



'08 Exam Administration Update: Exam Arrival Time, Reading Period, and Exam End Time

By Mellody A. Mondini, Candidate Representative to the Candidate Liaison Committee


There have been many exam format and material changes that have been made over the past few years. One thing that has not changed is that actuarial exams are stringent and challenging as ever; candidates must be proficient with all the subject material on their exams. Just as important as learning the exam material, knowing the exam administration guidelines is imperative to passing. Effective with

May 2008 exams, the Casualty Actuarial Society is not only changing exam material for a few exams, but also making some changes to the administrative process for the CAS-specific exams.

There are three exam administration changes that will affect all candidates: exam arrival time, reading period, and exam end time. One change will affect candidates taking exams outside of North and South
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CAS Syllabus Is Exclusively Online for 2008

The Casualty Actuarial Society is publishing the 2008 *Syllabus of Basic Education* exclusively online. The *Syllabus* is posted in the "Admissions/Exams" section of the CAS Web Site at www.casact.org. The CAS Executive Council recommended this change as part of its general review of CAS publications. The 2008 version is available in the printer-friendly pdf format.

As in the past, the online *Syllabus* will have links to Web Notes that may be downloaded free-of-charge. Any update will be noted in the appropriate section of the *Syllabus* and will be listed in the "*Syllabus* Updates" section as well. 

Your Feedback Requested

What Do You Like To Read in Future Fellows?

The Candidate Liaison Committee would like to have your feedback about *Future Fellows*. Please use the Readers' Survey in the "Admissions/Exams" section of the CAS Web Site (www.casact.org) to indicate what you like, dislike, and would like to see in future issues of this newsletter. Thank you!

DATES TO REMEMBER

FEBRUARY 2008 EXAM
REGISTRATION DEADLINE
December 20, 2007
Exam I/P

REFUND DEADLINE FOR
FEBRUARY 2008 EXAMS
Exam I/P

February 18, 2008 and
cancellation of appointment by
noon of the second business day
before test appointment

MAY 2008 EXAM
REGISTRATION DEADLINES
There is only one deadline for
each set of exams. Late
registrations will not be accepted.
March 20, 2008
Exam I/P
April 1, 2008
Exams 2/FM, 3F/MFE, 3L,
4/C, 5, 7, and 8

REFUND DEADLINE FOR MAY
2008 EXAMS
Exams 3L, 5, 7, and 8
May 7, 2008
Exam I/P
May 12, 2008 and cancellation of
appointment by noon of
the second business day before
test appointment
Exams 2/FM, 3F/MFE, and 4/C
May 8, 2008

CAS SEMINARS AND MEETINGS

RATEMAKING SEMINAR
March 17-18, 2008
Royal Sonesta Hotel
Boston (Cambridge), Massachusetts

ERM SYMPOSIUM
April 14-16, 2008
Chicago Marriott Downtown
Magnificent Mile, Chicago, Illinois


SEMINAR ON REINSURANCE
May 19-20, 2008
Boston, Massachusetts

CAS SPRING MEETING
June 15-18, 2008
Le Chateau Frontenac
Quebec City Quebec, Canada

Update on CAS Education Strategy

By Jonathan T. Marshall, Candidate Representative to the Candidate Liaison Committee

The CAS Board of Directors has awarded two contracts to develop new ratemaking and reserving study materials for the CAS *Syllabus*. Ratemaking materials will be produced by EMB America, and reserving materials by KPMG. The development of these materials was promoted in the recent White Paper on CAS Education Strategy as potentially having “a more significant impact in improving the CAS education process than any other action.” The Board intends to include them in the 2010 *Syllabus*.

In addition, the CAS Board will consider a revision of its education strategy at its March 2008 meeting. The new proposal includes moving Exam 5 CPCU topics to an Internet course, consolidating Exams 5-9 into four exams, and adding a capstone seminar. 

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CAS Exam Administration Changes (Continued)

America: an earlier exam start time.


For upper-level exams, the published exam start time was 9:30 a.m. in North America in 2007. This time referred to the time candidates actually began writing the exam. Candidates were told to arrive 45 minutes prior to exam start time in order to check in and to allow time for the proctor to read the instructions. Beginning in 2008, the published exam start time will change to 8:30 a.m. for all test centers. This time will be defined as when the proctor begins reading the exam instructions. Candidates will be asked to arrive at 8:00 a.m. to check in.

