

Subject ST1

CMP Upgrade 2017/18

CMP Upgrade

This CMP Upgrade lists the changes to the Syllabus objectives, Core Reading and the ActEd material since last year that might realistically affect your chance of success in the exam. It is produced so that you can manually amend your 2017 CMP to make it suitable for study for the 2018 exams. It includes replacement pages and additional pages where appropriate. Alternatively, you can buy a full set of up-to-date Course Notes / CMP at a significantly reduced price if you have previously bought the full-price Course Notes / CMP in this subject. Please see our 2018 *Student Brochure* for more details.

This CMP Upgrade contains:

- all significant changes to the Syllabus objectives and Core Reading.
- additional changes to the ActEd Course Notes, Question and Answer Bank and Series X Assignments that will make them suitable for study for the 2018 exams.

1 *Changes to the Syllabus objectives*

There have been no changes to the Syllabus objectives for 2018.

2 **Changes to the Core Reading and ActEd material**

This section contains all the *non-trivial* changes to the Core Reading and ActEd text.

Chapter 2

Page 12

The Core Reading in the first sentence of the sixth paragraph on this page has been amended to read:

The word “total” in the definition in practice usually means the failure of ability to perform a major or substantial part of the job or function.

Chapter 21

Page 7

The bullet point on this page has been amended to read:

- **Unexpired risk reserve (URR) – reserve in respect of the above unexpired insurance premium where it is felt that the premium basis is inadequate to meet future claims and expenses.**

Page 18

The third paragraph of ActEd material on this page has been amended to read:

The concept of non-separability refers to situations when if two events happen together, the combined impact is worse than if they had happened separately. For example, consider longevity risk and expense risk for immediate needs annuities. If policyholders live longer than expected and per policy expenses are higher than expected, there is an additional combined impact due to having these higher than expected expenses payable for longer than expected. If you considered the two risk factors separately, you wouldn't be allowing for this additional combined effect.

Chapter 23

Page 18

The following sentence has been added to the final paragraph of ActEd material on this page:

A payment to the care provider could also increase the risk of fraudulent claims being made, or care needs being over-stated by the provider in order to increase the payments received.

Chapter 29

The definition of Insurance Premium Tax (IPT) has been amended to read:

Insurance premiums are exempt from VAT in the UK, but most general insurance premiums are subject to an insurance premium tax (IPT), currently (May 2017) at the rate of 10.0%.

Note IPT is increasing to 12% from June 2017. So, for example, this tax is levied on PMI premiums.

3 Changes to the Q&A Bank

All changes to the Q&A Bank are given below.

Q&A Part 4

Solution 4.8(ii)

The sixth point in the solution has been amended in line with a change to the Core Reading to read:

The URR is the total reserve in respect of the unexpired cover, and will be greater than the UPR if premiums are inadequate to meet future claims and expenses. [½]

Q&A Part 5

Question and Solution 5.15

All dates in this question have been updated by 10 years, so 2005 becomes 2015, 2006 becomes 2016 and so on.

This change has also been reflected in the solution.

4 *Changes to the X Assignments*

There have been no changes to the X Assignments for 2018.

5 *Other tuition services*

In addition to the CMP you might find the following services helpful with your study.

5.1 *Study material*

We also offer the following study material in Subject ST1:

- Flashcards
- Revision Notes
- ASET (ActEd Solutions with Exam Technique) and Mini-ASET
- Mock Exam A
- Additional Mock Pack.

For further details on ActEd's study materials, please refer to the 2018 *Student Brochure*, which is available from the ActEd website at www.ActEd.co.uk.

5.2 *Tutorials*

We offer the following tutorials in Subject ST1:

- a set of Regular Tutorials (lasting three full days)
- a Block Tutorial (lasting three full days).

For further details on ActEd's tutorials, please refer to our latest *Tuition Bulletin*, which is available from the ActEd website at www.ActEd.co.uk.

5.3 *Marking*

You can have your attempts at any of our assignments or mock exams marked by ActEd. When marking your scripts, we aim to provide specific advice to improve your chances of success in the exam and to return your scripts as quickly as possible.

For further details on ActEd's marking services, please refer to the 2018 *Student Brochure*, which is available from the ActEd website at **www.ActEd.co.uk**.

5.4 *Feedback on the study material*

ActEd is always pleased to get feedback from students about any aspect of our study programmes. Please let us know if you have any specific comments (*eg* about certain sections of the notes or particular questions) or general suggestions about how we can improve the study material. We will incorporate as many of your suggestions as we can when we update the course material each year.

If you have any comments on this course please send them by email to **ST1@bpp.com**.