



Expertise. Insight.
Solutions.

Exam Content Outline

International Regulation and Financial Reporting – Exam 6I

Delivery Format

APPOINTMENT TIME: 4.5 HOURS		
Exam Duration	Scheduled Break	Exam Tutorial, Confidentiality Agreement, End of Exam Survey
4 hours	15 min	15 min

Exam Item Types

Candidates may see the following item types in the CAS examinations. Candidates should become familiar with these item types and sample questions will be available in 2024.

Multiple Choice

Multiple answer choices are presented after a problem with only one correct answer.

Multiple Selection

Multiple answer choices are presented after a problem with more than one correct answer.

Point and Click

An image is presented after a problem where the candidate must identify the correct area of the image by clicking on the correct location in the image.

Fill in the Blank

A blank section is presented after a problem where the candidate must input the correct value.

Matching

Content columns presented after a problem where the candidate must correctly match content from one column to another.

Constructed Response

A blank response area is presented after a problem where candidates must construct and develop their own answer.

Spreadsheet

Spreadsheet-type items are displayed to the candidate in a spreadsheet format and candidates can make use of most spreadsheet functions. Please review the testing guide prior to sitting for your exam to note any differences between the Pearson Vue testing environment and common spreadsheet software (e.g., Excel, Google Sheets).



Expertise. Insight.
Solutions.

Exam Cognitive Level

Each task is tied to a certain type of mental operation or thinking skill, which is called the cognitive level. ACAS and FCAS use four cognitive levels, and every examination item is authored to address both the task and one of the following cognitive levels paired with that task (*sample questions coming soon*).

Remember: 5-10%

Tests the ability of the candidate to recall or remember knowledge or facts.

Understand and Apply: 65-85%

Measures the candidate's ability to understand and apply ideas and concepts to new situations.

Analyze and Evaluate: 10-20%

Requires the candidate analyze information, combine concepts/ideas, and justify a position resulting from that combination.

Create: 0-5%

Requires the candidate to synthesize conclusions by evaluating the validity of ideas and concepts.

Exam Section Details

Candidates should know how to apply frameworks and concepts to specific examples from the following locations/markets:

- China
- Hong Kong
- Malaysia
- Singapore

DOMAINS	DOMAIN WEIGHT
A. Regulation of Insurance	15-20%
B. Solvency	15-25%
C. Financial Reporting	35-40%
D. International Reinsurance	5-15%
E. Professional Responsibilities of the Actuary in Financial Reporting	10-20%



Expertise. Insight.
Solutions.

A. Regulation of Insurance

Candidates will be able to understand the role of the insurance business as a supplier of a vital service.

TASKS
1. Understand marketplace regulation within a risk-based capital framework.
2. Describe the necessity, operations, and risk transfer processes of mainstream government and industry programs, and how these programs interact with the voluntary private insurance sector in disaster, catastrophe and health insurance, including programs for catastrophes, terrorism, and agriculture.
3. Understand the regulatory market discipline in insurance, including financial reporting, product and rate filing requirements.
4. Understand conditions of effective insurance supervision.
5. Understand marketplace conduct and related issues, including professional codes of conduct for marketing and distribution activities, as well as consumer regulation.
Readings - Avraham - Atreya et al - Brown & Klein - Chen - Dror and Piesse - Eling Europe - Eling Discipline - Feldblum - FDC - Frees - Government Insurers Study Note - IAA Risk Book - Klein - Kousky - McAnaney - OCED - Swartz - Thanasegaran - Tipping - Webel



Expertise. Insight.
Solutions.

B. Solvency

TASKS
1. Understand solvency components.
2. Understand capital adequacy components of solvency regulation.
3. Understand ORSA and ERM in general.
4. Understand mainstream global solvency assessment.
Readings <ul style="list-style-type: none">- Blanchard Study Note- Geneva- IAA Solvency- IAA ORSA- IAA Risk Book- IAA Stress- IAIS ICP1- New Zealand

C. Financial Reporting

Candidates will be able to understand the key principles underlying IFRS 17 including the financial statement presentation.

