

---

# CP 321 - Disability, Long-Term Care, and Long-Duration Health Contracts

## Nov 2026/Jul 2027

### Important Course Information:

<a href="#">Exam Registration</a>	Candidates may register online or with an application.
<a href="#">Order Study Notes</a>	Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.
<b>Syllabus Resources</b>	Resources listed in this syllabus may include study notes, online readings, textbooks, videos and module content. Candidates are responsible for all materials in their entirety, including sections such as Appendices, unless it is stated otherwise in the syllabus.
<b>Topic Weight Ranges</b>	The weight ranges show the relative emphasis on each topic. They are intended to apply broadly over multiple sittings; however, on any individual exam these could fall outside the published range. Some questions will cover multiple learning objectives.
<b>Learning Outcomes</b>	Each resource lists the primary learning outcome(s) it aligns with under that topic. Resources are listed in the recommended order of study to best master the overall topic. Additional guidance is provided in the Course Strategy Guide.
<a href="#">Introductory Study Note</a>	The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.
<b>Case Study</b>	A case study will not be provided for this examination.
<a href="#">Past Exams</a>	Past Exams are available on the SOA website.
<a href="#">Updates</a>	Candidates should be sure to check for updates on the course homepage periodically for additional corrections or notices to the current syllabus.

**CP 321 – Disability, Long Term Care, and Long Duration Health Contracts**  
**Nov 2026/Jul 2027**

**1. Topic: Plan and Product Provisions (5%-15%)**

**Learning Objectives**

The candidate will understand how to describe benefits typically offered under long duration contracts (disability income, long term care, critical illness, Medicare Supplement).

**Learning Outcomes**

The Candidate will be able to:

- a) Describe typical organizations offering these contracts and their motivation for offering each type
- b) Describe each type of contract listed above
- c) Evaluate the potential moral hazards and financial and legal risks associated with each contract
- d) Describe Social Security disability income benefits in the United States

Resources	Learning Outcomes
<i>Individual Health Insurance</i> , Leida, Hans, 3 <sup>rd</sup> Edition, 2026 <ul style="list-style-type: none"> <li>• Ch. 2: The Products (Sections 2.7-2.9)</li> </ul>	<i>1b, 1c</i>
<i>Group Insurance</i> , Skwire, Daniel D., 8 <sup>th</sup> Edition, 2021 <ul style="list-style-type: none"> <li>• Ch. 9: Government Health Plans in the United States, pp. 149 - 153</li> <li>• Ch. 12: Group Disability Income Benefits</li> </ul>	<i>1d</i> <i>1a-1c</i>
<i>Insuring Long-Term Care</i> , Eaton, Robert, et. al., 2 <sup>nd</sup> Edition, 2024 <ul style="list-style-type: none"> <li>• Ch. 2: History of Long-Term Care Products</li> <li>• Ch. 4: Hybrid Life and Long-Term Care Products</li> </ul>	<i>1b, 1c</i>
<a href="#">Critical Illness Turns 40!</a> , Health Watch, Sep 2023	<i>1a-1c</i>

## 2. Topic: Manual Rates (25%-35%)

### Learning Objectives

The candidate will understand how to calculate rates for each of the contracts described in Learning Objective 1.

### Learning Outcomes

The Candidate will be able to:

- a) Identify and evaluate sources of data needed for pricing, including the quality, appropriateness, and limitations of each data source
- b) Calculate and recommend assumptions
- c) Calculate and recommend a manual rate (includes base rate development and applying a rating manual) and describe the role of data credibility used to calculate the rate
- d) Identify critical metrics to evaluate actual vs. expected results
- e) Recommend strategies for properly modelling, pricing, underwriting, and funding case-specific risks
- f) Describe the purpose and objectives of Guaranty Associations and the multi-state framework for long term care rate increases
- g) Apply actuarial best practices in evaluating and projecting cash flows (premiums, claims, investment income, expenses, commissions), liabilities, and required capital

