

# RISKY BUSINESS

— News and Notes on the Actuarial Studies Program —

Department of Mathematics

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The University of Texas at Austin

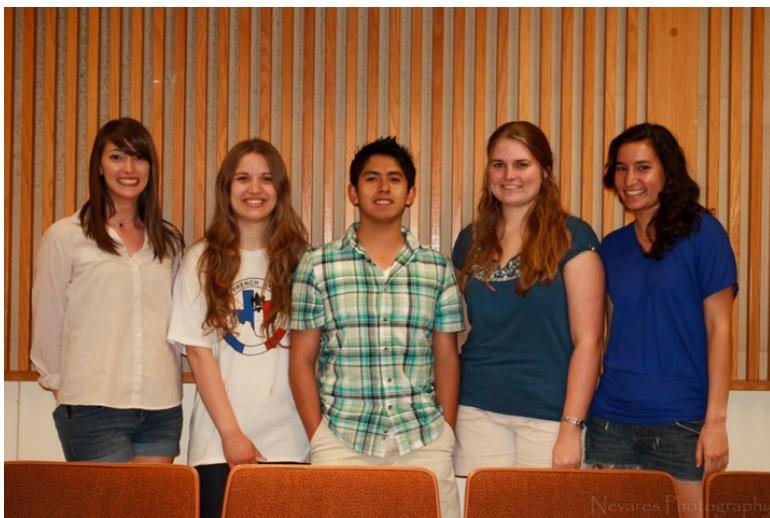
## From the Editor

Welcome to the Spring 2012 issue of Risky Business, the official newsletter for the Actuarial Program at UT Austin. In this issue of Risky Business you'll learn about interviewing tips from both students and recruiters. Take a look at the actuarial profession, and learn about new changes to the program's faculty and course offerings. We also introduce the new officers for the Actuarial Science Club (ASC) as well as Karen M. Landolt, the new director of the Career Design Center.

Don't forget to read about the experience of some of our students at Rudd & Wisdom, Inc. So read on, and enjoy!

## The Incoming Officers for 2012-2013

The Actuarial Science Club is a student led organization whose main goals are to provide our students with opportunities for networking, career development, and employer outreach. From employer panels to volunteering events and even company sponsored lunches, the ASC works diligently to provide our students with ways to excel and remain active within the actuarial community. The incoming officers are:



Audrey Turner, Events Coordinator; Michelle Gregory, Administrative Director; Keith Richard Cruz, Vice-President; Emily Kunkel, President; and Alissa Levy, Financial Director.

## What is An Actuary?

Despite the fact that actuaries have been at the top of countless lists of best-ranked jobs, few people actually know what an actuary does. The majority of actuaries work with insurance, typically specializing in one of two fields: Property & Casualty (P&C) or Health and Life. While P&C actuaries deal with property insurance such as homeowners insurance or auto insurance, health and life actuaries work with health insurance, life insurance and annuity contracts, and retirement and pension plans.

Health actuaries model long-term care and health insurance policies by considering many risk factors like family history, geographic location, hobbies, and occupation. Similarly, life actuaries develop and price life insurance and annuity policies by modeling mortality based on factors like: genetics, age, gender, and smoking habits. Additionally, actuaries who work in retirement help companies with their retirement plans for their workforce. Brian Levine, FSA, a retirement actuary at Aon Hewitt in Dallas, shared his take on working in this field: "I think retirement is an important issue that companies are facing. I enjoy helping my clients make decisions about how they will provide retirement benefits for their employees. And if they make the decision to offer a retirement plan, I like to help them manage and understand the financial risks associated with the plan."

Health and life actuaries – as well as P&C actuaries – either work for insurance companies or for consulting firms. Most consulting actuaries are in the health and life business, helping companies with their employee benefits plans. In comparing insurance vs. consulting, Mr. Levine pointed out the two different audiences that either side caters to. Whereas insurance actuaries have a more internal audience – their results are for their companies – consulting actuaries develop solutions for outside companies who need help with their employee benefits plans.

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## Students Reveal Their Interviewing Secrets!

Students at the University of Texas at Austin are some of the University's greatest assets. They have a rich abode of experiences to share, especially about getting internships, interviewing, and networking with recruiters. We met with two students, Johanna Shiau and Ruoshu Chen to obtain information that will help students polish their interviewing skills.

For most of the first round of the interview, companies usually ask some behavior questions. According to Johanna Shiau, an actuarial student, the recruiters focus on not only the answers but also on the process of thinking. They would rather hear more details about how to solve a specific question than the solution itself. The basic types of questions asked usually follow the same pattern: "what is the situation? What is your action? What is the result? And, what did you learn from this?" Another common question asked has to do with conflict resolutions; therefore, it is important to be prepared to explain how you have successfully solved a conflict between you and your team member.

