



SOCIETY OF ACTUARIES

Article from:

The Actuary

April 1998 – volume 32 - Issue 4



on the lighter side

The science of exam success

by Chuck Adrian

“The work of science is to substitute facts for appearances and demonstrations for impressions” — John Ruskin

This is the motto of the Society of Actuaries, and a fitting one it is. Actuaries use empirical data to establish a correlation between events that is, in some cases, inferred by common sense. Actuaries are also expected to determine the correct correlation. For example, cosmetology workers have above-average premium ratings for group health insurance. Common sense would lead one to believe that working conditions must be behind the higher health costs. However, any group health actuary will tell you that the group’s demographics are to blame; a majority of cosmetologists are women in their child-bearing years.

Actuaries often use their finely honed skills of deductive reasoning to find correlations in their own professional lives. Following are a few more or less true-to-life stories of actuaries using this high-level skill to determine the factors leading to success on the actuarial exams.

Michael, a pension actuary, never failed an actuarial exam before results became available on the Society’s hotline. He was awaiting results from the Course 150 exam when the hotline was launched, and when he called, he found out he did not pass. Six months later, he avoided the temptation to use the hotline and instead waited for the mail. Not only did he pass 150 but also

161. Recognizing the correlation, he has waited for his results by mail ever since.

Jean, now an FSA, finished her exams before the hotline was established, but she found another avenue of problems: the pass list. She never found her candidate number on a pass list, so she, too, waited for the results by mail.

While many actuaries’ experience tells them their success correlates to the method used to receive exam results, others believe the only events that can influence exam results are those occurring when the exam is written.

That’s why Matthew always wears a yellow shirt during exams — that is, he used to. When his job changed two years ago, Matthew switched from the group track to the finance track. After two sittings without passing any exams, he realized that yellow was his color for the group track. While he has not yet established his color for finance exams, at press time he was leaning toward blue.

Jason will only use a Pentel 0.5 mm mechanical pencil with a black barrel to write an exam. Megan has used the same mechanical pencil to write her exams. Eric used the same pink eraser during his entire exam-taking career. Last November, he rubbed it down to a tiny, unusable nub. Coincidentally (or is it?), that exam turned out to be his last. Now a Fellow, he advises prospective exam takers to buy a small pink eraser and use it liberally to shorten the lifetime of the eraser and the travel time to Fellowship.

Adrianna has taken exams at four different test centers, but she always sits on the right side of the room in the second row from the front. Nathan began taking exams at the Northbrook (Chicago suburb) test center during his college years and continued taking them there until he became a Fellow, even though he lived and worked in downtown Chicago for much of the time.

Richard believes that since the pass ratio for any exam is usually around 50%, a failing candidate can be associated with each passing candidate. Upon entering the exam room, Richard identifies a candidate who he believes will fail and “associates” himself with that person.

Still other actuaries subscribe to the

theory that the potential for success can be estimated as soon as a candidate number is assigned. Ryan adds the digits of his candidate number; if the sum is greater than 10, he adds the digits of the sum, continuing this process until he is left with a number between one and 10, inclusive. Six or greater indicates a greater potential for success. Ryan has determined the correlation factor for his own experience to be 0.843 which, while not quite 1.0, is significantly greater than zero.

Sara, a life actuary, likes to be “comfortable” with her candidate number. She cannot define what makes a candidate number a good one, but she knows a bad one when she sees it. While this method is not as rigorous as Ryan’s, it does involve numbers, so it is inherently more nearly sound than any method relying principally on color.

A small contingency of actuaries pursues exam success by refining the method of study and other exam preparation. For example, Mark has found that his study time is more effective if he is smoking. He has extrapolated that the time spent writing exams would be more effective if he could smoke then as well. However, smoking is not permitted during exams, so he does the next best thing — he sets an ash tray on the desk next to his calculator.

Nancy received a teddy bear as a gift and named him Buster. She got in the habit of placing Buster on her desk while she was studying. While other actuarial students might study on trains and airplanes, Nancy can study only when Buster is sitting on her desk “helping” her. Recently, Nancy also has been taking Buster to exams.

Chuck Adrian is actuarial manager, American Medical Security, Green Bay, Wis. While he has changed the names of individuals, the article is based on actual events that have occurred with or without his knowledge, are expected to occur, or are at the very least within the realm of possibility. His own method of exam success involves reviewing note cards while pacing through the office barefoot after his colleagues have gone home to study.