of guideline weights and actual weights. Questions on a given learning objective may be drawn from any of the listed readings, or a combination of the readings. There may be no questions from one or more readings on a particular exam.

After each set of learning objectives, the readings are listed in abbreviated form. Complete text references are provided at the end of this exam syllabus.

Items marked with a bold **SK** or **SKU** constitute the Fall 2021-Spring 2022 Exam 6-United States Study Kit that may be purchased from the CAS Online Store. The Fall 2021 Update to the Spring 2021 Study Kit, which was used for the Spring 2021 examination, includes only the new items marked with a bold **SKU**; the Update may be purchased from the CAS Online Store. Items marked with a bold **OP** (Online Publication) are available at no charge and may be downloaded from the CAS website.

Please check the “*Syllabus Updates*” section of the CAS Web Site for any changes to the *Syllabus*.

Section A of this examination covers insurance regulation with regards to property-casualty coverages, ratemaking, pricing, and solvency, and U.S. tort law as it affects the property-casualty business. Section B covers markets, coverages, and private and governmental programs for the property-casualty business in the United States. Section C covers the aspects of statutory,



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Generally Accepted Accounting Principles (GAAP), and International Financial Reporting Standards (IFRS) insurance accounting and taxation as these affect reserving and statutory reporting in the United States. Section D covers the professional responsibilities of the appointed actuary according to the Property and Casualty Annual Statement Instructions issued by the National Association of Insurance Commissioners (NAIC). Section E presents the general concepts of reinsurance accounting to the candidate.

The inherent nature of the material addressed in this nation-specific exam makes it subject to continual development and change. It is expected that the candidates will respond to exam questions based on the current syllabus presented below. Recognizing the changing nature of law, regulation, and financial reporting requirements, however, the CAS Syllabus & Examination Committee will strive to acknowledge candidates who also respond with the current state in their solutions to examination questions.

In addition, this exam assumes that the candidate has completed Online Course 2. Online Course 2 contains fundamental background material for Section A (Regulation of Insurance and United States Insurance Law), Section C (Financial Reporting and Taxation), and Section E (Reinsurance Accounting Principles).



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A. Regulation of Insurance and United States Insurance Law

Range of weight for Section A: 15-20 percent

Candidates should understand that insurers are regulated by various governmental agencies because insurance is a valuable public service. An understanding of the dual U.S. state and federal regulatory system is required, along with the various state systems of regulation. The major areas of regulation for rate, contract terms, and solvency should be understood, as should the role of antitrust law as it pertains to insurance regulation.

Regulation as it affects insurance ratemaking in the U.S. is covered. Regulatory and political aspects of risk classification are also covered. Some learning objectives extend the topic to regulation and governmental actions designed to enhance the availability of insurance.

This section also covers the regulation for solvency in the U.S., including financial ratios tested by the National Association of Insurance Commissioners, Insurance Regulatory Information System (IRIS) tests and guaranty fund mechanisms set up by the various states. Also covered are Own Risk Solvency Assessment (ORSA) and risk-based capital calculations from the statutory blank and how they are used to monitor solvency.

U.S. tort law, while not a strictly actuarial subject, affects many areas of an actuary's work. The judicial role in the development of tort law is also covered.

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|---|
| 1. Describe the historic development and the current state of insurance regulation. Range of weight: 3-7 percent | a. Basis of insurance regulation b. Functions of NAIC c. Antitrust provisions d. Rate regulation |
| READINGS | |
| <ul style="list-style-type: none"> • Kucera • McCarty • NAIC Price • NAIC Solvency Regulatory Framework • NAIC Telematics • Porter 1 | |



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| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|---|
| 2. Discuss the historic development of solvency regulation; describe current programs used to monitor solvency. Range of weight: 3-7 percent | a. Solvency, including RBC, insolvency, insurance department examination, and NAIC regulatory tests such as IRIS and Own Risk Solvency Assessment (ORSA) b. Receivership |
| READINGS | |
| <ul style="list-style-type: none"> • CAS Financial Reporting • NAIC IRIS • NAIC Solvency Regulatory Framework • Porter 1 • Porter 2 • Vaughn | |

