

Addendum to the CAS 6C ACTEX Manual

A change has been made to the 2019 Annual Return that was not included in the Spring 2020 ACTEX Manual. The reason that the change was not made is because the CAS 6C syllabus for Spring 2020 is currently linking to both the 2019 and the 2018 versions of the financial statements (Excel version) and only to the 2018 version of the instructions from the CCIR. So we used that.

Nevertheless, a significant change was made to the calculation of Net Investment Income. In the 2018 version of the Annual Return, **Net Investment from Insurance Operations** was still calculated, and indeed, has been the focus of many past exam questions. However, this has been dropped in the 2019 version of the AR.

The changes can be found on the 2019 version of page 10.60 (SUMMARY OF SELECTED FINANCIAL DATA FOR FIVE YEARS). Here they are:

| | |
|------------------------------------------------------------------------------------------|----|
| Net investment income from insurance operations | 40 |
| Net income (loss) from insurance operations (line 35 + 40) | 41 |
| Net investment income—other | 44 |
| Net investment income | 42 |
| Overlay approach adjustment for financial instruments (Reclass from P&L to OCI) | 43 |
| Net investment income (total) as a % of net premiums earned [(line 42 40 + 44)/07] x 100 | 45 |

As we still don't have the 2019 version of the CCIR instructions, we cannot explain the basis for the calculations.

There are other changes in the 2019 workbook, but they are most likely irrelevant to the exam, as they only pertain to British Columbia.

We will also alert the CAS to this issue.