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Health Actuary CSP and DP Exams:

How to Improve Your Chances of Passing

By Kristi Bohn and Andie Christopherson

In our experience, what issue do actuaries get most passionate about? Global warming? The uninsured in America? Quality health care? Starving children? No, no, no. Well, maybe starving children. But bring up actuarial exams and our eyes light up. So much universal pain, suffering and sacrifice—and so many opinions to share.

Now that we are on the other side, as two members of the exam writing/grading committees for Group Health, we sympathize with our colleagues who are still in the process. But let's get it straight: the view from this side is NOT pretty for the vast majority of students. During the last grading go-around, the vast majority of committee members expressed frustration with the seeming lack of communication with students on how to successfully prepare for and pass the exams. So the two of us decided to come up with a top 10 list of advice. No hate mail please.

1. Read the source material.

As exam question writers, we do not get those exam flash cards and study manuals (as they are not part of the syllabus). We actually read the material. Yes, indeed, the question we ask may not have been covered on your flash cards. We do not purposefully try to foul students up, but a student would be foolish to expect that memorizing fragmented lists is the only way to pass. It may have happened in the past, but it is a whole new world. You should read all of the material at least once and make sure that you understand and contemplate what you read. Once you've done that, working through an outline will jog your memory of the details you read and provide a more complete picture of the material overall.

2. Answer the question.

Repeat: ANSWER THE QUESTION! One of the biggest frustrations exam graders have is that students are not actually answering the question that was posed. Are students reading the question at all? We see “show up and throw up” constantly—a plethora of information splashing onto the page but no actual answer to the question posed.



On bigger point questions, it is admittedly easy to get lost in a segment of the answer. Before moving on to the next question, take a few seconds to reread the question and make sure you have answered all the parts.

3. Some lists will survive, but not many.

Students are expected to know more than just lists that show up on flash cards, yet oftentimes the only answers we get as graders are lists which don't demonstrate that the candidates know the material. Rather, the observation of several exam committees is that the candidates' performance on higher-cognitive-level questions is poor. Anecdotal evidence points to the possibility that some candidates are only studying from flash cards and may not be reading the source material. Studying only from flash cards will not prepare you for the higher-cognitive-level questions. Some memorized lists are helpful, as the lists

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will help you synthesize a topic or cover need-to-know material. For example, if we asked, “How did PPACA affect self-insured employers’ plan designs between 2010 and 2011?” a list would help you synthesize that topic. But going forward, make sure you are studying and responding to questions beyond the lists. When you see a question with words like “compare and contrast,” “calculate,” “recommend,” “rank order,” “defend” and error analysis questions, your expectation should be that the graders will be looking for more than just a list. And for these opinion questions, do not be afraid to share an opinion. Even “wrong” recommendations, thoughtfully defended, may score points.

4. When reading the material, try to predict the cognitive questions.

While reading the material, you should anticipate the really smart questions you would ask if you were drafting questions. You may be pleasantly surprised when a couple of those actually show up on the exam. Perhaps you should get together with other students (or create a blog) to make

100 potential questions that meet the cognitive level criteria.

5. A small but noticeable group of students forget the basics of health insurance.

There are some health insurance basics from the modules that students are implicitly expected to retain. Examples include the meaning and implications of deductibles, coinsurance, out-of-pocket maximums, lifetime maximums, co-pays, annual versus per member per month (PMPM) measures, etc. A small but noticeable number of students seem to not know how these basic tenets of insurance work. While we do not test this knowledge directly, these students reveal their lack of understanding in their essay responses. For example, an out-of-pocket maximum protects the member, not the plan sponsor. While we do not deduct points for these misstatements, these students waste a lot of time writing completely incorrect responses. We think that since the CSP and DP exams will be offered twice a year, it is helpful to take them in the recommended order.

6. Know how much time you have.

Take a look at the points for each question in relation to the entire exam and do some quick math. It might equate to something like: “I have about three minutes for each point.” A 10-point question means that the people who wrote the exam question thought it would take you 30 minutes to answer the question well. If you spend five minutes, you probably missed something. You can spend more time than allotted, but you will take away from other questions. Extra time spent on smaller point sections generally has diminishing returns.

7. You do not need to write fully baked sentences.

Do not waste time on grammatically perfect paragraphs. We are looking for you to convey your understanding of the material in relation to the question posed. First hit the major topics related

to the response, putting empty space between those major topics, and then add detail to those major topics as you have time. Time spent beyond an outline format will not earn more points, but will take up time better spent on other questions.

8. Answer the parts of the question that you can.

We give partial credit all over the place—so write down what you know! When reviewing candidates' responses, a grader references an outline of the possible correct responses—both main ideas and supporting details. We go through your answer, looking for these responses and giving points wherever appropriate. You don't need to include all possible information on the grading metric to pass. Any single idea may only earn you a few grading points, so it is important to build on your initial response. So write down what you know.

9. It often helps to consider the question from various perspectives.

One technique often employed by successful exam takers is to consider all of the stakeholders for the matter in question. This technique frequently helps you recall the reading material. Here is how the stakeholder method works: consider how to address the answer from the following perspectives: 1) plan sponsor, 2) member/employee, 3) community and 4) regulator. Some test takers also add these subcategories: a) cash flow, b) balance sheet/solvency/risk, c) income, d) tax and e) administrative burden.

10. Read and contemplate the case study before the test.

The case study is there so exam writers can reduce the length of the questions and consequently save you time in understanding the actual question (and reduce your stress as well). If you see something odd in the case study, it may be intentional in order to ask a higher-cognitive-level exam topic. Also think about the calculation questions that we might ask from the case

study. It is important to become comfortable with the case study well in advance of the exam, and particularly familiar with it the week before the exam.

Testing higher-level thinking skills is hitting all sorts of industries besides our own. Medical schools, law schools, high schools and colleges are all getting on board. It is a positive change for professions, so get on board. And good luck to all of you! ■



Kristi Bohn, FSA, EA, MAAA, is a benefit design & retiree strategy consultant at Blue Cross and Blue Shield of Minnesota and can be reached at kristimbohn@yahoo.com.



Andie Christopherson, FSA, MAAA, is managing consultant, actuarial services at Ingenix Consulting in Eden Prairie, Minn. She can be reached at andrea.christopherson@ingenixconsulting.com.