TASKS
1. Understand the various risk-based capital frameworks, their implementation, and their purpose in aligning insurers with economic capital-based decision making.
2. Compare and contrast the fundamental principles and concepts underlying major financial reporting practices globally, such as US GAAP and IFRS 17.
3. Describe the key components of IFRS 17 reporting.
4. Evaluate the financial health of an insurance entity.
Readings <ul style="list-style-type: none">- IFRS Study Note- EY IFRS 17- EY PAA Eligibility- EY Illustrative Financials- IAA ISAP- IAA Stress



Expertise. Insight.
Solutions.

D. International Reinsurance

The candidates will be able to understand reinsurance accounting terminologies and practices.

TASKS
1. Understand the impact of reinsurance and risk transfer on the financial health and capital of an insurer.
2. Understand the primary causes of reinsurance failure and their consequential impacts.
3. Understand reinsurance commutation basics, including commutation impact evaluation.
4. Understand the basics of reinsurance accounting.
5. Understand reinsurance accounting and its impact on financial statements.
6. Evaluate risk transfer (e.g., risk transfer test, calculating premium and loss) in a reinsurance contract utilizing numerical techniques (e.g., ERD, 10-10 rule) while understanding their limitations.
Readings <ul style="list-style-type: none">- AAA- Blanchard & Klann- Cedar & Thompson- EY IFRS 17- EY Illustrative Financials- Klann- IAIS CC- IFRS Example- IFRS Study Note- Pocket Guide



Expertise. Insight.
Solutions.

E. Professional Responsibilities of the Actuary in Financial Reporting

The candidates will be able to apply professional responsibilities of an actuary as defined by standards of practice, regulators, and insurance laws for financial reporting from an international viewpoint.

TASKS
1. Describe the oversight role of the actuarial function as part of the lines of defense of effective risk management of an insurance company (e.g., signing statements of opinion, financial statements).
2. Describe the role of actuarial professional standards and their relationships with regulations.
3. Describe the foundational principles of the actuarial profession and how they influence the behavior of actuaries.
4. Describe common actuarial standards of practice applicable to general actuarial work and to financial reporting.
Readings - IAA Professionalism - IAA ISAP - IAA Risk Book



Expertise. Insight.
Solutions.

Complete Text References for Exam 6I

Text references are alphabetized by the citation column.

Citation	Abbreviation	Domains/ Tasks	Source
American Academy of Actuaries, " Estimating the Uncollectible Reinsurance Reserve for Property/Casualty Companies New GAAP Requirements ," July 2019, pp. 4-15.	AAA	D	OP
Avraham, R., " Discrimination and Insurance ," The Routledge Handbook To Discrimination Lippert-Rasmussen Ed, University of Texas Law, Law and Econ Research Paper No. E574, 2017.	Avraham	A	OP
Atreya, A., Hanger, S., Kunreuther, H., Linnerooth-Bayer, J., and Michel-Kerjan, E., " A Comparison of Residential Flood Insurance Markets In 25 Countries ," Wharten, University of Pennsylvania, 2015, pp. 1- 14.	Atreya et al.	A	OP
Blanchard, R.S., " Exam 6-International Study Note – Solvency ," CAS Study Note, May 2021.	Blanchard Study Note	B	OP
Blanchard, R.S. and Klann, J., " Basic Reinsurance Accounting – Selected Topics ," CAS Study Note, October 2012.	Blanchard & Klann	D	OP
Brown, E. F. and Klein, R. W., <i>Research Handbook on the Law and Economics of Insurance</i> , Edward Elgar Publishing, 2015, Chapter 8, pp. 241-289, "Insurance solvency regulation: A new world order?"	Brown & Klein	A	DSK
Caramagno, N.; Mamane, D.; and Neilson, L., " An Introduction to IFRS 17 for P&C Actuaries ," CAS Study Note, September 2021. Candidates are responsible for the Excel illustrations .	IFRS Study Note	C & D	OP
Cedar, D. and Thompson, A., " Reinsurance Accounting & Strategy for the Actuary ," Casualty Actuarial Society, CAS Study Note, January 2020. Including errata .	Cedar & Thompson	D	OP
Chen, B., et al., " The Development and Regulation of China's Insurance Market: History and Perspectives ," Risk Management and Insurance Review, 2013.	Chen	A	OP
Dror, D. and Piesse, D. " What is Microinsurance? ," Chapter 2 in: A Practical Guide to Impact Assessments in Microinsurance (preliminary version), Microinsurance Network and Micro Insurance Academy, May 2014, pp. 23-39.	Dror and Piesse	A	OP



Expertise. Insight.
Solutions.