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|---|
| 3. Describe current regulation addressing specialized insurance topics. Range of weight: 0-5 percent | a. Surplus Lines Companies b. Risk Retention Groups and Purchasing Groups c. Captives d. Admitted vs. Non-admitted Companies e. Rating Agencies |
| READINGS | |
| <ul style="list-style-type: none"> • Baribeau • Emmanuel • Feldblum (Rating Agencies) • NAIC RRG • NAIC Solvency Regulatory Framework • Porter 1 | |



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| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|---|--|
| <p>4. Discuss the issues, outcome, rationale, and implications of landmark decisions and antitrust laws for the insurance industry including the division of responsibility between federal and state regulators.</p> <p>Range of weight: 3-7 percent</p> | <p>a. Federal and State Antitrust Laws (e.g., Sherman Antitrust)</p> <p>b. McCarran-Ferguson</p> <p>c. South-Eastern Underwriters Association</p> <p>d. Dodd-Frank Act</p> <p>e. Gramm Leach Bliley Act</p> <p>f. Paul v. Virginia</p> |
| READINGS | |
| <ul style="list-style-type: none">• Baribeau• NAIC Solvency Regulatory Framework• Porter 1• Vaughn | |



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B. Government and Industry Insurance Programs

Range of weight for Section B: 10-15 percent

This section focuses on the identification of major United States insurance programs administered by government agencies and insurance industry organizations. The candidates are expected to have an understanding of the objectives, operations, and effectiveness of the following insurance programs:

- Automobile Plans, e.g., MD Fund
- Crop Insurance
- Flood insurance
- Government Backstops, e.g., TRIA and Florida Hurricane Catastrophe Fund
- Guaranty funds
- Residual markets, e.g., auto, workers compensation, property
- Workers compensation, including its interaction with Medicare

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|---|--|
| 1. Describe the origin and purpose of government and industry insurance programs. Range of weight: 3-6 percent | a. Reason for inception b. Major historical development c. Philosophy of program |
| 2. Describe the operations and risk transfer process for government/industry programs and their interaction with voluntary private insurance sector. Range of weight: 3-6 percent | a. Funding mechanisms/sources b. Allocation/assignment of exposures and associated costs c. Claim settlement and insurance coverage provisions d. Welfare (subsidization) versus insurance principles |
| 3. Evaluate the effectiveness of a government/industry program. Range of weight: 3-6 percent | a. Solvency b. Efficiencies c. Stability d. Viability/longer term prospects e. How well program meets its purpose |



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READINGS

- Cook
- Government Insurers Study Note
- Horn & Webel
- Porter 2
- Webel



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C. Financial Reporting and Taxation

Range of weight for Section C: 35-55 percent

This section addresses financial reporting, solvency, and taxation issues. Candidates should have detailed knowledge of the contents, purposes, and recent changes in the NAIC Annual Statement and the Insurance Expense Exhibits. Knowledge of federal income tax treatment, including loss reserve discounting, is expected.

Candidates may find it valuable to review an actual insurer’s Annual Statement to gain a more complete understanding of the key schedules, particularly the Notes to Financial Statements and General Interrogatories Sections. A candidate may review the Annual Statement of the company for which the candidate works or the Annual Statement of a publicly held company. There are links to publicly available Annual Statements of a few U.S. insurers in the citation for the NAIC Annual Statement Examples in the Complete Text References section below. Candidates are not responsible for the details of the companies’ Annual Statement.

Candidates should understand the details of, and the reasons for, the differences between Generally Accepted Accounting Principles (GAAP), Statutory Accounting Principles (SAP), and International Financial Reporting Standards (IFRS).

This section is complemented by readings on solvency monitoring systems such as Risk Based Capital (RBC) and the IRIS ratios.

