

# Future FELLOWS

June 2010, Volume 16, No. 2



## 2011 Education Structure Update

### “Modules” Change Names to “Courses”

**T**he two Internet requirements that were announced as part of the new basic education structure were referred to as “modules.” The name, however, is being changed to “courses.”

The change is being made for consistency with courses offered by the American Institute for Chartered Property Casualty Underwriters (AICPCU), which is developing the Internet courses for the CAS. In the AICPCU structure, modules are components (chapters) of a course. Therefore, each Internet course will consist of a series of modules.

Course 1, Risk Management and Insurance Operations, and Course 2, Insurance Accounting, Coverage Analysis, Insurance Law, and Insurance Regulation, are scheduled to be available by January 1, 2011.

In the current drafts, each course has 17 or 18 assignments. It is anticipated that each as-

signment would take approximately four to five hours to complete.

The assessment for each course will consist of 75 multiple-choice questions administered in a two-hour computer-based test (CBT). The tests will be available by appointment in four two-month windows during the year with an expected starting date of April 15, 2011.

The fee for each course is expected to be approximately \$500. The fee will include both the Internet course and the examination. If a candidate does not pass the assessment, there would be a retake fee of approximately \$295.

Both courses are specifically designed to be delivered online. As a supplement, however, a printed textbook that includes content identical to that which is online may be purchased separately from AICPCU. [f](#)

## Update on Future Education Methods

*By Timothy K. Pollis, FCAS, Chairperson, Candidate Liaison Committee*

**I**n the last *Future Fellows*, the Candidate Liaison Committee (CLC) discussed the status of the proposed Future Education Methods (FEM) in advance of the March CAS Board of Directors’ meeting, where it was to be discussed. The CLC also announced plans to survey CAS candidates to solicit feedback on the proposal, which we did. We shared the results with the Board, and intended to share the results with candidates as well.

At the March CAS Board meeting, the Board

agreed that the CAS would not pursue a partnership with the Canadian Institute of Actuaries (CIA) in establishing and administering the program. The CAS Board did adopt a resolution that would allow the CAS to grant waivers for CAS exams to those who have been granted credit by the CIA, subject to review and recommendation of the Education Policy Committee and the Executive Council.

On the possible granting of waivers, CIA President Robert Howard, speaking at the 2010

⇒ turn to page 3

### DATES TO REMEMBER

#### EXAM REGISTRATION DEADLINES

Exam 1/P July/August  
Test Window  
**June 15, 2010**

Exams 4/C August  
Test Window  
**June 29, 2010**

Exam 2/FM August  
Test Window  
**July 8, 2010**

#### REFUND DEADLINES

Exam 1/P July/August  
Test Window  
**July 26, 2010** and cancellation of appointment by noon of the second business day before test appointment

Exams 4/C August  
Test Window  
**August 9, 2010** and cancellation of appointment by noon of the second business day before test appointment

Exam 2/FM August  
Test Window  
**August 18, 2010** and cancellation of appointment by noon of the second business day before test appointment

#### CAS SEMINARS AND MEETINGS

PREDICTIVE MODELING LIMITED  
ATTENDANCE SEMINAR  
August 11-12, 2010  
Chicago, Illinois

ENTERPRISE RISK MANAGEMENT  
ONLINE COURSE  
September 10-27, 2010

# Words, Words, Words

## Tips on preparing for and taking the upper-level exams

By Vania Gillette, Candidate Representative to the Candidate Liaison Committee

Candidates taking the upper-level exams often find challenges different from those of the preliminary exams. The biggest is the shift from memorizing and manipulating mathematical formulas and equations to reading papers and answering essay questions. Here are some tips to help you prepare for the language-heavy, upper-level, actuarial exams.

### Preparation

The best way to eliminate test anxiety and ensure success on an exam is to have adequate preparation. A unique challenge to actuarial exams, however, is that the majority of the preparation is self-teaching. The ancient Greeks said, “Know thyself.” It is crucial to be able to honestly evaluate and manage your own knowledge and understanding to be successful with this type of learning.