Citation	Abbreviation	Domains/ Tasks	Source
EY, " Applying IFRS 17 ," 2021, Chapters 1, 3, 6, 7, 8, 9.1-9.9, 10, 11, 15, and 16. NOTE: Please use the paper that has been archived on the CAS website for educational purposes.	EY IFRS 17	C & D	OP
EY, " Determining eligibility of the premium allocation approach under IFRS 17 for Non-Life insurers ," 2021. NOTE: Please use the paper that has been archived on the CAS website for educational purposes.	EY PAA Eligibility	C	OP
EY, " Good General Insurance (International) Limited: Illustrative disclosures to meet requirements of IFRS 17 and IFRS 9 for groups of insurance contracts accounted for under the PAA in IFRS 17 ," 2020, Introduction, Note 6 (Insurance service expense), and Note 11 (Insurance and reinsurance contracts). NOTE: Please use the paper that has been archived on the CAS website for educational purposes.	EY Illustrative Financials	C & D	OP
Eling, M., " Insurance Regulation in Europe: An Analysis of Effectiveness and Efficiency ," Journal of Insurance Regulation Vol. 40, No. 3, National Association of Insurance Commissioners, 2021.	Eling Europe	A	OP
Eling, M., " What Do We Know About Market Discipline in Insurance? ," Institute of Insurance Economics, University of St. Gallen, 2011.	Eling Discipline	A	OP
Feldblum, S., " Rating Agencies ," CAS Study Note, October 3, 2011, pp. 1-7, 14-15 (stop at Best's Capital Adequacy Ratio), and Appendix A.	Feldblum	A	OP
Foundation for Development Cooperation, " BRIEF 7 Microinsurance for Risk Mitigation and Crisis Recovery ," 2009.	FDC	A	OP
Frees, E. W. and Huang, F., " The Discriminating (Pricing) Actuary SSRN ," 2021.	Frees	A	OP
Germani, W., et al., " Government Insurers Study Note ," CAS Study Note, April 2017, pp. 1-5 excluding Crop Insurance.	Government Insurers Study Note	A	OP
IFRS Foundation, " Reinsurance contracts held: an example of proportional coverage ," pp. 1-4.	IFRS Example	D	OP



Expertise. Insight.
Solutions.

Citation	Abbreviation	Domains/ Tasks	Source
International Actuarial Association, IAA Professionalism Committee, 2017. <ul style="list-style-type: none"> - PG 1 - Principles of Professionalism - PG 2 - Principles in Relation to the Governance of International Actuarial Work 	IAA Professionalism	E	OP
International Actuarial Association, Insurer Solvency Assessment Working Party, " A Global Framework for Insurer Solvency Assessment ," 2004. The following parts are required (excluding appendices and details of items referenced): <ul style="list-style-type: none"> - Chapter 2, paragraphs 2.3-2.10 only - Chapter 3, excluding Section 3.2.5 - Chapter 4 - Chapter 5, excluding Section 5.2.4; paragraphs 5.47-5.50; Section 5.4.2; and Section 5.4.3 - Chapter 6, excluding Sections 6.3-6.9 - Chapter 7, pp. 60-66 but excluding Section 7.3 	IAA Solvency	B	OP
International Actuarial Association, International Standard of Actuarial Practice: <ul style="list-style-type: none"> - ISAP 1 - General Actuarial Practice, 2018 - ISAP 4 - IFRS 17 Insurance Contracts, 2019 - ISAP 5 - Insurer Enterprise Risk Models, 2018 - ISAP 6 - Enterprise Risk Management Programs and IAIS Insurance Core Principles, 2018 	IAA ISAP	C & E	OP
International Actuarial Association, Joint Own Risk Solvency Assessment (ORSA) Subcommittee of the Insurance Regulation Committee and the Enterprise and Financial Risk Committee, " Deriving Value from ORSA – Board Perspective ," 2015.	IAA ORSA	B	OP
International Actuarial Association, <i>IAA Risk Book</i> , 2016: <ul style="list-style-type: none"> - Chapter 2 - Actuarial Function - Chapter 3 - Professional Standards - Chapter 9 - Distribution Risks - Chapter 10 - Own Risk and Solvency Assessment (ORSA) 	IAA Risk Book	A, B, & E	OP
International Actuarial Association, " Stress Testing and Scenario Analysis ," July 2013.	IAA Stress	B & C	OP



Expertise. Insight.
Solutions.