Immediately following the completion of the exam instructions, the 15-minute pencils-down reading period will begin. Based on positive feedback from candidates, the CAS has decided to continue the 15-minute reading period. Candidates will not be allowed to write or use a calculator during this time. If a candidate arrives late to the exam, they will not be afforded make-up time for the reading period. Immediately following the reading period, the exam writing period will begin. The exam writing period will be for the full exam time duration as noted by exam in the *Syllabus*.

The last exam administration guideline change affecting all candidates is the exam end time policy. Historically, candidates who had not completed their name and candidate number information or had not labeled and ordered all written answer response pages had the opportunity to correct the omissions with proctor supervision after the timed exam period has elapsed.

Beginning in 2008, candidates will not be allowed to complete name, candidate number information, or label pages after the allotted exam time has ended. Instead, candidates will need to hand in their exam “as-is.” Candidates may inform the proctor if they were not able to complete these items and the proctor will note this in the supervisor’s report. Candidates may also contact the CAS Office with the same information (office@casact.org). Once informed, the CAS will find the candidate’s exam and attempt to complete the omissions. Time will continue to be allotted to arrange essay responses by question number.

In 2007, upper-level exams administered outside of North and South America began during the afternoon. The CAS was attempting to minimize candidates sharing exam information with candidates who are taking the exam later in the day. Beginning in 2008, the CAS will not stagger start times. Rather, every exam center will administer the exam at the local new 8:30 a.m. exam start time. The CAS is therefore requesting a 24-hour silence period when candidates may not discuss the exam.

Many changes have occurred to actuarial exam material and structure over the past few years and there may be more in the future. For successful completion of all exams, candidates must be familiar with the not only the exam material, but also the exam administration guidelines. 

How to Write Better Exam Responses

By Kendall P. Williams, FCAS, Candidate Liaison Committee

One of the most difficult aspects of moving through the actuarial exams is moving from the multiple-choice questions for Exams 1-4, to Exams 5-9 with primarily essay or constructed response questions. Candidates often have trouble determining how much information is too little or too much to write down on these essay questions in the constraints of a timed exam.

In the past, candidates have been given advice that shorter is often better and that full pages or complete sentences are not needed. Over time, candidates may have drifted too far as graders report that often not enough information is provided in the responses to grant full credit for a question.

Steve Armstrong, a general officer from the Examination Committee, has written the following information to assist candidates in formulating appropriate responses for essay questions not involving mathematical calculations.

Action Verbs and Adverbs on Actuarial Exams

By Steven D. Armstrong, FCAS, Examination Committee

In the development of any essay question, there are basically two “sections” of the question: the stem that sets the question up by introducing the data or the context of the question and then the part that instructs you how to answer the question.

In reviewing previous CAS exams, the essay questions instruct the candidate to do things such as: explain, identify, describe, determine, calculate, discuss, draw, demonstrate, estimate, contrast, define, provide, compare, state, and assess.

These “action” verbs are chosen very deliberately by question writers in instructing you, the candidate, how to answer the question so that you may show mastery of the learning objective that the question is testing.

Very often, the question writer will add an adverb before the action verb, most notably the adverb “briefly.” This one simple word means a great deal to both the question writer and the grader. Just as importantly, the absence of this word means a great deal to the writer and the grader.

A cursory review of previous exams will quickly show that whenever the word “briefly” precedes the verb (such as, “briefly explain” or “briefly describe”) that the point value for such question is approximately *half* of that for a question that simply asks you to explain or describe a certain topic.

On essay questions that ask you to calculate a response, there is the phrase “show all work” included in the question. When all work is not shown, typically full credit is not given, as the grader cannot feasibly assess that you have demonstrated full mastery of the learning objective.

With non-calculation essay questions, there is no such phrase as “show all work.” The grader, however, is still providing partial credit based on how detailed the response is and how well the response conveys mastery of the learning objective. When graders are scoring non-calculation answers, they are looking for less information to provide full credit for questions with the adverb “briefly” in them, as compared to ones that do

not. It goes without saying that a candidate needs to include more of a written response on questions without the word “briefly” preceding the action verb than they do when this adverb is present. The point values for such questions (with and without the word “briefly”) should also be cues as to how much information a candidate needs to provide for full credit.

Like most actuarial candidates, you typically get advice about not needing to answer essay questions in complete sentences, as long as you get the “buzz” words down. Before you adhere to this advice, please pay close attention to the action verb and if it does *not* have the word “briefly” in front of it, just putting down buzz words and little wording will most likely result in less than full credit being provided for the response.