It has been noted that recruiters have started asking case questions for P&C positions, including individual and group cases. During the individual case interview, the candidate would be given a case that he/she needs to analyze. The topics of case questions could be very diverse, ranging from simple brain teasers to the pricing of insurance products. The process is designed to test the candidate's communication skills as well as their ability to notice missing information and ask appropriate questions. It is extremely important to display a clear train of thought and communicate effectively. The group case is designed to assess the candidate's ability to work with a team and under pressure. All candidates are divided into several groups and are given limited time to collaborate on a case. Groups are then instructed to give a presentation. The challenging part here is to demonstrate your teamwork spirit while also displaying your individuality.

It is also very important to research the company you are interviewing with before your interview. The company's website is a great place to start. Students are usually told who their interviewer will be before on-site interviews. Learning about your interviewer's specialization or any paper that they have published could make the you feel less nervous and give you an opportunity to carry out an interesting conversation. Secondly, you should be very familiar with your resume and be able to answer any questions about the specifics of it. Thirdly, think about your unique strengths. Everyone has different strengths and you should know what your biggest "selling points" are. These special traits may give you an edge over your competitors.

Another important thing to remember before interviewing is that you may not be asked any of the questions you might have prepared for. It is recommended that you go into the interview with an open mind and ready to be asked questions like "How do you arrange your schedule every day?" The key here is to demonstrate your flexibility by not getting stumped when faced with a question you have not given any consideration to before. During the interview, the recruiters may give you the "pressure test", and if you feel that the recruiters always ask you tricky questions, calm down and relax! Smile to them and answer the questions without pressure.

Before going into an interview, try to channel your nervousness into something positive. Additionally, arrive five minutes earlier prior to the interview, and always be prepared to ask questions at the end of the interview. With these valuable tips from our students, you'll walk into your next interview, armed with information and ready to charm your interviewer.

(By Sneha Arya and Mengsha Lu)

### Recruiters' Feedback: How to Ace the Interview

The process of obtaining an interview seems unusually daunting, when first confronted, but with a few pointers and practice anyone can master this process. After interviewing quite a few recruiters that came to the University of Texas Natural Sciences career fair both in the Fall and/or Spring term, we concluded that there are a few key elements that students need to be especially mindful of when interacting with recruiters.

A couple of common pitfalls are that students are confronted with lack of confidence, over-confidence or lack of motivation. So, make sure to bring the right attitude! According to our sources, "Be confident, not timid. Be humble, not cocky and be motivated, not motiveless." Also, a lot of times students do not know when they plan on tak-

ing the following exam. So, make sure to have an exam schedule planned out. In addition to having a stellar resume and cover letter make sure that the companies get to "know your name and face."

Remember, you will be one of hundreds of resumes and without a visual identity, it's easy to be forgotten, especially at career fairs. Recruiters are looking for "up-and-coming, bright-minded students who can add value to their organizations." This means that you should come prepared to answer questions confidently and anticipate questions relevant to your resume, while keeping in mind that your communication skills are being analyzed.

If you feel that you did not do well in the last Career fair, don't fret! The key is persistence, "work as hard as necessary to get your resume in front of the right person" and you'll be successful. In the end, make sure you do your research and practice!" (By Sara Zaman & QinxiangFang)



## Lunch Session at Rudd & Wisdom, Inc.



Rudd and Wisdom, Inc. is the oldest continuously operating actuarial consulting firm in Texas, and as such, it is actively involved with the UT Actuarial Science community. In addition to being a generous donor to our program, Rudd and Wisdom has decided to host lunch sessions to help UT students learn more about the actuarial profession.

We drove to Rudd and Wisdom's office in North Austin for one of these sessions and were impressed by the comfortable working environment. The employees at Rudd and Wisdom gave us a warm welcome and invited us to their spacious conference room, where we ate and chatted.

During our conversation, we talked mainly about the company, the exam process and resume-building tips. Khiem Ngo, a former Longhorn, now actuary at Rudd & Wisdom mentioned that he thinks actuarial consulting is exciting due to the dynamic and ever-changing aspects that the job offers. Moreover, he really appreciated the fact that Rudd and Wisdom gave study hours during work time. "Getting paid for studying? Wow that sounds really excit-

ing!"

