

Actuarial Exams

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How Actuarial exams are different

- Very high standards
 - Self preparation plays major role, lack of classroom training
 - Practical questions are asked
 - Study and work together
 - Requires a lot more hard work and time management
 - Enough Incentives
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Time table for preparation

Nov - Jan	Study Core Reading, Q&A
Feb	Revision, X series
March - Apr	Attempt previous exam questions/Mock Exam

- NEVER wait for exam results to start preparation
 - Start early - Preparation intensity will increase naturally
 - Prepare weekly time schedule
 - Prepare milestones
 - Ask someone to keep a check on you
 - Never leave a chapter untouched for long
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Making Notes

- For each chapter (Much like summary in core reading)
 - Should be brief
 - Easily re-collectable
 - Extendable as you read through past papers etc.
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Making Notes (Snapshot of a chapter)

Capital	Asset Share
Why raise capital	Use of Asset Share
Sources of capital	Asset share calculation
Why do solvency projections	Asset share philosophy
Uses of capital	Investment return used in asset shares
Methods of improving capital position	Base asset share
Issues of Inherited estate	Surrender profits
Distributing estate	Profits from w/o profits business
Financial Reinsurance	Shadow Fund

Use of Acronyms

CONTRACT DESIGN	
A	Admin systems
M	Marketing
P	Profitability
L	Level and form of benefits
E	Early leaver benefits
D	Discretionary benefits
I	Interest and need of customers
R	Risk characteristics
E	Expenses vs Charges
C	Competition
T	Terms and Conditions
F	Financing Requirements
A	Accounting requirements
C	Consistency
T	Timing of premiums
O	Onerousness of guarantees
R	regulatory requirements
S	Subsidies

Mock Exam

- At least 20 days before the exam
 - With full preparation
 - Practice under the same stress condition
 - Study your failures in detail and understand why they happened
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During Exam

- Reading time is important
 - Attempt first the questions you know best
 - Mark the order in which you'd like to attempt the paper
 - Number of marks $\times 1.8$ = Minutes to be allotted
 - Try to attempt full 100 !!
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Attempting an essay type question (1/2)

- Underline the important points in the question
- Do not give general answers
- Think of chapters it relates to and recollect the snapshot
- Note down briefly the points you wish to cover before answering

Discuss an approach	Advantages & Disadvantages both
Discuss on two methods	Similarities & Differences
Discuss on suggestion	<ul style="list-style-type: none">- Why suggestion has been made?- Does it serve the purpose?- Alternatives?

Attempting an essay type question (2/2)

Over the last few years the mortality experience of a life insurance company writing unit linked and traditional endowment products has been much better than assumed in the product pricing. The pricing actuary commented in the management meeting that the better mortality experience would mean that the company would have made more profit than it is expected to make. The Chief Distribution Officer does not agree to this and counters the argument saying that the better mortality experience could mean that our underwriting standards are very stringent. Therefore we may have lost business to competition that may have more liberal underwriting standards. So though the mortality profit may be higher than expected it may not be able to compensate for the loss in margins on additional new business.

The CEO has requested the Pricing Actuary to carry out an analysis to analyze the impact on business and address the CDO's query.

- a) Describe how you would carry out the analysis?
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Summarize

- Prepare well in advance
- Stick to the time table
- Notes and acronyms are handy
- Practice and Practice !!

“The more you sweat in practice, the less you bleed in war”

Thank You