Resources	Learning Outcomes
<p><i>Group Insurance</i>, Skwire, Daniel D., 8<sup>th</sup> Edition, 2021</p> <ul style="list-style-type: none"> <li>• Ch. 25: Estimating Disability Claim Costs</li> <li>• Ch. 29: Group Insurance Underwriting, pp. 509 - 510</li> </ul>	<p>2a-2d</p> <p>2e</p>
CP321-100-25: Issues to Consider in Self-Funding Long-Term Disability Insurance	2e
CP321-102-25: Short Term Disability Example	2e
<a href="#">Issues In Applying Credibility to Group Long-Term Disability Insurance</a> , 2013, pp. 5-15	2e
<a href="#">Group Life Waiver Study Based on 2009-2015 Canadian Group LTD Termination Experience Report</a> , CIA Study, Jan 2020, pp. 4-25, Appendix G (background only)	2d
<a href="#">Best Estimate Assumption for Expenses</a> , CIA Educational Note, Nov 2006, pp. 19-39	2c
<p><i>Insuring Long-Term Care</i>, Eaton, Robert, et. al., 2<sup>nd</sup> Edition, 2024</p> <ul style="list-style-type: none"> <li>• Ch. 9: Long-Term Care Insurance Experience Monitoring</li> </ul>	2b-2d

<ul style="list-style-type: none"> <li>Ch. 10: Long-Term Care Insurance Premium Rate Increases</li> </ul>	
<a href="#">ASOP 18: Long-Term Care</a> (excluding Appendices)	2g
CP321-103-26: Long-Term Care Insurance Multistate Rate Review Framework, NAIC, Dec 2025, Sections V-VI	2f
CP321-101-25: Pricing Medicare Supplement Benefits, 2020, sections II, IV, V & Appendix	2a-2d
<i>Individual Health Insurance</i> , Leida, Hans, 3 <sup>rd</sup> Edition, 2026 <ul style="list-style-type: none"> <li>Ch. 4: Managing Antiselection (Sections 4.1-4.5)</li> </ul>	2e
<a href="#">ASOP 23: Data Quality</a> (excluding Appendices)	2a, 2g
<a href="#">ASOP 41: Actuarial Communications</a> (excluding Appendices)	2g

### 3. Topic: Reserving (15%-25%)

#### Learning Objectives

The candidate will understand how to apply valuation principles for long-duration contracts.

#### Learning Outcomes

The Candidate will be able to:

- a) Describe and calculate types of non-claim reserves held for long duration health contracts: policy reserves, unearned premium reserves, and premium deficiency reserves
- b) Describe and calculate types of claim reserves held for long duration health contracts: PVANYD (present value of amounts not yet due), ICOS (in course of settlement), and IBNR (incurred but not reported)
- c) Explain the limitations and biases of traditional valuation methods
- d) Calculate appropriate claim reserves given data
- e) Describe, calculate, and evaluate the impact of environmental factors on reserve calculations (trend, seasonality, claim processing changes, etc.)
- f) Evaluate data resources and appropriateness for calculating reserves
- g) Apply applicable best practices related to reserving

Resources	Learning Outcomes
<i>Group Insurance</i> , Skwire, Daniel D., 8 <sup>th</sup> Edition, 2021 <ul style="list-style-type: none"> <li>• Ch. 40: Claim Reserves for Long-Term Benefits</li> </ul>	3a-3e, 3g
<i>Individual Health Insurance</i> , Leida, Hans, 3 <sup>rd</sup> Edition, 2026 <ul style="list-style-type: none"> <li>• Ch. 6: Reserves and Liabilities</li> </ul>	3a-3g
<i>Insuring Long-Term Care</i> , Eaton, Robert, et. al., 2 <sup>nd</sup> Edition, 2024 <ul style="list-style-type: none"> <li>• Ch. 8: Long-Term Care Insurance Valuation</li> </ul>	3a, 3b
CP321-104-25: Practices for Preparing Health Contract Reserves	3a, 3g
CP321-105-25: Supplemental Comments (March 2022) for CP321-104-25	3a, 3g

#### 4. Topic: Insurer Financial Statements (5%-15%)

##### Learning Objectives

The candidate will understand how to prepare and interpret insurance company financial statements for long duration contracts.

