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Passing Actuarial Exams

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For the last few years, my friends have jokingly teased me about being a nerd. At least I think they were joking. To elaborate, I'm a recent graduate with my degree in actuarial science. I started my actuarial exam-taking journey shortly after graduating from high school. In the summer before my freshman year at Maryville University, my brother—who would go on to get his ASA designation later in the same year—gave me perhaps the best piece of advice an aspiring actuary can get: “Start studying for exams immediately.” So I did.

After six months of studying, I was able to pass Exam FM with a “perfect” score of 6 just one semester into my college career. I started to think that this whole actuary thing was going to be a piece of cake. Needless to say, I was quickly humbled, due to my less-than-perfect failing grade on Exam P. After getting over my initial disappointment, I tried to reflect on what I needed to do to pass next time. It was pretty clear that the thing I was missing was time. All I needed to do was put in more quality study hours, and I knew I could pass. I did this and was able to double my score (from a 4 to an 8).

It was after Exam P that I realized that all I needed to do to pass these things was to study really hard for a long time. Well, maybe that isn't such a big revelation. I did, however, learn that these exams are too expensive and too time-consuming for me to give anything less than my best. Since passing Exam P, I've been able to pass the remaining three preliminary exams. My friends and teachers sometimes ask my secret. My strategy is no secret: Study really hard for a long time, and it gets easier.

Through passing the first five preliminary exams, however, I *have* picked up some tips and tricks, none of which are of any use without putting in a lot of study hours. Though, if you can find a study strategy that doesn't involve hard work, I'd love to hear it. To me, there are really three main steps to passing: planning, studying and exam preparation.

I'll start with the disclaimer that I have a very Type A personality. I love lists. There is no better feeling to me than crossing a line off of a to-do list. The “Memos” application on my phone has a grocery list, a list of things I want to buy, a list of things I'm saving for and several to-do lists, separated by deadlines and purpose. If that doesn't sound like you, then maybe my strategies won't be all that helpful to you. Half of passing ex-

ams is trial and error; everyone has to figure out what works best for them. But this is what has worked for me, and maybe it will work for you, too.

Planning and studying sort of go hand in hand, but I've decided to keep them separate in the description of my process. I've noticed that when candidates tell non-actuarial folks that they've passed an exam, the audience typically has varying levels of excitement, ranging from “Big whoop” to “Wow, those are pretty hard, right?” My actuarial friends, on the other hand, usually respond with something like, “That's great; what's next?” To me, that's pretty telling (and pretty brutal). I think that a successful exam-passing strategy must have a plan. This plan doesn't consist of just what exam is next but also *when* the next test is, as well as what test to take after that. Candidates should know when each of the preliminary exams is offered and adjust their study schedules appropriately. To ensure I always have plenty of time to study, I like to give myself six months to prepare for an exam. I take four months to learn the material and two to work problems (but many people can pass putting in less work over a shorter span).

Studying: Just the word fills me with a sense of dread. The fact of the matter is that studying is not the best part of being an actuary. It may, in fact, be the worst part. It is, however, a necessary evil to reap the many benefits an actuarial career can offer. Part of studying is learning how to study. This seems like a simple concept, but it can be one of the hardest parts about preparing for a candidate's first couple of exams. It is recommended that a candidate invest about 100 hours of studying per hour of the exam. Sitting in the library for 300 hours checking Snapchat, however, is not going to help you pass the exam. Far too often, candidates are guilty of “studying” but not really learning anything. Distractions such as friends, Facebook and anything to avoid memorizing yet another formula can detract from quality study time. It's hard for me to explain to my friends that I need to study for an exam that's four months away instead of hanging out with them on a Saturday afternoon. So I hate having to forgo fun with friends only to waste time checking the latest tweets from my favorite professional athletes.

One way that I try to prevent falling behind is by making a lot of lists (see Type A personality disclaimer earlier). I like to plan out when I'm going to be done with learning the material, when I'm going to finish each section, what I'm going to finish in the coming week and what I'm going to get done each day to meet all of those goals. I have a daily planner that includes all the things coming up at work, at school, and in my personal life, which allows me to plan my daily study goals. Staying ahead of schedule is crucial because delays are inevitable. Life happens; plan accordingly.



Learning the material can be accomplished in a few different ways: online seminars, written manuals or good old-fashioned reading of the required texts for the exam. Personally, I prefer to listen to *and* see someone talk me through a difficult concept. That's just how I learn best. Let me watch you do it a couple times, and then let me try. This is one of the many scenarios where candidates must figure out what works best for them. Another tip is to be well-acquainted with the exam syllabus. These concepts are difficult; struggling to understand certain lessons will happen. Knowing the weight of the material can help candidates decide when to "dig in" and keep working and when to skip to the next lesson.

Once all or most of the material has been learned, the next step is working problems. The Society of Actuaries (SOA) provides hundreds of practice problems for each of the preliminary exams. These are great indicators of what an actual exam will be like. Being able to correctly work most of these problems should make candidates confident in their ability to pass the exam. Fur-

thermore, I think it is necessary to be a good test taker. Coaching Actuaries has a tremendous product called Adapt that I highly recommend. This service allows candidates to take a practice test with questions similar to the real test, geared to an individual's skill level at the time. Adapt is a great way to build up your test-taking skills.

By taking a lot of practice exams, candidates will hopefully develop these test-taking skills that are crucial to passing. The SOA is testing not only math skills but also the candidate's ability to read and think critically. It is these last two skills that are just as (and probably more) important than getting the right number. The exams have the five most common solutions to the problem. Just because the calculator displays a number that is one of these options doesn't necessarily indicate a correct solution. You have to make sure that you have read the problem correctly and thought critically about how to get to the solution in order to come up with the right answer.

The final skill vital to the success of an actuarial student is time management. Good test takers know when to skip a question. If a question seems to be too time-consuming, is too unfamiliar or has an unclear solution—skip it! Candidates get only a certain amount of time to complete the exam. Prepared candidates will use the allotted time to first nail the questions they know and then go back and guess for any problems that don't have a clear and timely solution.

Passing actuarial exams is hard. The fact is that, if you've decided to pursue an actuarial career, you're probably "smart" enough to pass the exams. My success isn't due to my intelligence—there were much smarter people in my classes with fewer passed exams. What sets candidates apart is their commitment to studying. Everyone ends up taking a different path. Find what works for you. Finally, and most important, if you're going to do something, give it all you have. ■



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