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|--|
| <p>1. Describe the elements of the Annual Statement. Complete specific schedules and exhibits and use them to evaluate the financial health of an insurance entity.</p> <p>Range of weight: 20-25 percent</p> | <p>a. Balance sheet b. Income statement c. Change in surplus d. Schedule P e. Insurance Expense Exhibit f. Notes to financial statements g. Reinsurance accounting including Schedule F h. Underwriting and Investment Exhibit i. Exhibit of Premiums and Losses (Statutory Page 14)</p> |
| <p>READINGS</p> | |
| <ul style="list-style-type: none"> • 2020 IEE • CAS Financial Reporting • Feldblum (Surplus) • NAIC Annual Statement • NAIC Annual Statement Examples • NAIC SSAP 5R, 9, 53, 55, 62R, 63, 65, and 66 | |



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| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|---|
| 2. Using RBC formulas and IRIS ratios, evaluate an insurer's financial health. Range of weight: 10-15 percent | a. RBC formula b. Components of RBC c. IRIS ratios d. Interaction of RBC and IRIS Ratios |
| READINGS | |
| <ul style="list-style-type: none"> • CAS Financial Reporting • NAIC IRIS | |

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|--|---|
| 3. Differentiate between various accounting reporting principles and standards. Range of weight: 5-10 percent | a. U.S. Statutory Accounting Principles b. Generally Accepted Accounting Principles (SEC Filers) c. Adjustments to go from SAP to GAAP d. Fair Value of claims liabilities, including Risk Margins e. International Financial Reporting Standards f. Solvency II |
| READINGS | |
| <ul style="list-style-type: none"> • CAS Financial Reporting • NAIC APPM, Preamble • NAIC Solvency Regulatory Framework | |

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|---|--|
| 4. Discuss and calculate specific elements of income tax and evaluate their implications for a property/casualty insurer. Range of weight: 0-5 percent | a. Discounting b. Elements of income tax calculation c. Statutory book income versus taxable income d. Basic Erosion and Anti-abuse Tax e. Investment income |
| READINGS | |
| <ul style="list-style-type: none"> • CAS Financial Reporting | |



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D. Professional Responsibilities of the Actuary in Financial Reporting

Range of weight for Section D: 15-20 percent

This section focuses on the professional responsibilities of the appointed actuary related to the reporting of financial results by property/casualty insurance companies in the United States of America. The definition of the appointed actuary is provided in the Property and Casualty Annual Statement Instructions issued by the NAIC.

The candidate will be required to understand the various statutory requirements of the appointed actuary, and the appropriate professional standards and educational notes issued by the American Academy of Actuaries that are related to the financial reporting of property and casualty insurance companies.

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|---|--|
| 1. Describe the users of the Statement of Actuarial Opinion, Actuarial Opinion Summary, and Actuarial Report, and explain the purpose of these documents from each user's perspective. Range of weight: 2-5 percent | a. Insurance regulators b. Board of Directors c. Auditors d. Company management |
| 2. Discuss the financial reporting responsibilities of the appointed actuary and Board of Directors, defined by standards of practice, regulators, and insurance laws. Range of weight: 2-5 percent | a. Appointment of actuary b. Reporting to the Board of Directors c. Notification of errors d. Communication with regulators and auditors e. Actuarial Standards of Practice |
| 3. Construct and discuss the required content of the Statement of Actuarial Opinion, and Actuarial Opinion Summary. Range of weight: 10-15 percent | a. Statement of Actuarial Opinion Instructions b. Actuarial Opinion Summary Instructions c. Considerations impacting the selection of materiality standards and the evaluation of the Risk of Material Adverse Deviation, including the Bright Line Indicator d. Actuarial Report |
| READINGS | |
| <ul style="list-style-type: none"> • AAA Materiality • ASOPs 20, 36, 41, and 43 • CAS Financial Reporting • COPLFR P&C Practice Note | |



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E. Reinsurance Accounting Principles

Range of weight for Section E: 5-10 percent

This section presents the general concepts of reinsurance accounting to the candidate. The candidate should become familiar with reinsurance accounting terminology and practice.

| LEARNING OBJECTIVES | KNOWLEDGE STATEMENTS |
|---|---|
| <p>1. Describe reinsurance accounting terminology and practice and evaluate considerations such as risk transfer testing and commutations.</p> <p>Range of weight: 5-10 percent</p> | <p>a. Identification and evaluation of insurance and financing components of the contracts</p> <p>b. Determination whether the contract qualifies for insurance accounting treatment or deposit accounting treatment (i.e., passes risk transfer), and understand impact on financial statements</p> <p>c. Commutations—definition, motivations of parties, and accounting and tax treatment</p> <p>d. Evaluate the effectiveness of reinsurance strategies based on the impact to the financial statements and key financial metrics</p> |
| READINGS | |
| <ul style="list-style-type: none">• ASC 944-020-15• Cedar & Thompson• Freihaut & Vendetti• Klann• NAIC SSAP 62R | |



