

SA 2 - Life Insurance

Syllabus objectives	Broad description	Broad reference to the relevant chapters from ActEd 2018 study material
a	Define principle terms in life insurance	26
b	Products - types, needs, benefits, guarantees, risks	1 - 2
c	Effects of general business environment - new business, distribution, competition, TCF, operational risks, corporate finance, outsourcing, securitization, M&A, closed funds	3
d	PRE - measurement and management	20 – 22
e	Principles of Indian contract, trust laws affecting life insurance; Policyholder protection regulations and Redressal of Public Grievances	4; 14
f	Indian regulatory environment pertaining to life insurance and professional guidance - taxation, ALSM, realistic balance sheet, AAAR, EV reporting including IEV; FCR; role of AA; WPC	5 - 7; 9-13; 15; 18-19
g	Internal controls and procedures for financial reporting; efficient management; accounting	23
h	Principles of Dynamic Solvency Testing	12
i	Designing and pricing of life insurance products	24
j	Management of with profits business - AS, surplus distribution, discontinuance terms	20-22
k	Unit pricing as a source of risk	23
l	Principles of unit pricing	8
m	Principles behind determination of discontinuance terms / alteration terms	14, 20
n	Impact of credit and counterparty risks	23
o	Valuation of liabilities - methods and bases	9 – 12
p	Assessment of ongoing solvency - methods and bases	15
q	Assessment of profitability of existing business	18-19
r	Principles of managing capital in the context of conflicting interests between policyholders and shareholders with regards to estate in participating fund	20
s	Principles of ALM	16
t	Reinsurance and underwriting for efficient management of business	23
u	Analysis of surplus - regulatory and realistic - and usage for re-designing / re-pricing of contracts	17
v	Analysis of change in shareholder value - and usage for re-designing / re-pricing of contracts	19

Notes:

(1) The references given to the various chapters in the ActEd 2018 material are only indicative. For example, discussion of any 'Indian' regulations, guidance notes, general business environment etc. may not be available in the ActEd study material. For these, the students are required to study the additional reading material specified in the syllabus