

A Career As an Actuary

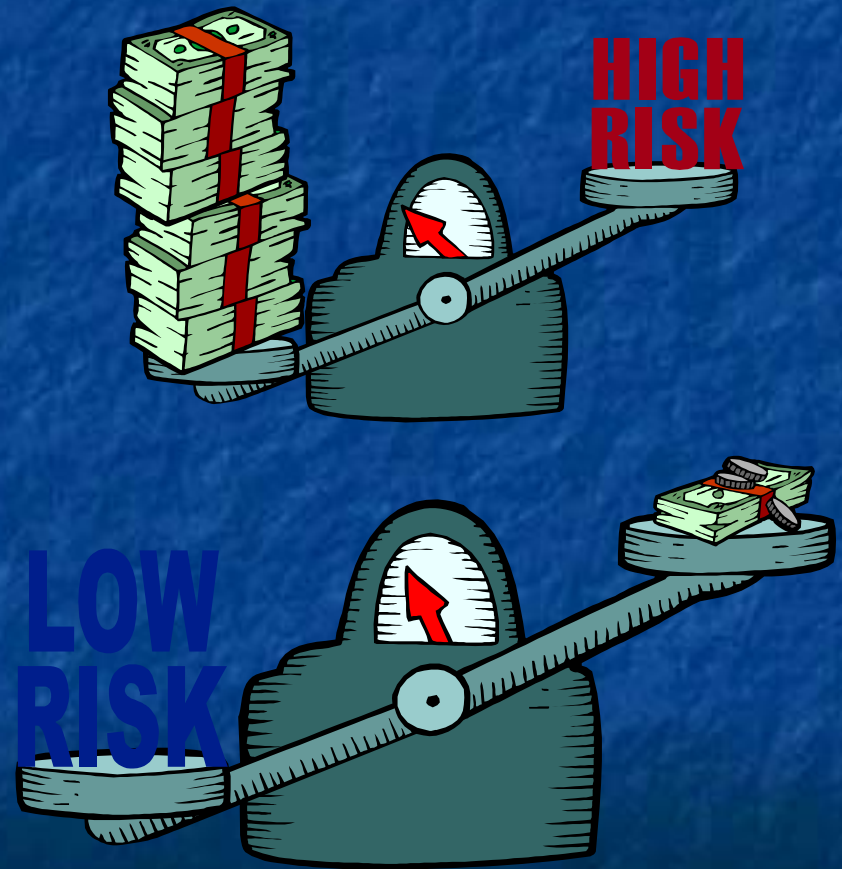
Kristin Freeman

Sara Winn

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Risk

- Possibility of an undesirable event
- We prevent risk by:
 - Various insurance plans
 - Car inspections
 - Health checkups



Actuary

- Actuaries prevent risk



Top Ten Jobs

■ The Ten Best Jobs in the United States:

- Biologist
- Actuary
- Financial Planner
- Computer-System Analyst
- Accountant
- Software Engineer
- Meteorologist
- Paralegal Assistant
- Statistician
- Astronomer

Outline

- Definition of an Actuarial Career
- Level of Education
- Actuarial Exams
- Tasks of an Actuary
- Where an Actuary Works
- Salaries of an Actuary
- Sample Exam Problems

Definition of an Actuarial Career

- Actuaries prevent risk
- Find new ways of avoiding risk
- Implement and protect financial programs
 - Examples

Level of Education

- Strong background in mathematics and statistics
- Analytical skills
- General business knowledge

Actuarial Exams

- Nine exams total
- Some companies hire actuarial students without completion of an exam
- Can study for exams while an actuarial student
- Don't even need a degree in mathematics or statistics



Actuarial Exams

- Finance
- Microeconomics
- Macroeconomics
- 3 semesters of calculus
- 1 semester of linear algebra
- 2 semesters of probability and statistics
- Business courses
 - Marketing
 - Accounting
- Computer Science courses
- Communication courses
 - Technical writing
 - Speech
 - Drama
- Liberal Arts courses
 - Literature
 - History
 - Art
 - Political science
 - Humanities
- Actuarial science classes, as available

Actuarial Exams

Exam	Subject
1	Mathematical Foundations of Actuarial Science
2	Interest Theory, Economics, and Finance
3	Actuarial Models
4	Actuarial Modeling
5	Introduction to Property and Casualty Insurance and Ratemaking
6	Reserving, Insurance Accounting Principles, and Reinsurance
7	Nation-Specific: Annual Statement, Taxation, and Regulation – Canada or U.S.
8	Investments and Financial Analysis
9	Advanced Ratemaking, Rate of Return, and Individual Risk Rating Plans

Designations

- Society of Actuaries, SOA
 - Life, health, finance, investments and pensions
- Casualty Actuarial Society, CAS
 - Property and casualty
- Associate
 - Associate of the Society of Actuaries, ASA
 - Associate of the Casualty Actuarial Society, ACAS
- Fellow
 - Fellow of the Society of Actuaries, FSA
 - Fellow of the Casualty Actuarial Society, FCAS

Tasks of an Actuary

- Analyzing insurance rates
- Estimating amount of money for claims
- Participating in corporate planning
- Calculating a fair price for a new insurance policy
- Forecasting the potential impact of catastrophes
- Analyzing investment programs

Where an Actuary Works

- Insurance companies
- Consulting firms
- Government insurance departments
- Colleges and universities
- Banks and investment firms
- Large corporations and public accounting firms
- Self-employment

Salaries of An Actuary

Actuary Type	Huntsville, AL	Orlando, FL	Birmingham, AL
I	\$41,992	\$42,213	\$42,301
II	\$51,216	\$51,485	\$51,593
III	\$65,626	\$65,971	\$66,109
IV	\$82,193	\$82,625	\$82,798
V	\$94,312	\$94,808	\$95,006

Salaries of An Actuary

- Salary depends on test performance
- Fellow Salary
 - \$150,000 to \$250,000 per year
- In 2002, new Associate actuaries earned more money than a person with MBA



Sample Exam Problems

- Spring 2003 Exam 1

