



Canadian Institute of Actuaries



Casualty Actuarial Society



Society of Actuaries

Pass Mark for Exam 2/FM

Pass Marks on Joint CAS/CIA/SOA Multiple-Choice Exams

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Exam 2/FM is jointly administered by the Casualty Actuarial Society and the Society of Actuaries and is cosponsored by the Canadian Institute of Actuaries.

What Is The Pass Mark?

One of the most frequently asked questions about the multiple-choice actuarial examinations is, “What was the pass mark for the exam?” In other words, “How many questions did I need to answer correctly on the exam to pass?” In the few weeks that follow the release of grades (on the familiar 0-10 scale), this question is asked repeatedly of the SOA Education and Examination staff by various interested parties such as exam candidates, employers, and others who are just plain curious. Until now, everyone has gotten the same answer: Pass marks for all SOA examinations (including those jointly sponsored with the CAS) are confidential. However, that is now changing.

Multiple-Choice Examination Pass Marks To Be Released

The CAS Board of Directors and SOA Board of Governors both passed resolutions in June 2007 requiring that pass marks be released for all multiple-choice examinations beginning with those to be given in November 2007. The grades for those exams, using the familiar 0-10 scoring system, will be released to candidates in January 2008. The multiple-choice exam pass marks will be published on the SOA and CAS Web sites as percentages, rounded up if necessary to the nearest whole percent. Exam P/1 is administered via computer-based testing. As such, multiple forms of the exam are given and the number of correct answers needed to pass may differ from one candidate to another. For this exam, information about the range of passing scores will be provided.

A Word About the 0-10 Grades

The 0-10 grading scale, with scores of 6 and greater being passing grades, will continue to be used on all SOA exams. Raw scores are converted to 0-10 scores using increments of 10 percent of the pass mark. For example:

- A grade of 6 represents raw scores of at least 100 percent, but less than 110 percent of the pass mark.
- A grade of 5 represents raw scores of at least 90 percent but less than 100 percent of the pass mark.

- A grade of 0 represents raw scores that are less than 50 percent of the pass mark.
- A grade of 10 represents raw scores of at least 140 percent of the pass mark.

When setting the pass marks for the actuarial exams (multiple-choice or written-answer), the examination committees have one goal in mind: separating candidates who have demonstrated adequate knowledge of the material – and therefore deserve to pass – from those who have not demonstrated such knowledge. Scores are only meant to give candidates a relative idea of how close or far away they were from passing or failing and are not factored in when pass mark discussions are held. Consequently, on rare occasions there have been exams on which achieving a grade of 10 was not possible – even for a perfect paper. For example, let’s say the pass mark was 22 for a 30-question exam. One would have to achieve a score of 30.8 (140 percent of 22) to score a 10. Therefore, a grade of 9 would be the highest possible score by candidates on this exam.

Exam 2/FM Pass Mark

Exam	Pass Mark*	Number of Exams	Effective Number of Exams	Number Passing	Percent Passing	Percent Effective Passing
February 2012	72%	2027	1850	978	48.2	52.9
December 2011	72%	1929	1784	933	48.4	52.3
October 2011	72%	1618	1487	783	48.4	52.7
August 2011	72%	2498	2314	1248	50.0	53.9
June 2011	72%	2824	2620	1404	49.7	53.6
February 2011	71%	2534	2307	1249	49.3	54.1
December 2010	69%	2499	2301	1177	47.1	51.2
August 2010	69%	2722	2579	1498	55.0	58.1
May 2010	67%	2772	2641	1439	51.9	54.5
February 2010	69%	2041	1934	1021	50.0	52.8
December 2009	69%	2911	2678	1398	48.0	52.2
August 2009	71%	3058	2927	1729	56.5	59.1
May 2009	70%	3620	3402	2027	56.0	59.6
November 2008	70%	3968	3633	1985	50.0	54.6
May 2008	70%	4847	4481	2357	48.6	52.6
November 2007	70% - Form 1 67% - Forms 2 and 3	3792	3420	1666	43.9	48.7

* The Pass Mark for Computer Based Testing

Examination 2/FM began being administered by computer-based testing (CBT) in May 2008. Under CBT, it is not possible to schedule everyone to take the examination at the same time. As a result, each administration consists of multiple versions of the examination given over a period of several days. The examinations are constructed and scored using Item Response Theory (IRT). Under IRT, each operational

item that appears on an examination has been calibrated for difficulty and other test statistics and the pass mark for each examination is determined before the examination is given. All versions of the examination are constructed to be of comparable difficulty to one another.