

Subject SA3

CMP Upgrade 2020/21

CMP Upgrade

ActEd often produces a free CMP Upgrade, which provides details of changes to the Syllabus objectives, Core Reading and ActEd materials. This year, however, due to the large number of changes to the Course Notes and Assignments, it is not practical to produce a full upgrade.

This document *outlines* the most significant changes so that you are aware of the main differences between the 2020 study material and that for the 2021 exams. However, given the large number of detailed changes to the course, we strongly recommend that you use the 2021 study materials for the 2021 exams.

We offer a full set of up-to-date Course Notes / CMP at a discounted price if you have previously bought the full-price Course Notes / CMP respectively in this subject. The prices are given below.

0 Retaker discounts

When ordering *retaker-price material*, please tick the relevant box when using the e-store or use the designated place on the order form.

Students have the choice of purchasing the full CMP (printed or eBook) or just the Course Notes (printed). You may need to add dispatch charges to the prices below.

	<i>Retaker price</i>
2021 printed CMP for those having previously purchased the full-price Subject SA3 CMP	£65
2021 printed Course Notes for those having previously purchased the full-price Subject SA3 Course Notes or CMP	£49
2021 CMP eBook for those having previously purchased the full-price Subject SA3 CMP	£23 (+VAT in EU)
2021 Course Notes eBook for those having previously purchased the full-price Subject SA3 Course Notes or CMP	£23 (+VAT in EU)

1 Changes to the Syllabus

There were no *non-trivial* changes to the Syllabus objectives, although IFRS 17 is now mentioned explicitly under objective 3.1.

2 Changes to the Core Reading and ActEd text

Chapter 2

This chapter has had a large number of minor changes. In addition, the following more substantial changes have been made:

Section 2

Some coverage of Lloyd's Brussels has been added.

Section 3.2

The description of P&I Clubs has been changed in places.

Section 7.2

The description of the way the chain of security works has been changed in a number of places.

Section 9.2

The text has been altered to indicate that the PPO Uplift can be negative if the insurer uses a *higher* discount rate than that used to convert to lump sums (the previous Core Reading mistakenly said *lower*).

Chapter 3

Section 2

A number of small changes have been made to the description of the way that assets might be taxed.

Section 3.1

IFRS 17 has been delayed for a further year.

Chapter 4

Page 21

The MCR is calculated by taking the *sum* of the two factors rather than the *greater* of the two factors.

Page 25

Some of the factors in the underwriting risk table have been altered.

Section 3.8

The list of countries shown has changed.

Section 4.3

A large number of changes have been made to the section on SAOs and Audit requirements.

Section 6

A small amount of coverage about SMEs has been added to the first paragraph, and to the first paragraph of Section 6.1.

Chapter 5**Section 0**

The sentence saying that ‘... exam questions will not be set concerning the detail of the guidance...’ has been deleted. Our advice is that you should learn the guidance thoroughly.

Section 3.2

The description of TAS 200 has changed in a number of places.

Section 4

This section, covering The Actuaries’ Code, has been re-written entirely.

Section 5

The URLs linking to the IFoA website have changed.

Chapter 6**Section 1.1**

An extra bullet point has been added, mentioning features of a contract that may lead to greater volatility.

Page 20

The list of policy data has changed.

Chapter 9

IFRS 17 has been delayed for a further year.

Section 2

Coverage of the RSR has been added.

Chapter 12

Section 1

Some extra material has been added to this section, to give further coverage of run-offs.

Section 3.3

An extra paragraph has been added to the section on 'financial strength of the insurer involved'.

Section 4

Further explanation of terminology has been given around novations and loss portfolio transfers, and an extra last paragraph has been added mentioning regulatory approvals.

Section 5.1

Further details have been added regarding terminology and the approval of insurance business transfers.

Section 6.2

An extra paragraph has been added about reputational risk.

Section 7.2

This section has been expanded in places.

Chapter 13

A number of changes have been made to Section 0.

Chapter 17

Section 0 has been amended to be consistent with the changes made to Chapter 13.

Coverage of 2019 GIRO has been added to Section 1.2.

Glossary

A large number of changes (including some new entries and some deletions) have been made. The entries significantly affected are:

- Accident-year accounting
- Act of God
- Additional unexpired risk reserve (AURR)
- Aggregate excess of loss reinsurance
- All risks
- Annual accounting
- Available capital
- Binding authorities
- Cape Cod method
- Catastrophe
- Chain ladder method
- Claim ratio
- Deductible
- Economic capital
- Events not in data
- Excess
- Financial risk reinsurance
- Financial Services Compensation Scheme
- From the ground up
- Fronting
- IBNER, IBNR and IBNYR
- Loss portfolio transfer
- Loss ratio
- Regulatory capital
- RITC
- Required capital
- Suretyship
- Ventilation
- Year of account.

In addition, ESG and IBNYR have been added to the list of abbreviations, and CGL and SORP have been removed.

3 Changes to the X Assignments

There have been no *significant* changes to the X Assignments.

4 Other tuition services

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

4.1 Study material

We also offer the following study material in Subject SA3:

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

For further details on ActEd's study materials, please refer to the 2021 *Student Brochure*, which is available from the ActEd website at www.ActEd.co.uk.

4.2 Tutorials

We offer the following (face-to-face and/or online) tutorials in Subject SA3:

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

4.3 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 2021 *Student Brochure*, which is available from the ActEd website at www.ActEd.co.uk.

4.4 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 SA3@bpp.com.