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Complete Text References for Exam 6-United States

Text references are alphabetized by the citation column.

| Citation | Abbreviation | Learning Objective | Source |
|---|--------------------------|--------------------|-------------------|
| 2020 Insurance Expense Exhibit. | 2020 IEE | C1 | B NEW |
| Actuarial Standards Board of the American Academy of Actuaries, " Actuarial Standard of Practice, No. 20, Discounting of Property/Casualty Unpaid Claim Estimates ," September 2011. | ASOP 20 | D1 | OP |
| Actuarial Standards Board of the American Academy of Actuaries, " Actuarial Standard of Practice No. 36, Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves ," December 2010, updated for deviation language in May 2011. | ASOP 36 | D1 | OP |
| Actuarial Standards Board of the American Academy of Actuaries, " Actuarial Standard of Practice No. 41, Actuarial Communications ," December 2010. | ASOP 41 | D1 | OP |
| Actuarial Standards Board of the American Academy of Actuaries, " Actuarial Standard of Practice No. 43, Property/Casualty Unpaid Claim Estimates ," June 2007, updated for deviation language in May 2011. | ASOP 43 | D1 | OP |
| American Academy of Actuaries, Task Force on Materiality, " Materiality, Concepts on Professionalism ," Discussion Paper, Professionalism Series, 2006, No. 8, June 2006. | AAA Materiality | D1 | OP |
| Baribeau, A.G., " Demystifying the Regulatory Web ," Actuarial Review, March/April 2016. | Baribeau | A3-A4 | OP |
| Cedar, D. and Thompson, A., " Reinsurance Accounting & Strategy for the Actuary ," CAS Study Note, January 2020. Including errata. | Cedar & Thompson | E1 | OP |
| Committee on Property and Liability Financial Reporting, American Academy of Actuaries, " A Public Policy Practice Note, Statements of Actuarial Opinion on Property & Casualty Loss Reserves, 2020 ." Exclude Appendix I.1.3 NAIC Title SAO Instructions and Appendix IV. SSAPs. Note that SSAP 5R, 9, 53, 55, 62R, 63, 65, and 66 found in Appendix IV are readings for Learning Objectives C1 and E1 for this exam. | COPLFR P&C Practice Note | D1 | OP NEW |
| Cook, Mary Ann, ed., <i>Personal Insurance</i> , (Second Edition), The Institutes, 2013, pp. 2.13-2.15 and 7.32-7.36. | Cook | B1-B3 | SK |