##### Learning Outcomes

The Candidate will be able to:

- a) Compare valuation standards under IFRS 17, US GAAP, and Statutory Accounting
- b) Prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and IFRS 17
- c) Interpret the results of both statutory and GAAP statements from the viewpoint of stakeholders, including regulators, senior management, and investors
- d) Project financial outcomes and recommend a strategy
- e) Apply applicable best practices

Resources	Learning Outcomes
CP321-107-25: Health Insurance Accounting Basics for Actuaries, Sections 4-7	4a-4d
CP321-106-25: Excerpt from AAA Application of ASU 2018-12 to the Accounting for Long-Duration Contracts under U.S. GAAP (Section IV only)	4b, 4e
<a href="#">IFRS 17 Insurance Contract Examples</a>	4b, 4d

## 5. Topic: Asset Adequacy (0%-10%)

### Learning Objectives

The candidate will understand how to evaluate asset matching and asset adequacy standards for long duration contracts.

### Learning Outcomes

The Candidate will be able to:

- a) Understand the principles of Asset-Liability Management (ALM)
- b) Evaluate techniques for addressing mismatched assets and liabilities
- c) Describe asset adequacy approaches commonly applied to long-duration health contracts
- d) Describe cash flow projections and interactions between asset and liability cash flows

### Resources

### Learning Outcomes

CP321-108-25: ALM for Life, Annuities, and Pensions, Sections 2, 5 & 6

5a, 5b

CP321-109-25: Chapter 3 of *Modelling in Life Insurance – A Management Perspective*, 2016

5d

[ASOP 22: Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities](#) (excluding Appendices)

5c

## 6. Topic: Retiree Group Benefits (20%-30%)

### Learning Objectives

The candidate will understand how to design and perform valuations of retiree group benefits.

### Learning Outcomes

The Candidate will be able to:

- a) Describe why employers offer retiree group benefits
- b) Determine appropriate demographic, economic, and benefit assumptions and apply to a retiree health valuation
- c) Determine employer liabilities, service cost, and expense for post-retirement and post-employment benefits and prepare disclosure information for financial reporting purposes
- d) Describe current issues faced by governments, employers, and employees related to post-retirement and post-employment benefits
- e) Apply actuarial best practices to post-retirement and post-employment benefit plans
- f) Propose ways to manage the range of risks faced by plan participants and retirees through retiree health and life plan designs
- g) Advise a plan sponsor regarding the choice of design elements for their retiree health program given situational context

Resources	Learning Outcomes
CP321-110-25: Chapter 24 of <i>Morneau Shepell Handbook of Canadian Pension &amp; Benefit Plans</i> , 17 <sup>th</sup> Edition, 2020	6a, 6b, 6d, 6f, 6g
CP321-113-25: IAS 19: A Primer on Non-Pension Benefit Accounting for Valuation Actuaries	6a-6g
CP321-111-25: IAS19	6b, 6c
<a href="#">Health Care Trend Rate</a> , CIA Educational Note, May 2012, pp. 4-17 only	6b, 6e, 6g
<a href="#">Setting the Accounting Discount Rate Assumption for Pension and Post-Employment Benefit Plans</a> , CIA Educational Note, Dec 2020	6b, 6e, 6g
<a href="#">Practice-Specific Standards for Non-Pension Employee Future Benefit Plans (Effective February 1, 2024)</a> , CIA Standards of Practice, Dec 2023	6b, 6c, 6e, 6f
CP321-114-25: New Approaches Needed to Save Retiree Benefits	6d-6g
CP321-115-25: Mercer Quick Poll: 2022 Post-Retirement Benefit Trends - Supporting a Challenging Labour Environment	6d-6g