Citation	Abbreviation	Domains/ Tasks	Source
<p>International Association of Insurance Supervisors, Insurance Core Principles and Common Framework for the Supervision of Internationally Active Insurance Groups, November 2019.</p> <p>- ICP1: Objectives, Powers and Responsibilities of the Supervisor</p> <p>Candidates are only responsible for the material related to ICP1 found on pp. 18-19 of this document.</p>	IAIS ICP1	B	OP
<p>Klann, J., "Reinsurance Commutation," 2013.</p> <p>Candidates should refer to Edition 5 of the Odomirok, K.C., et al., paper, Financial Reporting Through the Lens of a Property/ Casualty Actuary, when reviewing this paper.</p>	Klann	D	OP
<p>Klein, R. W., "Principles for Insurance Regulation: An Evaluation of Current Practices and Potential Reforms," The Geneva Papers, 2012, 37, pp. 175–199.</p>	Klein	A	OP
<p>Kousky, C. and Kunreuther, H., "Risk Management Roles of the Public and Private Sector," Risk Management and Insurance Review, 2018, Volume 21, Issue 1, pp. 181-204.</p>	Kousky	A	B
<p>McAneney, J., et al., "Government-sponsored Natural Disaster Insurance Pools: A view from down-under," International Journal of Disaster Risk Reduction, 2015.</p>	McAneney	A	OP
<p>Organisation for Economic Co-operation and Development (OECD), "Summary on Private Health Insurance in OECD Countries," The OECD Health Project, OECD Publishing, Paris, 2004.</p>	OCED	A	OP
<p>Reserve Bank of New Zealand, "Review of Insurance Solvency Standards: Structure and IFRS 17," November 2020, pp. 5-38 excluding Sections 2.1, 2.3, 3.3.1, 5.4, and 5.5.</p> <p>Candidates are not responsible for the life/annuity sections, nor for the approach currently used by New Zealand (including N.Z. IFRS 4).</p>	New Zealand	B	OP
<p>Scott, D., "IFRS17 Pocket Guide on reinsurance contracts held," IFRS Foundation, 2018.</p>	Pocket Guide	D	OP



Expertise. Insight.
Solutions.

Citation	Abbreviation	Domains/ Tasks	Source
Swartz, N. P. and Coetzer, P., " Takaful: An Islamic insurance instrument ," Journal of Development and Agricultural Economics, Vol. 2(10), 2010, pp. 333-339.	Swartz	A	OP
Thanasegaran, H. and Shaiban, M., "Harmonisation of Takaful (Islamic Insurance) Regulation - A realistic goal or improbable ideal?," Singapore Journal of Legal Studies, 2014, pp. 328-354.	Thanasegaran	A	DSK
The Geneva Association, " Modernising Insurance Solvency Regimes – Key Features of Selected Markets ," 2016.	Geneva	B	OP
Tipping, A. " Insurance Regulation in Asia Pacific 2023 ," Norton Rose Fulbright, 2023. Only the following 4 countries are required: - China: pp. 10-11 - Hong Kong pp. 12-14 - Malaysia pp. 30-31 - Singapore: pp. 44-45	Tipping	A	OP
Webel, Baird, " Terrorism Risk Insurance: Overview and Issue Analysis for the 116th Congress ," Congressional Research Service, R45707, updated December 2019. Candidates are only responsible for the material in pp. 1-10 of this document, excluding the "Terrorism Insurance Market" section.	Webel	A	OP

Source Key

B	Book – may be purchased from the publisher or bookstore.
BO	Book (Optional) – may be purchased from the publisher or bookstore.
DSK	Material included in the 2024 Digital Study Kit.
OP	All text references marked as Online Publications will be available by clicking the hyperlink within the syllabus.
SK	Material included in the 2024 Study Kit.
SKU	Material included in both the 2024 CAS Study Kit and the 2024 Update to the 2023 Study Kit.