

# Subject A311

## CMP Upgrade 2025/26

### CMP Upgrade

This CMP Upgrade lists the changes to the Syllabus, 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 2025 CMP to make it suitable for study for the 2026 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 respectively in this subject. Further information on prices can be found in the 'Products and services' section of the website at **ActEd.co.uk**.

We only accept the current version of assignments for marking, *i.e.* those published for the sessions leading to the 2025 exams. If you wish to submit your scripts for marking but only have an old version, then you can order the current assignments free of charge if you have purchased the same assignments in the same subject in a previous year and have purchased marking for the 2026 session.

This CMP Upgrade contains:

- all significant changes to the Syllabus and Core Reading
- additional changes to the ActEd Course Notes and Assignments that will make them suitable for study for the 2026 exams.

# **1 Changes to the Syllabus**

There have been no changes to the A311 Syllabus objectives.

## 2 Changes to the Core Reading and ActEd material

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

All references to the 'Glossary' have been amended to 'Principal terms', including the title of Chapter 40.

### Chapter 1

#### Section 4.2

In the paragraph of ActEd text within this section, delete the fourth sentence (starting 'These measures ...').

### Chapter 2

#### Section 9.6

Add the following below the existing third bullet point (which starts 'Banking and savings ...'):

- **Cybercrime is a significant and increasing threat to financial institutions and their customers.**

Insert the following below the existing fourth bullet point (which starts 'Insurance companies ...') and its related sub-bullets:

- **The use of artificial intelligence (AI) to mediate the interaction between providers and customers is widespread but is still in its early days and will increase in sophistication rapidly.**

For example, AI is increasingly being used in making underwriting decisions on insurance policies.

#### Summary

Insert the following additional bullet point in the last section of the Summary:

- include increased use of artificial intelligence (AI), *eg* underwriting

### Chapter 3

#### Section 5.2

Amend the end of the paragraph under the sub-heading 'Conflicts of interest' to:

**... by insider-trading regulations and there may be separation of functions between different organisations.**

#### Summary

In the section 'Areas addressed by regulation: information asymmetries', remove the sub-bullet 'Chinese walls'.

## Chapter 6

### Section 4.2

Insert the following additional paragraph at the end of this section:

A funeral plan (sometimes referred to as a pre-paid funeral plan or funeral cover plan) is a specific type of whole life assurance product that is sold in some jurisdictions. Typically, the benefit is designed to cover the cost of the policyholder's funeral (and associated services, as specified in the policy document) and so this is an indemnity contract – which is relatively unusual for life insurance products.

## Chapter 12

### Section 6.2

Replace the final two paragraphs in this section with the following:

**Examples include trends for:**

- **organisations to move staff out of expensive major city locations to cheaper areas**
- **more people to work from home for at least part of the week.**

Another example of a structural change leading to a fall in the demand for property, in this case retail property, is an increase in the proportion of people shopping online.

## Chapter 19

### Section 4.2

Insert the following new ActEd text after the Core Reading paragraph starting '**It is important that ...**':

Similar concerns and risks arise in relation to the use of AI (artificial intelligence) more generally.

## Chapter 20

### Section 3.2

In the ActEd paragraph within the sub-section 'Price inflation', amend the phrase in brackets to 'of similar quality and term to maturity'.

### Section 3.3

Insert the following new Core Reading paragraph at the end of the sub-section headed 'Changes in statistics recorded':

**It is therefore important to understand not only what sampling and collection methods were used, but also what data cleaning and pre-processing methods were applied. Unfortunately, this information is often not available.**

## Chapter 25

### *Section 1.2*

Delete the second Core Reading sentence of the first paragraph (**'This is the ...'**).

Amend the question below this paragraph to:

Explain why risk identification may be a relatively challenging part of risk management.

Amend the start of the solution to:

Risk identification may be challenging because the risks ...

## Chapter 26

### *Section 1.1*

Amend the first Core Reading paragraph to:

**An attempt should be made to identify all the risks that can threaten an organisation.**

## Chapter 28

### *Section 4.2*

Amend the first paragraph after the list of bullet points in this section to:

**However, the desire to write business means that an insurer may still provide cover when these ideal criteria are not met.**

## Chapter 30

### *Section 1.1*

In the first paragraph below the solution, delete the first sentence and amend the second sentence to:

**For some risks, a range of risk control options may be available.**

## Chapter 40

Delete the terms 'Chinese walls' and 'Continuing Care Retirement Community' and their definitions.

Include the following additional terms and definitions:

### **Artificial intelligence (AI)**

**The design and study of machines that can perform tasks that would previously have required human (or other biological) brainpower to accomplish. AI is a broad field that incorporates many different aspects of intelligence, such as reasoning, making decisions, learning from mistakes, communicating, solving problems, and moving around the physical world.**

### **Generative AI**

**AI capable of generating text, images, videos or other data using generative models, often in response to prompts. Generative AI models learn the patterns and structure of their input training data and then generate new data that has similar characteristics.**

### 3 Changes to the X Assignments

This section contains all the *non-trivial* changes to the X Assignments.

#### Assignment X2

In Question X2.4:

- amend the start of the second sentence to 'Around a third of the fund ...'
- delete the third and fourth sentences (starting 'It has been proposed ...' and 'The money realised ...')
- amend the wording of part (ii) to:  
Outline how the financial institution might achieve diversification within its portfolios of property and overseas assets, if it were instead to invest *directly* in these markets.

In Question X2.5:

- delete the word 'overall'
- insert the following at the end of the question wording:  
*[Hint: consider risk budgeting and benchmarks.]*

There have not been any changes to the solutions for either of these questions.

#### Assignment X5

Amend the wording of Question X5.4 to the following:

Describe the factors that will affect the relative proportions of surplus distributed and retained by a mutual life insurance company.

There have not been any changes to the solutions for this question.

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