

EXAM 6 – UNITED STATES, SPRING 2015

24. (3 points)

Briefly describe the differences between the Statement of Actuarial Opinion and the Actuarial Opinion Summary by replicating and completing the following table. The replicated table does not need to include the “Item Description” column.

Item Number	Item Description	Statement of Actuarial Opinion (SAO)	Actuarial Opinion Summary (AOS)
#1	Filing deadline		
#2	Confidentiality		
#3	Parties with whom each is required to be filed		
#4	Relevant comments with respect to adverse development in loss and DCC reserves over a one-year period		
#5	Appointed Actuary's unpaid claim estimate		
#6	Assessment of whether there are significant risks and uncertainties that could result in material adverse deviation		

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SAMPLE ANSWERS AND EXAMINER'S REPORT

QUESTION 24		
TOTAL POINT VALUE: 3		LEARNING OBJECTIVE: D1
SAMPLE ANSWERS (BY PART, AS APPLICABLE)		
Item	Statement of Actuarial Opinion (SAO)	Actuarial Opinion Summary (AOS)
Filing deadline	Filed by March 1	Filed by March 15.
Confidentiality	Public document	Confidential document
Parties with whom each is required to be filed	Company's state of domicile & NAIC Company's state of domicile & annual statement Company's state of domicile & yellow book All states where writing business/licensed	Company's state of domicile Regulator of state of domicile
Relevant comments with respect to adverse development in loss and DCC reserves over a one-year period.	Disclose unusual values for IRIS Ratios 11, 12, or 13. Must mention IRIS ratios.	If 1-year development in excess of 5% of surplus in 3 or more of last 5 years, need to explain cause
Appointed Actuary's unpaid claim estimate	Not included	Includes a point and/or range of reserve estimates (whichever is/are calculated)
Assessment of whether there are significant risks and uncertainties that could result in material adverse deviation	Includes basis of materiality standard, why chosen and whether risk of material adverse deviation exists Is discussed Included Yes	Not discussed No N/A
EXAMINER'S REPORT (BY PART, AS APPLICABLE)		
<ul style="list-style-type: none"> Candidates were expected to know the filing requirements and details for the Statement of 		

SAMPLE ANSWERS AND EXAMINER'S REPORT

Actuarial Opinion (SAO) and Actuarial Opinion Summary (AOS).

- Candidates did particularly well on Confidentiality, Actuary's unpaid claim estimate for the AOS, and Risk of material adverse deviation for the SAO.
- Candidates did poorly on the deadline for the AOS, with whom the AOS is filed, and when one-year development needs to be discussed on the AOS.