Listed below are two appropriate responses to a hypothetical essay question distinguished with the word “briefly”:

Question: Briefly explain why the sky appears blue (1 point).

Response: A clear cloudless day-time sky is blue because molecules in the air scatter blue light from the sun more than they scatter red light.

Question: Explain why the sky appears blue (2 points).

Response: The blue color of the sky is due to Rayleigh scattering. As light moves through the atmosphere, most of the longer wavelengths pass straight through. Little of the red, orange, and yellow light is affected by the air. However, much of the shorter wavelength light is absorbed by the gas molecules. The absorbed blue light is then radiated in different directions. It gets scattered all around the sky. Whichever direction you look, some of this scattered blue light reaches you. Since you see the blue light from everywhere overhead, the sky looks blue.

Even though the above examples use full sentences, bullet

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from page 3

points for list or short phrases are still acceptable for many questions.

When every half or quarter point counts, take this more prudent advice:

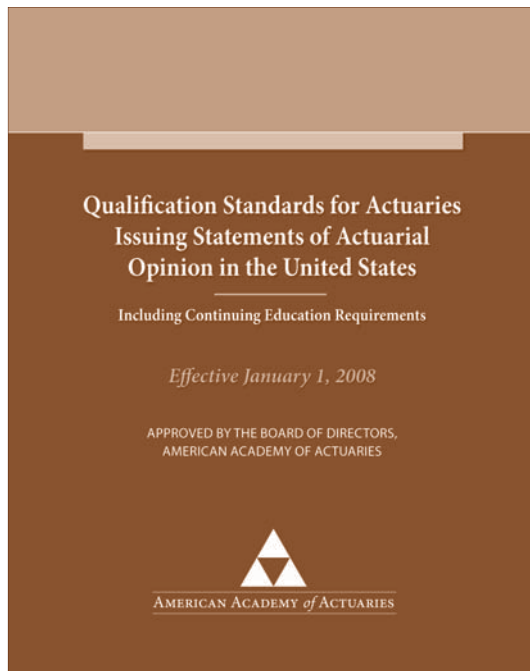
Look carefully at the question and then answer the question as asked using the adverbs and point values in the question as cues as to how much information to include to receive maximum credit. When in doubt, more information is better. This will improve your chances of scoring more points on a particular question, and ultimately increase your chances of passing the exam. 📖



Updated Qualification Standards

By Timothy K. Pollis, FCAS, Candidate Liaison Committee

The American Academy of Actuaries (AAA) recently published updated qualification standards, unambiguously entitled “Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States,” to go into effect January 1, 2008. The CAS abides by the AAA standards, and the CAS Code of Professional Conduct Precept 2 restricts an actuary to only perform services he or she is qualified to perform.



While we purposely leave out some details from this article to leave plenty of reasons for the reader to check out the original document itself at <http://www.actuary.org/qualstandards/index.asp>, the main questions we will address here are:

1. To whom do the standards apply?
2. What is a “Statement of Actuarial Opinion” (SAO)?
3. What does it mean to be “qualified”?

The new qualification standards apply to nearly any actuary who produces actuarial reports, so this could include pricing as well as reserving actuaries, as well as any “non-traditional” actuary producing actuarial reports. This definition is far more broadly applicable than to the relatively few Appointed Actuaries signing loss reserve Statements of Actuarial Opinion at year-end. To understand why that is the case, let us more clearly explain what the qualification standards document considers to be an SAO.

In previous versions of the Qualification Standards, the Statements of Actuarial Opinions Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves would be called “prescribed” SAOs (or “PSAOs”), and the qualification standards only applied to Appointed Actuaries signing PSAOs. (This is likely the image conjured when one thinks of an SAO.)

The new standards apply to “any opinion expressed by an actuary in the course of performing Actuarial Services and intended by that actuary to be relied upon” by the entity to which the opinion is addressed. This extends the requirements for maintaining qualifications far beyond those who would issue SAOs in support of an NAIC Annual Statement (or some other form of regulatory

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compliance). For example, it seems as though a report you (an actuary) prepare for your supervising actuary (your client) would be an SAO, assuming your supervisor relies on the work and it is actuarial. The AAA report contains an appendix listing a number of likely communications and identifies them as definitely being SAO's or possibly "containing" SAOs.

So, what does it mean to be "qualified"? There are "General" and "Specific" qualification standards. Each of these has three main components: "Basic Education," "Experience," and "Continuing Education."

