

AAPA 313—Financial Aspects of Annuities
LOMA
January – December 2003

LOMA is one of the world's most recognized and reputable professional education institutions. Last year, financial services professionals in some 72 countries enrolled for more than 117,000 LOMA examinations. Hundreds of thousands of LOMA students, including more than 142,000 designees, are found in financial services organizations around the world.

Contact Information:

LOMA's Office of the Registrar
8:30 a.m. to 5:30 p.m. EST Monday-Friday
1-800-ASK-LOMA (option 1) or 770-984-3761
education@loma.org
www.loma.org

Course Scope and Objectives:

AAPA 313 describes the process that financial services firms use to develop and design annuity products. This course also covers financial concepts important to annuities, such as risk and return in investments, various asset types, future and present values, techniques for testing annuity profitability, principles of annuity mortality, annuity reserves, and annuity expense charges.

AAPA 313 can be completed in a self-study fashion or in a classroom environment, and it is evaluated by NPOISI (the National Program on Noncollegiate Sponsored Instruction—www.nationalponsi.org). Many organizations, including state licensing agencies, colleges and universities, and industry associations accept AAPA 313 as credit for their programs.

Texts and Materials:

Financial Aspects of Annuities (2000): (LOMA; ISBN 1-57974-046-4) [PBD Order # AAPA 313-10-00].

Test Preparation Guide for AAPA 313 (2000): (LOMA; ISBN 1-57974-047-2) [PBD Order # AAPA 313-40-00].

Included in this study guide are review exercises, practice questions, a full-scale sample examination both in paper form and on an enclosed diskette, and appendices containing answers to all questions.

All texts may be ordered online from PBD Worldwide Fulfillment at www.pbd.com, or contact the Office of the Registrar for ordering details.

Course Outline:

Annuity Products and How Insurance Companies Develop Them
Technical Design of Annuity Products
Investments for Annuity Products

Risks Insurers Face
Finding Future Values
Finding and Using Present Values
Product Modeling and Asset-Share Models
Testing Product Designs
Expense and Annuity Product Design
Annuity Products and Mortality
Annuity Reserves and Cash Surrender Values
Pension Plans

Grade Determination/Examinations:

Course grade for AAPA 313 is determined through one comprehensive 50-item examination. This multiple choice exam is available to any student through Prometric Testing Centers in the United States and Canada. Cost information and scheduling for exams is available through LOMA's Office of the Registrar or online at www.loma.org.

If the student is an employee of a LOMA member company, alternative onsite testing options (paper or online exams) may be available. If you are a LOMA member company employee, contact your company's Educational Representative for details.

Further Study:

If further study is desired, this course is one of five leading to the professional designation Associate, Annuity Products and Administration (AAPA). This prestigious designation indicates professionalism and high competency in annuity administration, including knowledge of the differences among the various annuity products and their uses, the role of technology in annuity administration, the marketing and distribution of annuities, funding arrangements for pension products, and laws and regulations affecting annuities. Other courses needed to achieve this designation include:

- ◆ AAPA 273—*Annuity Principles and Products*
- ◆ AAPA 283—*Marketing, Distribution, and Uses of Annuities*
- ◆ AAPA 303—*Annuity Systems and Administration*
- ◆ AAPA 323—*Regulation and Taxation of Annuities*