



Rising in the Actuarial Profession through the CAS

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www.casact.org



Outline

- What is an Actuary?
- What skills are needed to be an Actuary?
- How does someone become an Actuary?
- What do Non-Life Actuaries do?
- Casualty Actuarial Society



What is an Actuary?

- A business professional who deals with financial impact or risk and uncertainty
- Analyzes, manages and measures the financial implications of future risk
- Develops and validates models and communicate results to guide decision making



What Skills are Needed?

- Keen analytical, project management and problem solving skills
- Good business sense
- Solid communication skills (oral & written)
- Strong computer skills
- Knowledge of math and finance



Areas of Work

- Insurance Industry
 - Property and casualty (P&C)
 - Life and annuities
- Employee Benefit Industry
 - Retirement benefits
 - Health benefits
 - Social Security
- Financial Services Industry
 - Banks, investing, risk management
 - Mergers & Acquisitions



Typical Actuarial Projects

- Life Insurance: Designing and pricing life insurance products.
- Property & Casualty: Estimating the amount of money to be set aside for insurance claims that have not been paid
- Health Benefits: Setting HMO premium rates.
- Retirement Systems: Pricing the cost of increasing retirement benefits.
- Finance & Investments: Portfolio diversification studies.



Contrast SoA & CAS

- Two learned bodies
 - Society of Actuaries (SoA), focus on life, health, & pensions
 - Casualty Actuarial Society, focus on non-life (P&C)
- Very different theoretical focus
 - Life – generally loss producing phenomenon reasonably known
 - P&C – loss generation much less certain



CASUALTY ACTUARIAL SOCIETY

The only actuarial organization in the world exclusively focused on property/casualty risks.



Why CAS?

What makes us different?

- Tangibles
 - Depth of training
 - Salaries
 - Employment opportunities
- Intangibles
 - Focus
 - Culture and sense of community
 - Spirit of volunteerism
 - Core Values

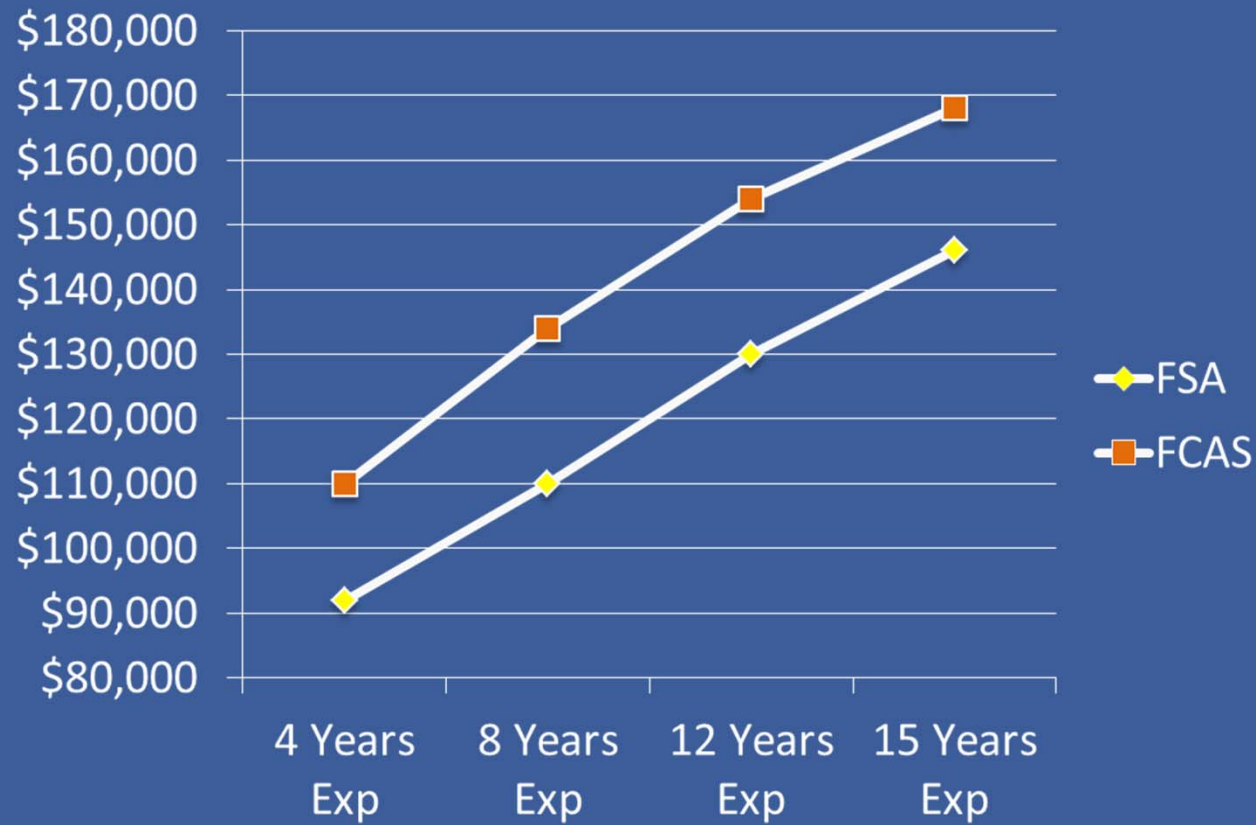


CAS Core Values

- Collaboration
- Collegiality
- Community
- Creativity/Intellectual Curiosity
- Excellence
- Integrity
- Professionalism
- Practical Applications