For the General qualifications, candidates will be relieved to know that the exams they take essentially fulfill the "Basic Education" requirement. Satisfying the requirement is accomplished through membership in the CAS as well as a demonstrated knowledge of the Code of Professional Conduct applicable to SAOs.

work, etc. For example, a team lunch to discuss professional issues with no one from outside the company would not seem to qualify, as other organizations are not present. (Thus, the meeting needn't be a CAS meeting, as any local, Web-based, or similar meeting with professionals from different organizations satisfies the requirement. An exam prep seminar would seem to satisfy it, as long as one outsider was there.) Other activities includes many things, from the easily accomplished reading a professional journal to the harder to accomplish writing a paper for a professional journal, composing questions for an exam or grading an actuarial exam to studying for actuarial exams, listening to a tape of an actuarial meeting to preparing to be one of the speakers at the meeting on that tape. It is likely that candidates who earn their letters through the exam process have satisfied the CE requirements by way of their preparation for

“So, what does it mean to be ‘qualified’?”


For "Experience," the opining actuary should have three (3) years of "responsible" actuarial experience in the area relevant to the subject of the SAO. This experience should have been under the review of an actuary who was qualified under the standards in effect at the time the reviewing took place. There is no mention of the required qualifications of the actuary who reviewed the reviewing actuary, perhaps in the interest of tree preservation. (However, the actuarial profession does have a finite history, dating back only to the mid to late 1600s. We offer no comment on the qualifications met by the earliest practitioners.)


"Continuing Education" (CE) has many nuances and details. The requirement will be for thirty (30) hours of "relevant" CE each year, with at least three (3) hours on professionalism topics, and at least six (6) "organized" (defined in a bit). These must be earned in the year before the SAO is issued. CE credits have a shelf life of one year, and excess hours can be carried over one year. Activities that are not "organized" are labeled "other activities," in an overt effort to afford them more respect than "disorganized" or "not organized" would provide. As it was in college, an hour is, naturally, 50 minutes long. "Relevant" means the information broadens (or deepens!) understanding of the work the actuary does or related disciplines that bear on the work an actuary does, or facilitates entry to a new area of practice. Organized activities involve meeting and working with professionals working with different organizations, such as conferences (CAS or other), Webcasts, relevant committee

the exams in the past year.

The Specific qualifications require more on top of the General qualifications, and pertain to being qualified to issue a PSAO in support of an NAIC annual statement. The main difference is that the required continuing education (which counts towards the General qualifications) needs to be more relevant to the issues relating to the PSAO: policy forms and coverages, ratemaking principles, statutory accounting, reserves (premium, loss, and expense), and reinsurance.

In addition to the standards above, the full report contains a few other useful items. It outlines what an actuary must do to be qualified in a new practice area, or in a non-traditional or emerging area of actuarial practice. You can find the boilerplate language used to declare yourself qualified ("I, state your name, ..."). You can also learn how recordkeeping (for things like continuing education) is the responsibility of the actuary, how long records should be kept, and how often you should be ready to show the records.

The details can be dizzying, and you can be sure that many of them have been left out of this article. Use the link provided to get the full report. You have worked too hard on exams to get to the end and someday finding yourself unqualified, and being familiar with the requirements is an important first step. 



Implementing the CAS Code of Professional Ethics for Candidates

By Mark Larson, Candidate Representative to the CAS Candidate Liaison Committee

When this article is printed many of us will be eagerly (or reluctantly) awaiting exam results. Regardless of whether I pass or not, I still have more exams to pass before achieving Associateship. This means that I will agree to abide by the CAS Code of Professional Ethics for Candidates when I register for my next exam.


Beginning with the 2008 exams, candidates who register for a CAS-specific exam will be required to sign a statement on the application form to agree to abide by the terms and conditions of the Code. The Code allows the CAS to require ethical behavior as a precursor to achieving an official CAS designation. As such, the achieved designation will represent thorough actuarial knowledge and an adherence to ethical guidelines.

Candidates will be responsible to adhere to the Code until the Associateship or Fellowship designation with the CAS (whichever comes first) is achieved. At that point, the more detailed CAS Code of Professional Conduct will supersede the CAS Code of Professional Ethics for Candidates.

Individuals who have passed exams, are not Associates or Fellows, and do not take an exam in 2008 or later, will not be bound by the Code (i.e., the Code is not retroactive). So, if you are registering for an exam this next sitting, be sure to take some time to familiarize yourself with the code and how it applies to your work and profession.

