



## LP Sample Flashcards

You have downloaded a sample of our LP flashcards. The flashcards are designed to help you memorize key material for the SOA's LP exam.

The flashcards are in a "Q&A" format that is well-suited for reviewing the material at a high level after you complete section of the online seminar. The cards are sequenced in exactly the same order as the rest of the online seminar. Practicing your ability to recall the material in the form of an answer to a question is a great way to get ready for the actual exam.

### Flashcard Formats Available

The same cards are in each format below. Only the format of the cards differs, as explained below.

1. **"Singles"**. This version contains alternating front/back sides of each card in sequence. This format is well suited for PDF viewers on your computer, tablet, or phone. Simply flip through the pages.
2. **"FrontBack"**. This version has 3 cards per page. If you print this PDF double-sided on U.S. Letter (8.5" x 11") paper, the front and back of each card will be aligned. This format also works well on Avery 5388 3x5" index cards, which can be [purchased on Amazon](#). Printing instructions are included with the full flashcard set available in the online seminar.
3. **Mobile version**. TIA's free Flashcards app for [iPhone](#), [Android](#), and the web (see Flashcards tab in online seminar) lets you study, filter, and shuffle your flashcards wherever you are. All cards are fully integrated with the online seminar, and your progress syncs across all apps. No printing or manual effort on your part to load the cards. Simply sign in, and get started.

Samples of the "singles" format are included in this PDF. You can see samples of the mobile flashcards by simply downloading the app for free.

If you have any questions, email me anytime.

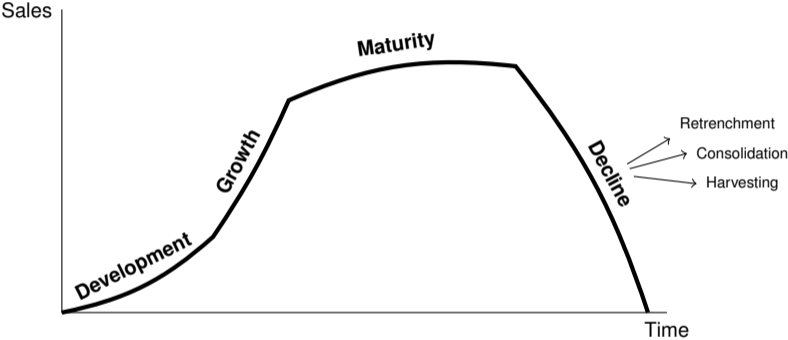
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List types of competitor-oriented pricing.

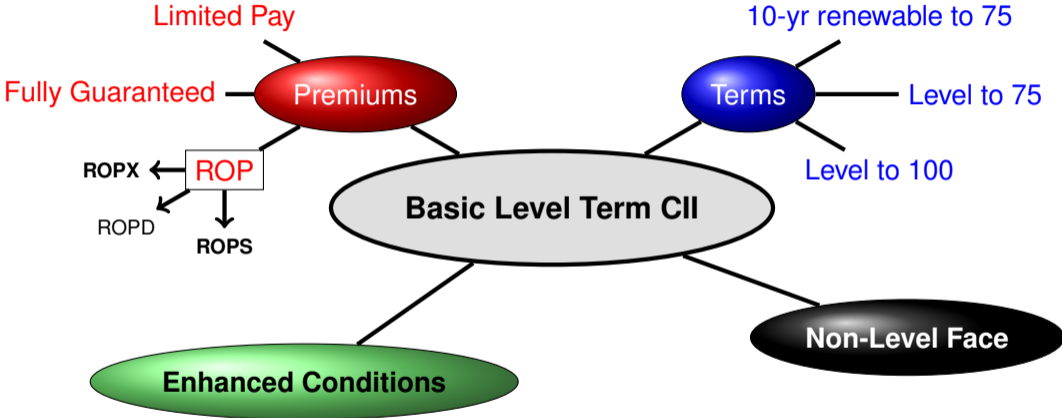
1. **Independent pricing**
  - Niche markets, low competition
2. **Cooperative pricing**
  - Works if only a few companies
3. **Adaptive pricing**
  - Follow competitors
4. **Opportunistic pricing**
  - Lower price to hurt competitors
5. **Predatory pricing (most difficult)**
  - Price below cost

What are the four product life cycle stages?

Source: LIFP Ch. 2



List the possible variations of critical illness insurance product design.



Describe the calculation and payoff profile for an equity indexed annuity static hedging strategy.



## Spread call option

- Buy call option struck at IAV
- Sell call option struck at cap

$$\text{Call Price} = S_0 \times N(d_1) - Ke^{-rT} \times N(d_2)$$

$$d_1 = \frac{\ln \frac{S_0}{K} + (r + \frac{\sigma^2}{2})T}{\sigma\sqrt{T}}$$

$$d_2 = d_1 - \sigma\sqrt{T}$$

**Benefits:** simpler, safer for multi-year guarantees

