

ACTUARIAL EXAMS - GENERAL INFORMATION

In order to achieve professional actuarial status in either the United States or Canada, candidates must pass a series of exams administered by the Society of Actuaries (SOA) and/or Casualty Actuarial Society (CAS). SOA exams are named with letters and CAS exams with numbers. The first four of these exams are called the preliminary exams – with exams P/1, FM/2, and C/4 being jointly sponsored by both actuarial societies (only the 3rd exam, Exam M, differs.) Additionally students must complete approved coursework in applied statistical methods, economics, and corporate finance – known as the Validation by Educational Experience (VEE) Requirement.

Passing actuarial exams is essential for an actuarial career as most employers prefer to hire candidates who have already passed one or two examinations. The exams may be taken in any order, but Valpo students should aim to pass Exams P and/or FM (along with the VEE) prior to graduation. You can find general information about the exam requirements, including the registration deadlines, in the SOA Course catalog and you can register for the exams online via the [SOA website](#).

Valparaiso University offers independent study exam prep courses for Exam P (ACRS 495-P -- fall semesters) and for Exam FM (ACRS 495-F -- spring semesters).

Studying for the Exams

The exams are challenging and you should plan to spend additional study time on them beyond your college coursework. The general rule of thumb is to spend 100 total hours of class and study time preparing for each hour of exam time (for example, you should spend about 300 hours preparing for a 3 hour exam). For the preliminary exams, it is essential that you work through practice problems and it is recommended that you purchase or borrow a study manual. The Valparaiso Actuarial Science committee chair has one or two study manuals you may borrow or you can purchase your own study manual through an [actuarial bookseller](#).

You can find the syllabus for your exam in the online SOA course catalog. Within the syllabus are electronic links to any required study notes, plus a set of [sample exam problems](#) with solutions. You should download these. You can also find additional practice exam problems online

Individual Actuarial Exams Exam P/1

Exam P/1 (Probability) is a 3-hour multiple choice examination covering calculus-based probability and statistics. Many of the problems on this exam are set as word problems involving risk. The exam is jointly administered by the SOA and CAS and is now offered 5 times during the year via computer-based testing and 3 times per year in pencil-and-paper form. You should be prepared to take this exam after completing Math 341.

Exam FM/2

Exam FM/2 (Financial Mathematics) is a 3-hour multiple choice examination covering interest theory and introductory financial mathematics. The exam is also jointly administered by the SOA and CAS and is now offered 2 times during the

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year via computer-based testing and twice per year in pencil-and-paper form. Students will see a large amount of the material for this exam in Finance 304, and can consider taking the exam prep course after this class. Further material for this exam is covered in courses ACRS 325 and Finance 425.

Validation by Educational Experience (VEE) Requirements

In addition to the professional actuarial exams, The Society of Actuaries and Casualty Actuarial Society also require that students complete approved coursework in applied statistical methods, economics, and corporate finance. These three areas were once part of the exam process, but the SOA and CAS felt that this material would be better learned outside of the exams. Valpo courses that have received VEE approval are listed below. A student must receive at a grade of B- or better in the course to receive VEE credit. Additional information about the VEE process can be found on the [SOA website](#).

- Applied statistical methods – MATH/ECON 493 and either MATH 340/IDS 340 or ECON 325.
- Economics – ECON 221 & 222
- Corporate Finance – FIN 304 & 410

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