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| Citation | Abbreviation | Learning Objective | Source |
|---|--------------------------------|--------------------|------------|
| Emmanuel, J. N. and Lerner, Z. N., editors, "2020 Excess and Surplus Lines Laws in the United States," Locke Lord LLP, pp. ii-iv (stop at Calculation of Surplus Lines Taxes Under NRRRA) and pp. 1.1-1.6 excluding the sections on: <ul style="list-style-type: none"> • NAIC Approval, pp. 1.1-1.2; • Industrial Insurance, p. 1.4; and • Ocean Marine and Transportation Insurance, p. 1.5. | Emmanuel | A3 | SKU NEW |
| Feldblum, S., " Rating Agencies ," CAS Study Note, October 3, 2011, pp. 1-7 and 14-15 (stop at Best's Capital Adequacy Ratio) and Appendix A. Candidates are not responsible for Section 4, Section 5 beginning at Best's Capital Adequacy Ratio on p. 15, Appendices B-D, and the endnotes. | Feldblum (Rating Agencies) | A3 | OP |
| Feldblum, S., " Statutory Surplus: Computation, Pricing and Valuation ," CAS Study Note, June 2003, including errata . Candidates are not responsible for the endnotes. | Feldblum (Surplus) | C1 | OP |
| Financial Accounting Standards Board, Accounting Standards Codification 944, "Financial Guarantee Insurance Contracts," 2011, Section 15, Scope and Scope Exceptions, paragraphs 15-1 to 15-2; 15-5 to 15-7; 15-34 to 15-35; 15-41 to 15-44; and 15-49 to 15-54. Candidates are not responsible for material relating to long-duration contracts and/or life insurance. | ASC 944-020-15 | E1 | SK |
| Freihaut, D. and Vendetti, P., " Common Pitfalls and Practical Considerations in Risk Transfer Analysis ," Casualty Actuarial Society <i>E-Forum</i> , Spring 2009. Appendices A and B are for information only and will not be directly tested. | Freihaut & Vendetti | E1 | OP |
| Germani, W., et al., " Government Insurers Study Note ," CAS Study Note, April 2017, pp. 1-16. | Government Insurers Study Note | B1-B3 | OP |
| Horn, D. and Webel, B., " Private Flood Insurance and the National Flood Insurance Program ," updated April 20, 2020, Congressional Research Service R45242, Summary and pp. 1-21. | Horn & Webel | B1-B3 | OP NEW |
| Karapiperis, Dimitri; Birnbaum, Birny; Brandenburg, Aaron; Castagna, Sandra; Greenberg, Allen; Harbage, Robin; and Obersteadt, Anne, " Usage-Based Insurance and Vehicle Telematics: Insurance Market and Regulatory Implications ," National Association of Insurance Commissioners, CIPR Study, March 2015, pp. 1-16 (excluding section on Tower Watson's DriveAbility) and 42-60. | NAIC Telematics | A1 | OP |
| Klann, J., " Reinsurance Commutation ," 2013. Candidates should refer to Edition 5 of the Odomirok, K.C., et al., paper, <i>Financial Reporting Through the Lens of a Property/Casualty Actuary</i> , when reviewing this paper. | Klann | E1 | OP |
| Kucera, J., " NAIC Public Hearing on Credit-Based Insurance Scores ," American Academy of Actuaries, April 30, 2009. | Kucera | A1 | OP |



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| Citation | Abbreviation | Learning Objective | Source |
|---|---------------------|--------------------|---|
| McCarty, K.M., " Testimony of Kevin M. McCarty, Florida Insurance Commissioner, Florida Office of Insurance Regulation and Representing the National Association of Insurance Commissioners, Regarding: 'The Impact of Credit-Based Insurance Scoring on the Availability and Affordability of Insurance,' May 21, 2008 ," Subcommittee on Oversight and Investigations of the House Committee on Financial Services, excluding Appendices 1 and 2. | McCarty | A1 | OP |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Preamble. | NAIC APPM, Preamble | C3 | SKU NEW |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 5R, "Liabilities, Contingencies and Impairment of Assets," paragraphs 1-12, 26-29, and 33-34. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 5R | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 9, "Subsequent Events," paragraphs 1-8. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 9 | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 53, "Property Casualty Contracts—Premiums," paragraphs 1-18. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 53 | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 55, "Unpaid Claims, Losses and Loss Adjustment Expenses," paragraphs 1-6 and 10-17. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 55 | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 62R, "Property and Casualty Reinsurance," paragraphs 1-111. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 62R | C1, E1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 63, "Underwriting Pools," paragraphs 1-11. This material is available in Appendix IV of the COPLFR P&C Practice Note . | NAIC SSAP 63 | C1 | OP NEW See COPLFR Practice Note |