The Code of Professional Ethics for Candidates includes seven rules:

1. An Actuarial Candidate shall act honestly, with integrity and competence, to uphold the reputation of the actuarial profession.
2. An Actuarial Candidate shall not engage in any professional conduct involving dishonesty, fraud, deceit, or misrepresentation, or commit any act that reflects adversely on the actuarial profession.
3. An Actuarial Candidate shall perform Actuarial Services with courtesy and professional respect and shall cooperate with others in the Principal's interest.
4. An Actuarial Candidate shall adhere to the CAS Policy on Examination Discipline.
5. Actuarial Candidates are not authorized to use membership designations of the CAS until they are admitted to membership by the CAS Executive Council.
6. An Actuarial Candidate shall not disclose to another party any confidential information unless authorized to do so by the Principal or required to do so by law, statute, or regulation. Confidential information includes information of a proprietary nature and information that is legally restricted from circulation.
7. An Actuarial Candidate shall respond promptly, truthfully, and fully to any request for information by, and cooperate fully with, appropriate counseling and disciplinary body of the CAS in connection with any disciplinary, counseling or other proceeding of such body relating to the Candidate Code. The Actuarial Candidate's responsibility to respond shall be subject to applicable restrictions listed in Rule 6 and those imposed by law, statute, or regulation.

Disciplinary procedures for the Code of Ethics will be similar to that of the CAS Code of Professional Conduct. Rules of Procedure for Disciplinary Actions Involving Candidates and the complete Code are available in the "Admissions/Exams" section of the CAS Web Site. 

Resources & Reminders

The “Admissions/Exams” section of the CAS Web Site includes:

- CAS *Syllabus of Basic Education* and updates
- “Notice of Examinations”
- “Verify Candidate Exam Status” to confirm that joint exams and VEE credits are properly recorded
- CAS Regional Affiliates have their own section on the CAS Web Site
- Feedback button to the Candidate Liaison Committee

If you have not received a confirmation of your registration for Exams 3L and 5-9 two weeks prior to the registration deadline, please contact the CAS Office.

Remember your Candidate Number! 

Candidate Liaison Committee Mission

The Candidate Liaison Committee communicates with CAS candidates, collectively and individually, who are taking CAS examinations. The committee informs candidates as to appropriate courses of action available to them. Through periodic communication, this committee informs candidates of results of examination administrations, actions taken on complaints received regarding examination questions, and reasons for syllabus and examination changes being implemented. Communication encompasses existing policies and procedures as well as changes being considered. The committee should advise the CAS and its committees of the interests of the candidates regarding matters that come before the CAS and its committees. Candidates may contact the Candidate Liaison Committee at the CAS Office address. The Casualty Actuarial Society is not responsible for statements or opinions expressed in the articles, discussions, or letters printed in *Future Fellows*.



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Vendor Links

The CAS provides vendor information on review seminars and study aids as a service to its candidates. The CAS takes no responsibility for the accuracy or quality of the seminars and study aids announced in *Future Fellows*. 

Actex Publications/Mad River Books:
<http://www.actexamdriver.com>
Exams 1, 2, 3, 4, 7, 8

The Actuarial Bookstore
<http://www.actuarialbookstore.com>
Exams 1, 2, 3, 4, 5, 7, 8

All IO, Inc.:
<http://www.allio.com/>
Exams 5, 7, 8

A.S.M.
<http://www.studymanuals.com/>
Exams 1, 2, 3, 4

Austin Actuarial Seminars
<http://www.actuarialseminars.com>
Exams 3L, 4

BPP Professional Education
<http://www.bpp.com/>
Exams 1, 2, 3F, 3L, 4

CAMAR Actuarial Review Seminars
<http://sbm.temple.edu/actsci-seminars/>
Exams 3, 4

Casualty Study Manuals
<http://www.csmanuals.com>
Exams 1, 2, 3, 4, 5, 7, 8

G.V. Ramanathan Actuarial
Exam Preparation Courses
<http://www.actuaralexamprep.us/>
Exam 1

Illinois State University Actuarial Program
<http://www.math.ilstu.edu/actuary/prepcourses.html>
Exams 1, 2

Midwestern Actuarial Forum
<http://www.casact.org/affiliates/maf/>
Exam 3

New England Actuarial Seminars
www.neas-seminars.com/misc/
Exams 2, 3, 4, 5, 7, 8

Professor Sam Broverman
www.sambroverman.com
Exams 2, 4

Slide Rule Books
<http://www.sliderulebooks.com>
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