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Actuarial Exam Tactics: Learn More, Study Less

Book Review by Dave Snell

I'll start this review by sharing my preconceived biases up front. When I was contacted by the publisher to review this book by Mike Jennings and Roy Ju, I was somewhat skeptical that it would live up to the title. I had read about Roy Ju. He had become somewhat famous in the actuarial world by becoming the youngest FSA ever.¹ Roy earned his FSA while still a junior in college!

My initial assumptions were that he was exceptionally smart and that he was a complete nerd who lived and breathed actuarial science to the exclusion of a normal and enjoyable life with

other pursuits. Perhaps he was even driven to study all the time by ambitious parents who insisted he become an actuary.

In fact, my first premise was very likely correct. Roy is a very smart person. However, he is not a nerd. In addition to his actuarial achievements, Roy was a top-ranked high school tennis player in his state, and he was also a trombone player—not just somebody who occasionally played the trombone, but one who played all-state for his high school. The real surprise was that Roy seemed to spend less time than most students studying for actuarial exams, yet he passed them—sometimes multiple exams in one sitting. He didn't spend as much time studying because he was too busy with other projects, like board games with his friends (he introduced insurance into his Monopoly games!). At Drake University he was also president of an investment club and vice president of the Drake International Traders of Iowa. Oh, and his parents were not pressuring him to become an actuary. Initially, they wanted him to become a doctor.

OK, so he is bright and can multitask. I still felt there had to be a catch here. Perhaps his technique was just about effective cramming. Back in the 1980s I remember going to a couple of cram



classes at the University of Waterloo that would help us prepare for the actuarial exams. We would take dozens of practice tests until we could almost look at a test problem and immediately relate it to one very similar from our memorized databank of practice questions. Frankly, that was a short-term achievement, and months after the exam, most of that temporary knowledge was forgotten.

All that lead-in information is to let you know I was a bit of a skeptic. Then I read the book, which didn't take long. It is well under 100 pages, and you can blast through it in an hour. I took a little longer, though, because I would often stop and think about what I was reading. Some of the tips were so insightful that I wanted to ruminate on them. Some were tips I have learned independently myself over the years, but many others helped sharpen a lot of my disjointed experiential study tips into a broader, more holistic focus.

What impressed me most was that the techniques that Roy and Mike describe provide not just a faster way to study, but also a better way to study. By that, I mean they can help you prepare more quickly and effectively for a well-written exam, but beyond that they can help you better understand the material at a more conceptual level—the level that finds its way into long-term memory and stays with you through the years. It is a better way to learn!

So far I have written a lot about how great this study guide is without giving you any idea what is in it. I don't wish to give away all the secrets (buy the book; it is not expensive), but here are some major takeaways from it:

- **Focus on fundamental concepts.** Don't try to memorize formulas or proofs but try to understand them conceptually. Think about how you would explain them to a friend—especially a friend with less technical background. Force yourself to clarify the material to the point where you can write a one-page summary of it that others could understand.
- **Make notes in the margins with questions that focus on “how” and “why” rather than “what.”** Instead of just trying to parrot back the Black-Scholes formula, or its derivation, think through why it was developed, and how it came about (not just the mathematical steps).
- **Impose time constraints on your study and review time.** This sounds counterproductive at first, but the idea is to force yourself to learn to be more time-effective. Force yourself to be actively engaged in the study process—not to be just putting in time!

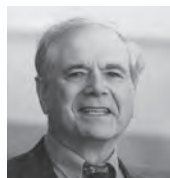
There are many tips and techniques in the book. It is not a big book with a lot of fluff, but a concise book packed with thoughtful ideas. It is a better way to learn!

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In fairness, I have to qualify my praise of this book. It is not easy to implement these suggested study skills. We have been trained for many years to be more passive learners, and the transformation to active engagement will be tough. Also, it won't help on a poorly designed test, like some of the old Society of Actuaries (SOA) exams I remember from the 1970s that often asked a lot of trivia just to make sure you read (and memorized) all the texts in the syllabus—even the footnotes. On the old demography and graduation exam I remember seeing a question that asked what method of interpolation was used on the American Experience table of 1936 for males between ages 30 and 35. When I read that, my first thought was that it was the dumbest, most useless question I had ever seen on an exam. Then, having memorized way too many dumb and useless facts for that exam, my second thought rushed in with “Oh! I know that one!” and I happily answered the question. I passed that exam, but I did not learn or remember much of the essence of the material. This book is for well-written exams, and to some extent it is easier to apply with well-written textbooks and study materials (although there are tips involving the use of alternative sources of subject matter expertise too).

On the bonus side, it is a set of techniques that are not limited to actuarial exams. If Roy had, as his parents wished, decided to become a doctor instead of an actuary, these tips would have served him well in that quest as well.

Buy it! Read it! Live it! It's a good lifetime investment. ■



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ENDNOTE

- 1 <https://www.soa.org/News-and-Publications/Publications/E-News/soa-candidate-connect/Features/2015-youngest-fsa.aspx>