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10 Things You Should Know Before Taking Exam P

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On my way to obtain the Fellow of the Society of Actuaries (FSA), I made a promise to myself: after crossing the finish line, I would write down things I wished I had known at the beginning of this long journey, to help others who are just starting out. I hope you find the list useful, or at least an interesting read.

GENERAL ADVICE

1. Age Does Matter to Some Extent

As you age, your concentration, memory and health start to go downhill, yet you are competing with people who are much younger to pass exams that are designed to fail around 50 percent of the test takers. For anyone who is not a university

student anymore, especially if you already have children, you should think carefully before choosing this career path. As a career changer, I wrote exam P when I was almost 29. Looking back, I was lucky to have received a lot of help along the way that allowed me to make it to the finish line. I have no kids, I have an extremely supportive partner, I work for a company that supported me with abundant study days and paid for all the study materials, I have a background (mathematical research) that trained me to “buckle down and study” and I passed the FSA exams only with 6–7s.

2. Learn From Failure

If you learn from your failure and keep working hard, then you will have a greater chance to be successful next time. I still clearly remember, when on July 15, 2016, I found out that I failed my first five-hour FSA exam in the morning, and I failed my FAP final assessment in the evening. But I learned from my failures and kept working hard and was able to pass all the remaining modules and exams on the first try. In addition, my feeling is that most FSAs have failed at least once on their way to fellowship; it shouldn't be a surprise that failing is part and parcel of obtaining a prestigious designation.

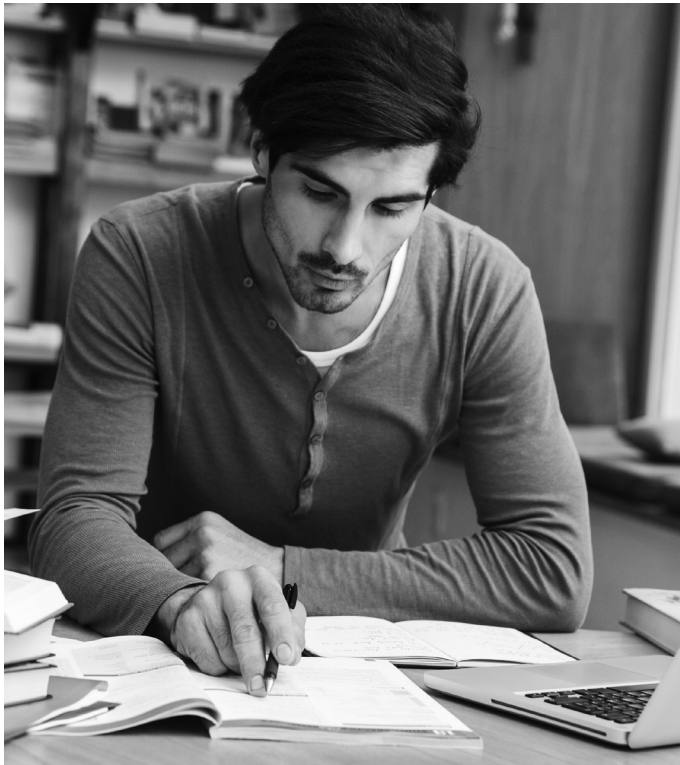
3. Allow Enough Time to Prepare for Exams

All exams require a certain number of hours of preparation to pass. The rule of thumb I use is up to 300 hours for ASA exams, 350–450 for ERM and 450–550 hours for the five-hour FSA exams. Be sure to start early so that you have enough time. However, if you start too early (e.g., more than 20 weeks to prepare), you run the risk of getting burned out and losing steam toward the end, as well as forgetting what you learned at the beginning. In addition, do not sacrifice sleep or your health for exam progress. In the grand scheme of things, the travel time of your FSA designation isn't really that important. On the other hand, any damage to your body will have a lasting and often irreversible effect. This does place emphasis on time management, as it can be difficult to balance work, study, gym and personal life altogether.

4. Avoid Taking off a Sitting

Try to avoid taking off any sitting because you are burned out from studying or want to “focus on the modules”:

- Even if you fail a sitting, you end up going through the material once, taking the exam and getting some feedback on your performance. This would give you an edge on the next sitting over first-time test takers.
- Some sittings are easier *for you* than other sittings. Although Society of Actuaries (SOA) tries to make all sittings equally difficult at a high level, your comprehension of some objectives is better than other objectives, or you might prefer



a certain threshold of qualitative versus quantitative mix. Whenever you skip a sitting, there is always a chance that it is one on which you would have, for whatever reason, performed well.

- You can do the modules at your own pace, but exams only happen as infrequently as twice a year. When I took a sitting off to work on the modules, I eventually realized that it was just an excuse.

