

**ACTUARIAL SCIENCE 1021B***Introduction to Financial Security Systems: January-April 2019***Instructor Information**

Instructor : Mary Millard  
Office : WSC 272  
e-mail : [mmillard@stats.uwo.ca](mailto:mmillard@stats.uwo.ca)  
Phone : 519-661-2111, extn 88224  
Office Hours : Mondays, 9:30-11:00 and Thursdays, 1:30 - 3:00.  
Any changes/additions to these hours will be announced in class/posted on OWL/

Lecture Hours: 8:30-9:30 a.m. M/W/F in P&AB 106.

**Course Description**

The nature and cause of financial security and insecurity; public, private and employer programs and products to reduce financial insecurity, including social security, individual insurance and annuities along with employee pensions and benefits.

**Prerequisites/Corequisites:** None

**Textbooks:**

1. There is a CUSTOM TEXTBOOK on sale at the UWO bookstore (about \$95)
  - It contains the relevant pages from the textbook “Morneau Sobeco Handbook of Canadian Pension and Benefit Plans” (16<sup>th</sup> Edition)
2. Various articles on course OWL web page

**Course Objectives:**

What is financial/economic security? At an individual level it refers to your own sense that you can satisfy your basic needs/wants now and in the future

Key question of this course:

**How do we achieve economic security? And what does an actuarial science perspective have to offer in answering this question?**

- Actuaries use math and statistics to create theoretical models of the world around them
- They apply these concrete skills to real life situations and to problems like analyzing future financial events; they create and price insurance products and help design and give advice on government social security programs and company employee benefit plans
- In AS1021 you'll learn about many social insurance programs & private insurance plans that require actuaries in their creation; such as retirement savings plans, employer pension plans, government social security programs, long-term care insurance, health insurance plans & disability insurance
- The work of actuaries is critical to understanding some of the key components available to Canadians that help them achieve financial security

This course is intended to give you some insight into what constitutes, and what are the causes of, financial insecurity. You will then gain knowledge of the various programs and products that are available to help reduce financial insecurity. You will gain an appreciation for the differences between social/governmental programs and private programs, both on the individual and employer level.

While this course will be of interest to students in any program, the course is also intended to give you some background on financial products and programs that actuaries have been and are currently involved with so as to give you a “picture” of what actuarial science is all about.

## Course Outline:

Topic	Readings (excludes webpage links in notes) **	Where
<b>Module 1. What is financial security and financial insecurity</b>		
Overview of causes	Economic Security and Insecurity Basic Principles of Social Insurance	OWL
Rationale for Social Insurance/Comparison to Private Insurance	Class Notes	
<b>Module 2. Old Age</b>		
Individual – Retirement savings plans	Chapter 14 – pg 415-418:421-425:432-434	Morneau Handbook **
Employer – Pension plans Group RRSP's	Chapter 1: pg 3 - 24, Chapter 3, Chapter 9:pg 259-273; Chapter 14: pg 418-421	Morneau Handbook
Government – CPP/QPP, OAS, GIS	Chapter 2	Morneau Handbook
Long Term Care	Long-Term Care Insurance	OWL
<b>Module 3. Poor Health – Medical Needs</b>		
Individual – Individual Health Insurance	Class Notes	
Employer – Group Plans	Chapter 20	Morneau Handbook
Government – Provincial hospital plans	Chapter 17	Morneau Handbook
<b>Module 4. Poor Health – Disability</b>		
Individual – Individual disability insurance	Disability Income Insurance	OWL
Employer – STD and LTD plans	Chapter 21	Morneau Handbook
Government – Worker's Compensation, CPP	Chapter 18	Morneau Handbook
<b>Module 5. Premature Death</b>		
Overview, principles, importance, definitions	Class Notes	OWL
Government – CPP and WC	Review of previous material	
Individual – Individual Insurance	Class Notes	OWL
Employer – Group Insurance	Chapter 23	Morneau Handbook
<b>6. Other topics (if or as time permits)</b>		
Ins. Contracts, Employment Ins. & other topics		OWL

\*\* i.e. the AS1021custom textbook

**\*\* Any updates to reading will be well communicated as we work through the term**

**Note: Any webpage links related to readings will be included in posted lecture notes**

## Method of Evaluation

- Participation/Attendance:** This may include some written reflections and other activities. Further details on this component will be reviewed in class.
- Two Tests:** There will be TWO ONE HOUR tests held during CLASS on the following dates:  
**Friday February 8th , 8:20 a.m. to 9:20 a.m. (location TBD)**  
**Monday March 18th , 8:20 a.m. to 9:20 a.m. (location TBD)**  
*Missed Midterm Test: The policy of the Department of Statistical and Actuarial Sciences is that there will be no make-up exams for a missed midterm. For those that do legitimately miss a midterm and provide the required supporting documentation, the standard practice will be that the weight of the midterm will be reassigned to the final exam. If your reason is not deemed valid, then you will receive a mark of 0.*
- Written Report:** There will be a short written project due by the end of the term. More information on the report will be given in class and posted on the course web page later in the term.
- Final Exam:** The final 3-hour exam will be scheduled by the registrar during the final exam period in April.