One useful study technique is a three-pass system for learning the material. The first pass is a quick skim. Pass two is to read through all the material while writing only the overarching concepts in your own words. The final pass is to flesh out your notes, process the details, and make connections between concepts.

Before reading a paper or section of text, scan the section for titles, headings, subheadings, and topic sentences to get the general idea, paying attention to graphs, charts, and diagrams. Read the summary at the end of the paper or chapter. Look for leading questions and exercises at the beginning and the end.

After the initial skim, slowly, one section at a time, read through the entire material for the main ideas. Read to get a general understanding of the material. Don't worry if you have to read more slowly than you would a novel. Technical reading is challenging and requires more careful processing. Although it is tempting, do not take detailed notes at this time, but rather focus on understanding the material. Taking notes at this point is not an efficient technique: You are likely to take down too much information and simply copy without understanding. Read for what you do understand, and to determine difficulty. If you do not understand a section, mark it to review in the last pass. As you complete each section or paper, paraphrase and write down just the main ideas in your own words without looking at the source material. Putting the information in your own words forces you to become actively involved with the material.

Once you have the main concepts down, it is time to really focus on self-teaching and be the master of your own learning. Re-read the material to fill in the details and build on the main

ideas you wrote down in the second pass. Use active learning strategies for this revision. Look up words whose meanings are important for your understanding, but which you cannot discern from the context. Ask yourself: What are the main ideas of the paper? What is the paper trying to teach me? How are topics connected? Tie ideas together—use visual memory aids, e.g., mind maps, flow charts, diagrams, pictures, etc. Colors are particularly helpful to stimulate memory.

In this final pass through the material, the most effective way to spend each study hour is to devote as little time as possible to reading and as much time as possible to testing yourself, reviewing, organizing, relating the concepts and facts, mastering the technical terms, formulas, etc., and considering the applications of the concepts. In short, spend your time learning ideas, not just processing words visually. As you build your notes, ask exam-type questions. Good reading involves selecting those sections that are relevant to your purpose. Rather than automatically re-reading, stop frequently to quiz yourself on the material you have just read and then review those sections that are still unclear or confusing to you.

### Practice Exams

In the last three of four weeks before the exam, use practice exams to simulate the exam experience as closely as possible. Set up a clean, distraction-free space and allow plenty of uninterrupted time.

When you take the practice exams, develop a plan for how you will answer the questions. One strategy is to determine a time limit for each point and stick to it. If there are 80 points on the four-hour exam, allow yourself about two and a half minutes for each point, leaving time for review at the end. When the time is up for one question, move on to the next question. You can finish incomplete answers during the review time.

Practice writing legibly during the practice exams. Good handwriting is important. If your cursive writing is hard to read, try printing instead. You want to make it as easy as possible for the grader to give you points on the actual exam. Complete paragraphs are generally not necessary. Practice writing answers in outline form or brief bullet points.

### Exam Time

Finally you are ready to take the exam. This is your opportunity to shine and show how much you have learned. During the exam sitting, use each time segment to your best advantage.

Use the reading period to read the directions and questions

⇒ turn to page 3

# Update on Future Education Methods

from page 1

CAS Leadership Meeting, said, “We are not going to implement FEM unless we are convinced that the quality of candidates will be at least as good as with the exams. If we go ahead, we expect to be able to show you that the quality is good. We don’t expect you to give our candidates credit unless you are comfortable with our system.”

The reasons cited for the decision include:

1. Adequate member and candidate support for the proposal is lacking;
2. Acknowledgement that the Canadian university system and Actuarial Science programs are fewer and different from those in the U.S.; and
3. Allowing the possibility of waivers for CIA candidates is consistent with how the CAS treats exam credit earned via university courses with certain established actuarial societies in the rest of the world.