I have taken, in total, three FSA exam sittings off for various reasons. Looking back, I regret all three decisions. You can certainly take a sitting off for unforeseen circumstances such as drastic changes in health status, life/work responsibilities and so on, but skipping a sitting should only be your last resort.

You can certainly try to memorize more items once you master the top three of all lists; however, start with three.

EXAM ADVICE

5. ASA Exams Require Practice

The ASA exams require a lot of practicing. There is no magic trick to passing these exams, which is why most of this article focuses on the FSA exams. However, make sure you use the approved calculators to their maximum potential. This is especially true for TI-30XS. I will list a couple of things that most people aren't aware that TI-30XS is capable of:

- Under Table interface, you can enter any one variable (say, x) function f , and then input any value of x and it will spit out the value of $f(x)$:
 - Sometimes you know the equation that the final answer should satisfy, but solving the equation requires a lot of time. If this is the case, then all you need to do is enter the equation into the Table interface, and then use trial and error to test each choice.
 - Sometimes, you forget the appropriate formula, but know how to do a question from first principles, which usually would take a lot of time manually, but the table function makes it possible. I remember a question where I had to calculate the area under a curve of a function (the integral of some function), say, from 2 to 4. I entered this function into Table and wrote down everything from

$f(2)$ to $f(4)$ with a step of 0.25, so $f(2), f(2.25), f(2.5), \dots, f(3.75)$ and $f(4)$. Then I estimated the area assuming that it is formed by a bunch of rectangles. I was able to make the correct choice.

- Under Data interface, a lot of statistical measures can be calculated. I won't list them here but basically, think of it as "Excel" with some predefined statistical functions available.
- The store numerical value to variable function is amazing (the *sto*→ key). When you have to use a specific value over and over, instead of typing it out, store it as, say x , and then you can simply input x every time you use it.

6. FSA Exams Require Memorization

The FSA exams require a lot of memorization, which can be a painful experience. However, there are ways to make the process more pleasant. You have to figure out your own approaches. One of my approaches was creating acronyms. For example, I used "AGRIculture" to help me remember the key points of a good risk *culture*:

- *A*ppetite framework for risk
- *G*overnance and organizational structure of risk
- *R*eporting and communication of risk
- *I*ncentive compensation structure

7. Identify the Most Important Items

For most lists that require memorization, your initial goal should be the three most important items. You can certainly try to memorize more items once you master the top three of all lists; however, start with three. Here are the reasons:

- This is a much more achievable goal than memorizing everything at once.
- You often have to pick three items out of a long list. This process forces you to think about each item and their relative importance. This process also helps you understand each item and make combining items possible. After using this method repeatedly, you will start to see "patterns," that is, when you can draw links between similar lists and topics, you are starting to learn in a qualitative and comprehensive way instead of through mechanical routine and repetition.

Rote learning works perfectly for the ASA exams, but it does not work well for the FSA exams. You should watch every video provided by the SOA before you prepare for FSA exams.¹

8. Don't Try to be Perfect

Never try to be perfect when writing an FSA exam, and manage your time well. Getting a minimum threshold of partial marks



for all questions is extremely important. It takes much less time to score 6 on three questions than to score 10 on one question and 3 on the other two. The former is likely a pass, and the latter a fail. This ties back to my three-item approach already mentioned, as it is much easier to expand on what you know about a question, albeit little, than to make up things about a question that you know nothing about.

9. Know the Syllabus

For the FSA exams, you should know the syllabus very well. I personally found that having a deep understanding of the syllabus helped me build links between different readings and learning objectives. Knowing the syllabus inside out not only helps you see the big picture but can sometimes help you “predict” the afternoon session after you complete the morning session. When I wrote exams, I would always use the time in between to reflect on what objectives from the syllabus have not been tested in the morning and prepare for the afternoon accordingly.

10. Use the ASA Approach for Quantitative Learning

For quantitative learning objectives of the FSA exams, use the same approach as for the ASA exams. That is, do a lot of questions (from old exams, study manuals) and force yourself to know the underlying processes and formulas extremely well. Keep practicing until you can rapidly and accurately solve all past quantitative questions. You often have to do each available

question more than once, because unlike the ASA exams, the amount of available quantitative questions can be quite low. This is especially important if your handwriting speed is slow or your case-writing skills are lacking. If you can get 9–10 for all quantitative questions, and 5–7 for qualitative questions, then you have a good chance to pass.

This list is not meant to be exhaustive or universal, but I hope you find at least three items helpful. In closing, I’d like to point out that you are committing at least four years of your life to achieve a prestigious designation. (In fact, for most people, it is six to seven years.) Therefore, be ready for a long, yet rewarding journey. Do not get overconfident or frustrated by any particular module or exam along the way; focus on the journey and not the results. ■



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ENDNOTE

- 1 See <https://www.soa.org/Education/General-Info/edu-guide-written-exams-seminar-vids.aspx>.