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| Citation | Abbreviation | Learning Objective | Source |
|--|--------------------------------|--------------------|---|
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 65, “Property and Casualty Contracts,” paragraphs 1-46. This material is available in Appendix IV of COPLFR P&C Practice Note . | NAIC SSAP 65 | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, <i>Accounting Practices and Procedures Manual</i> , 2020, Statement of Statutory Accounting Principles 66, “Retrospectively Rated Contracts,” paragraphs 1-5, 7.a., 8, 9.a., 10, and 11-14. This material is available in Appendix IV of COPLFR P&C Practice Note . | NAIC SSAP 66 | C1 | OP NEW See COPLFR Practice Note |
| National Association of Insurance Commissioners, “ NAIC Insurance Regulatory Information System (IRIS) Ratios Manual ,” 2020, Section II, Property/Casualty Ratios, pp. 5-26. | NAIC IRIS | A2, C2 | OP NEW |
| National Association of Insurance Commissioners, <i>Official 2020 NAIC Annual Statement Blanks, Property and Casualty</i> , (both individual and consolidated basis), pp. 2-13, Notes to the Financial Statement p. 14 (refer to the Odomirok paper for the Notes to cover); Schedules D (pp. SI03 through SI09), F (pp. 20-29), H (pp. 30-32), and P (pp. 33-93). Candidates will be expected to have knowledge of other sections of the annual statement that are discussed in other Syllabus readings. Candidates are not responsible for page numbers. The “Notes to the Financial Statement” are cited for reference only. Candidates are responsible for the Notes as described in the Odomirok reading where the Notes are referenced by title. If the 2020 Annual Statement and the study materials differ, candidates may base their answers on either. | NAIC Annual Statement | C1 | B NEW |
| National Association of Insurance Commissioners Official Annual Statement Examples: The following companies post their annual statements online. Candidates may use these (or their own company’s statements) as illustrations to better understand the annual statement but are not responsible for any company-specific data: (1) Allstate and (2) The Liberty Mutual Group . | NAIC Annual Statement Examples | C1 | OP NEW |
| National Association of Insurance Commissioners, Casualty Actuarial and Statistical Task Force, Price Optimization White Paper , November 2015, pp. 1-16. | NAIC Price | A1 | OP |
| National Association of Insurance Commissioners, The Center for Insurance Policy and Research, <i>Risk Retention Groups</i> , updated May 31, 2019. | NAIC RRG | A3 | SK |



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| Citation | Abbreviation | Learning Objective | Source |
|--|------------------------------------|--------------------|-----------|
| NAIC White Paper, " The U.S. National State-Based System of Insurance Regulation and the Solvency Modernization Initiative ," 2013. Candidates are not responsible for the following: <ul style="list-style-type: none"> Section 2: paragraphs 15-18, 26-28, 32-34, 41-42, Appendix 1, and Appendix 2; Section 3: paragraphs 9, 13-15, 23-32, and 38-39; Section 4; and Section 5: paragraphs 9, 20-29, 30-45, and 61-86. | NAIC Solvency Regulatory Framework | A1-A4, C3 | OP |
| Odomirok, K.C., et al., Financial Reporting Through the Lens of a Property/Casualty Actuary , Casualty Actuarial Society, 2020, Edition 5, excluding Part VII [Canadian Introduction and Canadian Chapters 27-29] and Appendix II. | CAS Financial Reporting | A2, C1-C4, D1 | OP |
| Porter, K., <i>Insurance Regulation</i> , Insurance Institute of America, 2008, Chapters 2 (exclude pp. 2.19-2.29), 3 (exclude pp. 3.21 starting at Other Interest Groups -3.25), 4 (exclude pp. 4.16-4.23), 5 (exclude pp. 5.12-5.22), 6 (pp. 6.11-6.17), 8 (pp. 8.3-8.6 and 8.12-8.15), and 12 (exclude pp. 12.12-12.17). | Porter 1 | A1-A4 | B |
| Porter, K., <i>Insurance Regulation</i> , Insurance Institute of America, 2008, Chapter 12 (pp. 12.12-12.17). | Porter 2 | A2, B1-B3 | B |
| Vaughn, T., " The Economic Crisis and Lessons from (and for) U.S. Insurance Regulation ," <i>Journal of Insurance Regulation</i> , Fall 2009, pp. 3-16. | Vaughn | A2, A4 | OP |
| Webel, B., " Terrorism Risk Insurance: Overview and Issue Analysis for the 116th Congress ," Congressional Research Service R45707, Updated December 27, 2019, Summary page and pp. 1-10, stop at The Terrorism Insurance Market. | Webel | B1-B3 | OP |



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Source Key

| | |
|------------|---|
| B | Book—may be purchased from the publisher or bookstore. |
| DSK | Material included in the 2022 Digital Study Kit. |
| NEW | Indicates new or updated material. |
| OP | All text references marked as Online Publications will be available on a web page titled Complete Online Text References. |
| SK | Material included in the Fall 2021-Spring 2022 Study Kit. |
| SKU | Material included in both the Fall 2021-Spring 2022 CAS Study Kit and the 2021 Update to the Fall 2020-Spring 2021 Study Kit. |

Items printed in **red** indicate an update, clarification, or change.