The CLC surveyed 200 candidates (nonmembers) from the Fall 2009 exams. After two weeks we had received responses from 143 candidates. Some questions allowed for splitting results to identify specific pockets of stronger than normal opinion. This includes number of exams (0-3, 4-6, 7+), location (U.S., Canada, other), and study of actuarial science in university.

While the total survey and results are too long to show in this space, we encourage readers to explore the complete survey sum-

mary and analysis at [http://www.casact.org/admissions/reports/FEM\\_CLC\\_Survey.pdf](http://www.casact.org/admissions/reports/FEM_CLC_Survey.pdf).

While we strongly encourage readers to view the entire summary to keep responses in context, general candidate support for the program (and submitted comments) could be summarized with the following (numbers correspond to survey question):

6. If the CAS were to implement an exam exemption process ONLY for accredited schools that have an actuarial program... (part b) The actuarial profession would be less attractive to students who did not major in actuarial science. **(76% agree/ 13% disagree/ 11% not sure)**
7. Do you believe that an appropriately controlled process for allowing exam exemptions would improve the CAS Basic Education system? **(Yes 21%/ No 62%/ Not Sure 17%)**
8. If appropriate controls can be put in place to ensure equivalent rigor to the current exam CAS Basic Education system, do you believe the CAS should implement a process for allowing exam exemptions? **(Yes 27%/ No 61%/ Not Sure 12%)**

In summary, we conclude that the majority of candidates do not support the FEM proposal as presented. Thanks to those who participated and the CAS for seeking the opinion of candidates on the issue. **ff**

## Words, Words, Words

from page 2

carefully. This is the time to strategize. How many points is each question worth? Pay attention to how the question is phrased, and key words such as “list,” “describe,” “fully describe,” “outline,” etc. The point values and key words have special meaning and can give you clues on what type of answer is expected. A particularly useful article is “The Importance of Adverbs on Exams” by Steven D. Armstrong, FCAS (*Future Fellows*, December 2009). Mentally note the questions you can answer quickly. To boost your confidence, plan to do these questions first. Many candidates use the reading period to designate some questions as “extra,” i.e., they’ll only attempt them if there is extra time at the end. You might decide that a question shouldn’t even be attempted, i.e., if the point value isn’t very high, time is short, or the question requires long, complicated calculations.

As you work through the exam, answers for some questions will come to mind immediately. Write those down as well as key words, listings, formulas, etc, while they are fresh in your mind. Use as much of the exam time as possible for writing answers. If a question is too

hard or the answer seems to have slipped from your mind, move on and come back to it later.

In the last 20 to 30 minutes of the exam time, go back through the exam, complete any incomplete questions. Be sure to allow time to go over all the questions. Not enough time? Outline the answer, jot down a formula, add a quick sentence. Should you write down something for every question? It is generally better to write down something for every question than it is to do an exceptional job on some and not have enough time to do others. Six incomplete answers will often receive more credit than three overly complete ones. However, because of the tight time constraint, if you really don’t know the answer to a question, it is probably best to leave it blank and focus on questions that you can answer.

With adequate preparation, honest awareness of your own learning and effective test taking strategies, you can guide yourself to success with the upper-level exams. Enjoy the process and the challenge! **ff**


## Playing Catch-up

from page 6

on a social level, but also to network and learn about other areas in your company.

Adjusting to having a younger supervisor has many similarities to adjusting to having younger peers. It can also create a unique set of challenges, however, for both the worker and the supervisor. Much has been written on this topic (and this paragraph certainly is not intended to cover it thoroughly), but some anecdotal observations and experiences are worthwhile. Some examples of potential problems could include supervisors that are concerned that the older worker may be difficult to work with or resistant to take direction from someone who is younger. Conversely, the older worker might

be concerned that their manager may be more reserved in their actions, or resistant to give too much direction, which could slow their development in their job. Those who mentioned having younger managers commented that while they might have been a little apprehensive or unsure at first, they ended up having great working relationships with their younger managers. They felt that a little respect and patience in both directions can go a long way.

