

Course 3A General Insurance Syllabus

Item	Unit/Key Performance Objective/Learning Objective
0	General Insurance Overview
1	General Insurance Industry – Rationale and Mechanics
1.1	Describe the rationale for the general insurance market (including private and public sectors elements) and explain the means by which the customers' needs are catered for by industry participants.
1.1.1	Define the concept of an insurable risk and apply appropriate reasoning to assess whether a risk meets the criteria for insurability.
1.1.2	Describe the range of insurance needs of different types of consumers.
1.1.3	Describe the various insurance products to meet consumers' needs, and methods of delivering these products, including (for each product): <ul style="list-style-type: none">▶ What the product is intended to cover;▶ Why the risk is insurable;▶ Any underwriting restrictions to prevent moral hazard;▶ The perils that are covered ;▶ The events that give rise to a claim;▶ The underwriting criteria (including rating factors);▶ An appropriate measure of exposure▶ The pattern over which the risk emerges▶ Exclusions from coverage;▶ Restrictions to cover and waiting periods which may apply;▶ The basis for compensation;▶ Premium terms;▶ Types of insurer; and▶ Distribution channels.
1.1.4	Recognise and describe the key social and commercial drivers that cause different approaches to dealing with injury schemes, compulsory and bodily injury products including: <ul style="list-style-type: none">▶ Describe the social need of bodily injury schemes and other compulsory insurances (i.e. builders warranty);▶ Describe and comment on various aspects of scheme design such as fault vs no-fault, common law vs statutory benefits; and▶ Describe the different ways of delivery such as privately underwritten, or insurer managed or government managed.

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1.1.5	Describe the prudential and professional standards that relate to a general insurance actuary.
1.1.6	Recognise the considerations in purchasing reinsurance and calculate recoveries under different types of reinsurance contracts.
2	Actuarial Estimation Techniques for Claim Cost Projection
2.2	Apply core actuarial techniques and methodologies to assess future claim cost and related outcomes.
2.2.1	<p>Appropriately apply the following families of actuarial methods (including various derivatives):</p> <ul style="list-style-type: none"> ▶ Chain ladder (Link Ratio); ▶ Average Payments (including Payments Per Claim Incurred, Payments Per Active Claim, Payments Per Claim Finalised and the operational time functionality); ▶ Projected Case Estimate; ▶ Bornhuetter-Ferguson; ▶ Aggregate Annuity methods; ▶ Statistical Case Estimation Technique (incorporating Individual annuity methods); and ▶ Methods of calculating of unearned premium.
2.2.2	Recognise the data needs for each of the aforementioned methods
2.2.3	Apply appropriate data quality checks
2.2.4	Recognise the difference between deterministic and stochastic application of the various methods and apply the methods in either context
2.2.5	Evaluate the advantages and disadvantages of the use of each method for the various classes of general insurance business.
3	Estimation of Insurance Liabilities
3.3	Estimate insurance liabilities and provide advice on insurance provisions in the full range of circumstances in which such advice is needed for General Insurance providers.
3.3.1	Explain the philosophy of reserving and the circumstances requiring the valuation of assets and liabilities.
3.3.2	Articulate the practical issues surrounding the calculation of estimates of outstanding claim liabilities, including allowance for claim management expenses and the range of potential recoveries.

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3.3.3	Recognise and apply the different approaches to reserving for direct and reinsured business.
3.3.4	Recognise and evaluate different approaches required for estimation of outstanding claims and unexpired risk (or premium liabilities) in various circumstances.
3.3.5	Describe and compare the following approaches to estimating ranges of reserves: <ul style="list-style-type: none"> ▶ Stochastic models; ▶ Scenario and sensitivity analysis using a range of alternative assumptions; and ▶ Discuss the issues to be considered when communicating reserve ranges and uncertainties.
3.3.6	Calculate an appropriate risk margin for APRA and accounting purposes
3.3.7	Provide advice on provisions for insurance liabilities appropriate to the circumstances.
3.3.8	Reconcile current liability estimates with previous liability estimates, allowing separately for changes due to experience and changes due to changes in assumptions or model, and be able to explain any movements.
3.3.9	Identify and describe the implications of the various standards and rulings that apply to estimation of insurance liabilities.
4	Accounting and Management Information for General Insurance
4.4	Understand how a General Insurance provider uses information for effective and efficient decision making as well as to meet regulatory requirements.
4.4.1	Calculate and explain the items shown in a general insurer's profit and loss and balance sheet.
4.4.2	Understand the key performance indicators for general insurers and the factors influencing these metrics.
4.4.3	Apply relevant accounting requirements under Australian Accounting Standards and restate the insurance liabilities on an APRA basis.
4.4.4	Describe the key principles of data governance and to illustrate how data governance impacts both the actuary and a General Insurance provider.
4.4.5	Prepare a business plan, which contains forecast outcomes and an explanation of the key assumptions underlying the forecast.
4.4.6	Analyse performance relative to the business plan and explain any differences.
4.4.7	Analyse the management information, finance and budget information to provide business insights and explain any differences between the views.