

November 1, 2011

How to Pass the Multiple-Choice Actuarial Exams

Studying Advice for Actuarial Students

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General Note

Each actuarial exam is multifaceted. To reflect that, it's important to study the material using various approaches. Utilize different ways of preparation available to you. If there is a class offered within an actuarial program at a university, take it. If there is a study group working on the same exam, join it. Different people (other students, professors, as well as authors of the manuals you study) have different perspectives on the material. Working with them, studying their work and listening to them will enrich your understanding. However, do keep the balance between working with others versus working by yourself. Most of the work you'll do preparing for an exam will be studying on your own.

Steps to Increase Your Chances of Passing

Following are steps that I've found helpful in passing the multiple-choice actuarial exams.

1. Start studying for the exam early: five, six months in advance. Earlier, if possible. It is better to study a little regularly for a long time than to study a lot during a few short weeks before the test. Naturally, your preparation intensity will increase in the next few months before the test.
2. Approach each study session calmly, quietly, almost prayerfully. Concentrate on the task at hand. Do not dwell on what will happen or what happened last time you took the test. Be in the moment.
3. Go through a manual and/or class, studying the theory and solving problems in each section.
4. Study the solutions carefully, even if you've solved the problem. It may show you a different (maybe a shorter, maybe a smarter) approach. Be patient.
5. Go through as many practice exams as you can get your hands on and as your time permits. Good resources include old exams published on the SOA website, practice tests at the end of your manual, practice tests from other manuals for the same exam, and tests offered through Web-based tools such as Coaching Actuaries.
6. Practice taking each exam under the exam conditions, i.e., find a block of time when you won't be interrupted. If you do get interrupted, note the time when you stopped and return to the test later, allowing yourself the remainder of the allotted time.
7. The first time you take a practice exam, expect to get through only half of the problems or so, maybe less. That's OK. You will get faster and more confident.
8. Note how many problems you've completed when the time you've allowed for the test is over. Take a break if you need to; then finish the test.

9. Grade yourself. Be patient. It is normal to get a low score at the beginning, even if you've done your preparatory work diligently and conscientiously.
10. Go through all the solutions carefully. Note the different takes/approaches to each problem. Choose the one that works for you.
11. Initially, expect to spend the whole day working on each practice test.
12. After getting through all the practice exams you have, go through them again until you feel that your speed and work accuracy has increased.

By the end of this process you'll be very familiar with the basic types of problems asked by the Examination Committee and have substantially increased the chances that you will get a passing score on the exam.

Practical Issues on the Day of the Exam and a Few Preceding Days

Taking an exam is both physically and psychologically demanding. Eliminate unnecessary stress during the few days preceding the exam. For example, take several days off work and focus on practice tests. Stick to your normal sleeping and eating schedule. Exercise. Drink plenty of water. The day before the test, drive to the test site to make sure you are familiar with the route for the morning ahead. Figure out how parking will work. If possible, take several tests in the actual room where the test will be administered. If the test site is far away from your home, consider staying in the nearby hotel the night before the test. This will make your commute in the morning much shorter and allow you more rest beforehand. Do not study all night before the test. Take an evening off, if you'd like. The amount of work you've done during the preceding several months should be more than enough to allow you to pass.

The Unthinkable

OK, you've worked extremely hard, and still the unthinkable happens: you don't pass. Do not despair. Be patient. These aren't easy exams. Understand that a passing rate for an actuarial exam could go as low as 30 percent. It is usually less than 50 percent. This means the majority of candidates who studied just as hard as you did and who are just as intelligent and capable as you are did not pass. Actuarial exams are hard, but any determined student with the right work ethics and discipline can pass them.

Remember: Everything you've studied so far will only help you on your next preparation journey. Respect yourself and the work you've done. You've laid a good foundation. Now, you simply need to strengthen it. Study the material using another manual. Discover more practice exams. This should cast a different light on the same material and will deepen your understanding even further. Believe in yourself.

Other Sources

If possible, talk to people who recently passed the exam you are taking. Their boots-on-the-ground advice can be invaluable.

In addition, there are hundreds of articles related to how best prepare for an actuarial exam.

Here are a few links you could follow:

<http://www.soa.org/Library/Newsletters/The-Future-Actuary/2007/Summer/toc.aspx>

<http://math.illinoisstate.edu/krzysio/pass.html>

Internet search engines are your friends, but be sure to look at recent material first as the actuarial exams change over time.