Settling in to a new career can take some time. There will likely be some challenges and frustrations along the way. With some patience and determination, however, achieving the goal is well worth all of the effort. 

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# Predictably Irrational, a Predictable Book with Useful Lessons

Review By Amy Green and Justin Panther: Candidate Representatives to the Candidate Liaison Committee

**P**op Quiz: Would you rather rip off a band-aid quickly and endure a sharp, but short-lived pain, or slowly peel it back? This exact question was the inspiration for Dan Ariely's research that culminated in his book, *Predictably Irrational*. Ariely himself was long ago the victim of an injury which called for full-body bandages to be changed daily (admittedly much worse than a typical Band-Aid wound!). This injury, however, led him to many theoretical questions which Ariely chose to address through behavioral experiments and research. (Don't worry, though – the bandage research was completed through surveys, not experiments: OUCH!)

The book reads easily, and Ariely entertains with various anecdotes and experiments. These examples lead seamlessly to the inductions within each chapter. While the book cannot be described as groundbreaking (in reality, most of the conclusions are common sense), there are some intriguing findings that tie in quite naturally to the actuarial exam process.

For example, Ariely points out that CEO compensation, once made public, moved in the opposite direction of what most people expected—it skyrocketed. Each CEO looked at his peers' pay and demanded greater compensation. Before this knowledge became public, however, the CEOs were seemingly content with their level of compensation. The same idea can be translated to the exam process. Any actuarial candidate who has had the unpleasant experience of being informed by their coworker the very specific, impossibly large amount of time that the coworker has spent studying knows the resulting thought process: "Oh no, I didn't study enough, I am going to fail." The most important factor in this situation, however, is the level of understanding rather than the sheer number of hours studied. Much like the CEOs, if you are happy with your progress, you shouldn't let other people negatively affect that contentment!

Another idea that ties into the study process is discussed in the chapter on the cost of social norms. It is stated that people do not want to do things if they are paid to do them. So, if someone helps discuss or explain a particularly difficult paper with you, do not offer to pay them for their time. This act could actually deter them from helping others in the future.

Instead, bring a gift or simply thank them profusely—but leave money out of the equation.


An additional concept that relates to the exam process can be found in the chapter on "keeping doors open." In contrast to many popular adages, Ariely emphasizes the importance of actually closing doors. He argues that making a decision, even if it is not the optimal one, is better than wasting time, energy, and resources continuing the debate. So, for an actuarial candidate spending excessive time deciding on a study schedule, study guide, or which exam to take, just choose—you could be studying already!

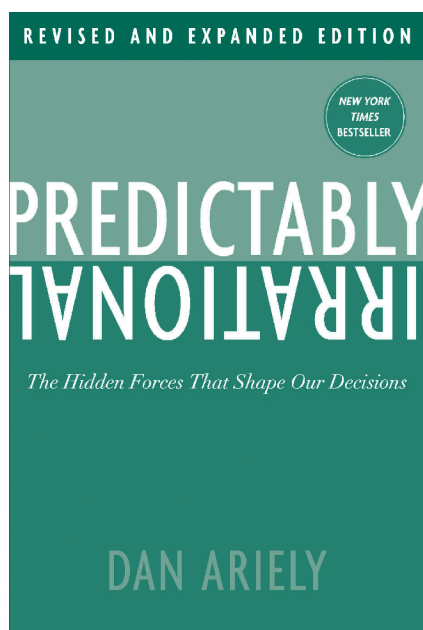
Perhaps the most useful connection between *Predictably Irrational* and the actuarial exam process is the chapter on procrastination. The experiment presented shows that people do

best (perform at the highest level) when they set intermediate deadlines leading up to an "ultimate" deadline. These deadlines work best when there are actionable repercussions for not meeting them. For those with a study group, this may mean that someone who has not reviewed a paper prior to the study session will be excluded from participating. Even if you are not in a study group, you can always ask a friend or spouse to check on your progress. Then, if you haven't met your goals, they can deny you something you enjoy, such as going out to eat or seeing a movie. In this way, you will be kept on track more effectively—making exam day much more friendly.