**Your course grade will be determined as follows:**

<b>Participation/in class assessments</b>	<b>5%</b>
<b>Written Report</b>	<b>10%</b>
<b>Test 1</b>	<b>20%</b>
<b>Test 2</b>	<b>20%</b>
<b>Final Exam</b>	<b>45%</b>

### **Course Website Information:**

Sakai/OWL will be used for this course. Please check this webpage regularly for announcements. A copy of the course outline will also be posted, as well as:

- **Lecture notes/class overheads** (some extra notes will be added to the overheads during class time, so you should come to every class to ensure that you obtain all the important notes)
- **Extra readings (for some topics) that will supplement your class notes**
- **Periodic announcements**
- **Sample/past exams/tests and solutions**
- **Important links** to web pages that cover other topics that you are responsible for
- **Written Report Information** (later in the term)

### **Calculators**

Although this is NOT a mathematical course, you may need a pocket calculator for tests and the exam.

### **Classroom Environment**

Our department has adopted a “Mutual Expectations” policy governing the classroom environment and all work submitted by students. See <http://www.uwo.ca/stats/undergraduate/mutual-expectations.html> for the full policy text. In summary, the policy was developed under the premise that all interactions between students and faculty should be governed by the principles of **courtesy, respect and honesty**.

Computers and other technical devices are to be used only for not taking purposes during class and cell phones should be turned off/on mute.

### **Attendance**

Classroom attendance is viewed as an important part of the learning process. Students are advised that excessive absenteeism may result in the student being debarred from the final examination (see Western Academic Calendar).

### **E-mail communication**

Please use e-mail communication only to provide me with information or to ask a question that requires a very brief response. For more lengthy discussions and for discussions on lectures/course material please see me during my scheduled office hours or by appointment. **If you do e-mail me, please e-mail me from your UWO account only** (as e-mails sent from other addresses often get spammed).

### **Accommodation and Accessibility**

If you are unable to meet a course requirement due to illness or other serious circumstances, you must provide valid medical or supporting documentation to the Academic Counselling Office of your home faculty as soon as possible and contact your instructor immediately. If accommodation is approved by your Dean's office, your instructor will be notified, and then it is your responsibility to make alternative arrangements with your instructor. If you are a Science student, the Academic Counselling Office of the Faculty of Science is located in NCB 280 and can be contacted at [scibmsac@uwo.ca](mailto:scibmsac@uwo.ca). For further

information, please consult the university's medical illness policy at [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_medical.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf).

If you miss the Final Exam, please contact your faculty's Academic Counselling Office as soon as you are able to do so. They will assess your eligibility to write the Special Exam (the name given by the university to a makeup Final Exam). You may also be eligible to write the Special Exam if you are in a "Multiple Exam Situation" (see [http://www.registrar.uwo.ca/examinations/exam\\_schedule.html](http://www.registrar.uwo.ca/examinations/exam_schedule.html)).

## **Academic Policies**

The website for Registrarial Services is <http://www.registrar.uwo.ca>.

In accordance with policy, <http://www.uwo.ca/its/identity/activatenonstudent.html>, the centrally administered email account provided to students will be considered the individual's official university e-mail address. It is the responsibility of the account holder to ensure that email received from the University at his/her official university address is attended to in a timely manner.

*Scholastic offence:* Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at this website: [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/scholastic\\_discipline\\_undergrad.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf).

*Attendance:* Classroom attendance is viewed as an important part of the learning process. Students are advised that excessive absenteeism may result in the student being disbarred from the Final Exam (see Western Academic Calendar).

*Classroom Environment:* The Department has adopted a "Mutual Expectations" policy governing the classroom environment and all work submitted by students. The full text of the policy can be found at: <http://www.uwo.ca/stats/undergraduate/mutual-expectations.html>. In summary, the policy was developed under the premise that all interactions between students and faculty should be governed by the principles of courtesy, respect and honesty.

## **Support Services**

Please contact the course instructor if you require lecture or printed material in an alternate format or if any other arrangements can make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 661-2111 ext. 82147, if you have questions regarding accommodation.

The policy on Accommodation for Students with Disabilities can be found here: [www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_disabilities.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_disabilities.pdf)

The policy on Accommodation for Religious Holidays can be found here: [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_religious.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_religious.pdf)

Learning-skills counsellors at the Student Development Centre (<http://www.sdc.uwo.ca>) are ready to help you improve your learning skills. They offer presentations on strategies for improving time management, multiple-choice exam preparation/writing, textbook reading, and more. Individual support is offered throughout the Fall/Winter terms in the drop-in Learning Help Centre, and year-round through individual counselling.

Students who are in emotional/mental distress should refer to Mental Health@Western ([http://www.health.uwo.ca/mental\\_health](http://www.health.uwo.ca/mental_health)) for a complete list of options about how to obtain help.

Additional student-run support services are offered by the USC, <http://westernusc.ca/services>.