Salaries for FCAS vs. FSA



Used with permission from Ezra Penland Actuarial Recruitment
(<http://www.ezrapenland.com/salary/>)



Current CAS Syllabus to Reach ACAS

- Validation by Educational Experience (VEE):
 - VEE-Applied Statistical Methods
 - VEE-Corporate Finance
 - VEE-Economics
- Two CAS Online Courses:
 - Online Course 1—Risk Management and Insurance Operations
 - Online Course 2—Insurance Accounting, Coverage Analysis, Insurance Law, and Insurance Regulation
- Exams
- Course on Professionalism



Current CAS Syllabus to Reach ACAS (con't)

- Exams
 - Exam 1/P—Probability
 - Exam 2/FM—Financial Mathematics
 - Exam 3F/MFE—Models for Financial Economics
 - Exam 3L—Models for Life Contingencies and Statistics
 - Exam 4/C—Construction and Evaluation of Actuarial Models
 - Exam 5—Basic Techniques for Ratemaking and Estimating Claim Liabilities
 - Exam 6—Regulation and Financial Reporting (Nation Specific)
 - Actuarial Institute of Chinese Taipei
 - Canada
 - United States



Current CAS Syllabus to Reach ACAS (con't)

- VEE requirements are identical to SOA
- Exams 1, 2, 3F, and 4 are currently jointly sponsored
- Exam 3L has less focus on Life Contingencies but greater focus on Statistics
- Online Courses introduce basic insurance operations and information on the business environment



Current CAS Syllabus to Reach FCAS

ACAS plus:

- Exam 7—Estimation of Policy Liabilities, Insurance Company Valuation, and Enterprise Risk Management
- Exam 8—Advanced Ratemaking
- Exam 9—Financial Risk and Rate of Return



Current CAS Syllabus to Reach CERA

- Meet all requirements for CAS Associateship,
- Have credit for CAS Exam 7 and Exam 9,
- Successfully complete the three-day Enterprise Risk Management and Modeling Seminar for CERA Qualification, and
- Successfully complete Exam ST9, Enterprise Risk Management Specialist Technical, of the Institute and Faculty of Actuaries (U.K.).



Study Benefits

- Paid Study Time (100 – 120 hours per exam is not uncommon)
- Raises or bonuses for each exam (\$2,000 - \$5,000 range)
- Company pays for exam materials, seminars, exam fees, etc.



Advantages to the Actuarial Profession

- High earnings potential
- Graduate school not required – no loans to repay
- Advance by examinations – no “glass ceiling”
- Advancement opportunities expand throughout career
- Professional Interactions – “Front Office” role
- Variety of avenues to choose
- Newsworthy projects
- High demand – less sensitive to economic cycles
- Job security
- Overall, a highly ranked profession
 - Actuary was rated the #2 job in America, according to the *2012 Jobs Rated Almanac*.



Career Outlook

- Employment growth for consulting actuaries
- Development of new financial tools
- Growing ability to model risks
- Growth in the health services industry
- Growth in risk management



Resources

www.beanactuary.com

www.soa.org

www.casact.org

www.actuary.com

www.ezrapenland.com

www.dwsimpson.com



Other Resource - Academic Correspondent Program

- Program for non-members involved in teaching or who has an interest in CAS activities
- Receive publications:
 - The Actuarial Review (quarterly newsletter)
 - Future Fellows (quarterly student newsletter)
 - Variance (semi-annual peer reviewed scientific journal)
- Up to 3 waived registration fees to CAS meetings or seminars per year
- Grants awarded for Academic Correspondent when obtaining CAS designation (\$7,500 for Fellow and \$5,000 for Associate)
- Receive complimentary CAS Examination Study Kits
- Annual fee of \$75



Other Resource – 2013 CAS Trust Scholarship Program

- Objectives:
 - Further students' interest in the P&C actuarial profession
 - Encourage pursuit of CAS designations
- Applications due by March 4, 2013
- Submit application, essay, recommendation letters, and official transcript
- Award up to three \$2000 scholarships for 2013-2014 academic year
- Check CAS website for Eligibility requirements
 - Must have sat for 1 actuarial exam by March 2013