



Institute  
and Faculty  
of Actuaries

# **Subject SA1 Health and Care Specialist Applications**

## **Syllabus**

for the 2018 exams

1 June 2017

## **Subject SA1 – Health and Care Specialist Applications**

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### **Aim**

The aim of the Health and Care Specialist Applications subject is to instil in successful candidates the ability to apply knowledge of the United Kingdom health and care environment and the principles of actuarial practice to the provision of health and care benefits in the United Kingdom.

### **Links to other subjects**

Subject ST1 – Health and Care Specialist Technical: provides the underlying principles of health and care upon which this subject is based. It is assumed that candidates have a good understanding of this material.

Candidates can expect to be examined in aspects of general principles developed in Subject ST1 – Health and Care Specialist Technical as well as in the United Kingdom specific aspects developed in this subject.

Subject P1 – Health and Care UK Practice Module Specialist: the knowledge required to pass Subject P1 is contained in this subject.

### **Objectives**

On completion of this subject the candidate will be able to:

- (a) Define the principal terms used in health and care in the UK.
- (b) Analyse the main types of UK health and care insurance products in terms of:
  - customer needs
  - interaction with State provision
  - higher order insurer risk considerations
  - bundling and unbundling
  - impact of unit-linked wrappers
- (c) Describe the general business environment for health and care insurers in the UK, in terms of:
  - products and distribution, including the roles of the State and employers
  - underwriting approaches, including genetic testing
  - use of counterparties
  - external influences – demographic, medical, economic, political and social
  - key medical conditions, treatment and other current issues

- (d) Understand the legal, taxation and regulatory framework as applicable to UK health and care insurance:
- taxation of UK health and care insurance products: premiums, benefits, profits
  - taxation of mutuals, proprietaries and providents
  - supervision of valuation of assets, liabilities and capital requirements
  - conduct of business rules
  - financial reporting requirements
  - policyholder protection schemes
  - treating customers fairly
  - equality legislation
  - statutory actuarial roles
- (e) Describe the principles underlying the requirements of the professional standards and guidance relevant to actuaries practising in or advising UK health and care operations.
- (f) Understand how to design and price health and care insurance products to be sold by UK insurers, including:
- policy conditions
  - capital requirements and return on capital
  - marketability, competition and distribution
  - management of the risks
  - underwriting
  - reinsurance
  - investment policy
  - the renewal process and options
  - regulatory requirements
- (g) Understand the principles and practices that are relevant to the assessment of specific business strategies:
- assessment of the market for a new company launch
  - assessment of overseas markets
  - assessment of a company or portfolio for takeover
- (h) Evaluate the uses and benefits of reinsurance support in health and care insurance:
- control of risks
  - financing
  - technical assistance
  - reinsurance impact
  - badging
- (i) Analyse the asset-liability matching requirements of a UK health and care insurer and develop appropriate strategies.

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- (j) Analyse the experience and surplus/profit of a health and care insurer.
- (k) Develop appropriate strategic recommendations for a health and care insurer following an analysis of experience or surplus/profit, including capital management and modelling considerations.
- (l) Understand the considerations underlying the provision of national healthcare systems:
  - the importance of healthcare provision
  - different healthcare systems worldwide
  - different approaches to financing healthcare
  - QALYs (quality adjusted life years)
- (m) Understand areas of best practice in UK health and care insurance provision, including the ABI guidelines.
- (n) Produce coherent advice and recommendations for the overall financial management of a health and care insurer.
  - Analyse more complex problems in terms of actuarial, economic and financial factors to a level where appropriate analytical techniques may be used.
  - Integrate the results of such an analysis into a coherent whole, and
  - Evaluate critically and interpret the results in a wider context and draw appropriate conclusions.

**END OF SYLLABUS**