The remaining chapters in *Predictably Irrational* are amusing, but by no means revolutionary. It is recommended for ad-

ditional exposure to behavioral economics, but there is only a loose connection between these chapters and the actuarial career path, beyond those that have already been mentioned.

Now you might still be wondering: "But what about the bandages?" Although most patients preferred to have them removed slowly, the hospital nurses suggested that *their* psychological pain was reduced when the task was completed more quickly. So the last lesson from this book is to lessen your own pain by studying early, and over a longer period of time, instead of cramming. Also, try to be kind to your friends, and keep your complaining to a minimum—after all, you are not the only one experiencing pain this exam season! 



## Changing Careers

# Playing Catch-up

By Mark Taber, Candidate Representative to the Candidate Liaison Committee

**P**lenty of challenges await any person who changes careers. These challenges can often be put into one of two categories; job-related and social. Examples of social challenges include having younger peers (or maybe adjusting to a younger supervisor) or dealing with a new work culture. Examples of job-related challenges include having to learn a new work vocabulary in order to effectively communicate with your business partners or recognizing that you have to adjust from being an expert in your former career to being inexperienced in your new one. Throw in studying for, taking, and (hopefully) passing exams and the adjustment period that normally accompanies changing careers is likely to be lengthened. If you have recently changed careers and started down the path of becoming an actuary, you are likely going through, or will go through, one or more of these situations. The following is a collection of thoughts and ideas from discussions with some peers and coworkers about their experiences with these challenges, and how they dealt with them.

In regards to the exam process, one recurring topic of discussion was the pressure (mostly self-imposed) to play “catch up.” Many actuarial candidates have taken classes in college that are geared toward the preliminary exams and therefore are likely to have already passed multiple exams and satisfied the

VEE requirements prior to graduating from college. Another common subject discussed was the difficulty to get back into “study mode” after having been out of college for a period of time. Because of these circumstances however, one coworker felt that the ability to overcome these disadvantages early in the exam process gave them the confidence that they would experience continued success once they reached upper-level exams.

While exams take up plenty of attention early in an actuarial career, adjusting to the new work environment was often cited as a more difficult adjustment when changing careers. One coworker mentioned that, at first, it was a challenge to relate to coworkers that were so much younger and had fewer life experiences—that they were just in a different point in life with different priorities and motivations. Many younger peers were just getting married and starting a family while they already have children in high school. Being in socially different places can create some feelings of isolation. One suggestion to help better connect with co-workers was to volunteer with nonactuarial committees in the company; planning luncheons, company outings, etc. This will create opportunities to not only connect with others in the company

⇒ turn to page 4





# Resources & Reminders

The CAS Web Site is a valuable resource that 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
- "Looking at the Exam Process" series
- Feedback button to the Candidate Liaison Committee
- CAS Regional Affiliates news

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!**

## Plan Ahead: Schedule of New Exams in 2011

Starting in 2011, the upper-level exams will be offered as follows:

- Spring: Exams 5, 7, and 9
- Fall: Exams 6-Canada, 6-U.S., and 8

Please make a note of it.

### 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*. Please note that candidates are expected to read the material cited in the *Syllabus* and to use other material as a complement to the primary sources rather than a substitution for them. **ff**

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<http://www.actexamdriver.com/>  
Exams 1, 2, 3F, 3L, 4, 5, 6, 7, 8, 9

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

The Infinite Actuary  
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Midwestern Actuarial Forum  
<http://www.casact.org/affiliates/maf/>  
Exam 3F, 3L, 9

New England Actuarial Seminars  
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