

Actuarial Agony with Jen & Jean

This month we find ourselves jumping firmly on the communications bandwagon, bringing you news of proposed changes to the CA3 exam and drafting in Trevor Watkins to answer your communicative agonies.

Irfan Akhtar, an actuarial analyst at Liberata, provides this month's reader's contribution, which debates the dangers of the actuarial double-entendre. Think you can do better? Send in your contributions to the usual addresses...

JEN & JEAN



Jen (right) & Jean

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When communications is the key...

There are many issues of great debate that crop up time and time again, a perfect example being that communications exam. CA3, 201 – this is the one subject that has remained a thorn in the student actuary's behind throughout the ages.

As such, the profession's Education and CPD Committee has proposed a change in the structure of the CA3 course as follows: CA3 should take the form of a two-day course, with a taught programme on the first day and the exam on the second.

The exam will consist of two parts:

- 1 a written question; and

- 2 a ten-minute oral presentation, with an additional ten minutes for questions from a panel.

The panel will consist of at least two people, including an examiner/assessor. Answers for both parts should be aimed at a non-actuarial audience with questions based on the CA1 syllabus (core reading will be available.)

Note that the exact structure is yet to be finalised – you still have time to draft your views (hand crafted PowerPoint slides optional) in a clear and concise manner.

Please send your jargon-free communications to trevor.watkins@actuaries.org.uk, and to us if you would like to air your views to the general public.

Agonies

Trevor Watkins, head of education and CPD for the actuarial profession, helps us to answer those burning questions on CA2 and CA3.

*Dear Jen & Jean,
I find the idea of the CA2 modelling course stupid. Why call it a 'modelling' course when it doesn't actually test your ability to build models? The emphasis is on maintaining a good audit trail and producing a summary report – actual technical knowledge is secondary to this! Can you shed some light as to why the profession seems to think this necessary?*

Modelling Madness

Although the main focus is on good communications, this is within the context of modelling data within spreadsheets. Students need to be able to use spreadsheets and word-processing packages as a prerequisite and these skills are developed during the course. The syllabus and information on the website makes the scope clear.

Trevor

From the ActEd forum...

'... why is CA3 examined as a hand-written exam? Do we expect our exam-

inations to be taken seriously if we make members prepare PowerPoint presentations by hand?... What about the written questions in CA3 – is it realistic to do a first draft and then rewrite a final version? Why not supply laptops to replicate the real life environment? I personally have not written anything other than exams by hand since I was about 16. I find it quite difficult to get my thoughts together on a language/wording issue, without the flexibility of a word-processor.'

Gareth, Forum Master

The examiners recognise that students rarely write letters or draft slide presentations by hand nowadays and this is reflected in the marking schedule. The examiners are looking for a reasonable draft letter/presentation which, though not perfect, is of a standard that requires few changes from a senior colleague before being ready to send to the recipient. Even if the student had access to a laptop,

he/she would still need to plan and structure any letter or presentation appropriately, use the right tone and language considering the recipient, and express the main points clearly and accurately with no additional detail detracting from the main message. These are the main criteria the examiners use when determining which scripts are of a pass standard.

It is up to the individual candidate whether he/she wishes to write out an initial draft followed by a final version during the examination – there are a number of different techniques used by candidates and, as for every examination, each candidate needs to find the approach most suitable to them. The time allowed during the CA3 examination ensures that there should be enough planning and reading time to allow students to collate their thoughts and wording when preparing their answers.

Trevor

The appliance of (actuarial) science

Talking in a language only very few comprehend can have extra subtle benefits that we have yet to explore. The usefulness of this art depends on how well you can form the duo of terminology or concepts to real-world events – unfortunately the perception is some actuaries will fail on the latter.

Take music for instance. You start talking about R'n'B and they think reversionary bonus, you turn to hip hop

and they think jump processes, you turn to garage and they think car insurance, you turn to classical and they think Bayesian theory, you turn to house and they say 'endowment review was not my fault', you change it to soul and they say 'there's no such thing'.

But rather than making the glossary of actuarial terms into a code language, we should utilise their similarities to real-world situations. For example, if

you wanted a private word with someone, you could use clever opposites and say, 'Can we have a non-continuous conversation please'. Or if asked why you weren't in work yesterday, you could say, 'Brownian motion was giving me a hard time' to describe the random continuous motion of your bowels.

As with everything there is a possibility of getting too carried away. When I was being offered a drink from the machine as a novice I would say, 'Tea,

extra white, and extra sugar please', the regulars however, would simply say, '34 please'. But then I thought something more befitting for an actuary would be, 'Could I have the number equivalent to the integer part of the curtate future lifetime of an ultimate life currently aged exactly half of the maximum age for which there is a select life entry for curtate duration all according to AM92... please.' As you can see, the possibilities are endless...

IRFAN AKHTAR