They emphasized the importance of exams - make sure to have passed exams and future exam dates in your resume. Passing three exams makes it easier to land a job, but good interview and communication skills are what set you apart from other candidates. In regards to resume building, they stressed the importance of mentioning your technological skills. It's critical to keep up with new technology and be

technically competent. Excel, Access, and basic programming skills are considered to be essential. Aside from academic performance, extracurricular activities should also be noted, and the Actuarial Science Club at UT is a great choice!

All of us who attended the lunch really enjoyed the company visit and working atmosphere that Rudd and Wisdom has.

The session was extremely helpful, and everyone felt that they gained more knowledge about the actuarial science field. We secretly congratulated ourselves for being actuarial science majors and hoped to find a job at a company like Rudd and Wisdom. (By Alissa Levy and Shiran Zhang)



From Left to Right: Khiem Ngo, Steve Anderson, Judy Luu, Oliver Kiel, Nadia Binkley, Lauren Baker, Brandon Fuller

### From the Director, Mark Maxwell

Thank you for taking the time to read about the activities of your University of Texas actuarial program over the past year. 2011-2012 was an eventful year where we experienced growth in student enrollment, teaching faculty and course offerings.

My first goal as program director was to recruit additional caring and talented faculty to inspire our students. Dr. Shinko Harper has been teaching Interest Theory (ACF329) for two years and will soon teach Life Contingencies. Dr. Jennifer Mann started teaching Interest Theory this January. Emeritus Professor Gary Hamrick will be teaching Life Contingencies in the fall. Alisa Havens, who earned a MA in Actuarial Studies under Jim Daniel in 2008, taught one section of Probability Models with Actuarial Applications this semester as an adjunct faculty. We are excited to have Alisa (pronounced a-LEE-sa) join the mathematics department full-time in August working with our actuarial students in three courses per semester.

We will be introducing a new course in the fall, Introduction to Financial Mathematics for Actuaries (M339D). Students should think of ACF329-M339D-M339W as a

three-course sequence that covers the content of the FM/2 and MFE/3F professional examinations. The actuarial program formalized a policy capping class size at 40 students. We plan on offering all of our courses each semester to decrease travel time to graduation. Student growth and increased course offerings suggest we continue the goal of identifying, recruiting and developing our best faculty.

Our fall 2011 successful fundraising drive targeted individuals to help raise funds for the program, the Alumni endowed scholarship, and the Jim & Ann Daniel endowed scholarship. Several contributions were received and we are making progress to fully endow these scholarships.

Faculty in 2007		Faculty in 2012	
Cepparo, Cudina, Daniel, Vaaler		Cepparo, Cudina, Hamrick, Harper, Havens, Mann, Maxwell, Vaaler	
Actuarial Majors Fall 2009		Actuarial Majors Spring 2012	
182		261	

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(From the Director, Mark Maxwell, Continued) Springtime is when the actuarial program solicits corporate donations for student scholarships and actuarial program support (e.g. providing laptops, course development material and professional development for faculty).

After five years of generous support from Buck Consultants, funding for the Associate Director of Actuarial Studies ceased June 2011. General actuarial program funds were used to support Dr. Leslie Vaaler's administrative duties of advising students and administering our scholarship program for 2011-2012. Dr. Vaaler, who earned her PhD in Number Theory from Princeton, has decided to focus her future academic contributions in more theoretical mathematics classes. The actuarial program is grateful to Dr. Vaaler for her service and impact as a teaching faculty as well as her leadership as Associate Director from 2006-2012.

Several friends have positively influenced our program

and I would like to recognize them. Laura Mondino served as a career advisor in the College of Natural Science Career Design Center. She recently left to pursue an opportunity in the College of Education after providing several years of excellent advice to students and service to employers. Alumni and friends have made presentations to the student club and volunteered for Mock interviews. Employers continue to recruit our students, present to the student club, and donate to our program. [Read about Rudd and Wisdom's new outreach program with our students.] The actuarial club student leaders are active and helpful as always. *Risky Business student editors created this newsletter that you are enjoying. Our academic advisors and mathematics department staff are the most unsung yet remain our most beneficial contributors – ask any knowledgeable student.*

-Maxwell, PhD, ASA, G/FIBC (graduate / faculty intramural basketball champion)

## An Inside Look At the Career Center

Whether it is help with your resume, interviewing tips, or career coaching, The Career Design Center offers a range of services aimed at helping students achieve their career goals. These services have always proved valuable to our students' professional growth and development. That is why, in this issue of Risky Business, we would like to welcome Karen M. Landolt as the new director of the Career Design Center. I had the opportunity to interview her, and here's what she had to say:

### What are the services that the career design center offers students?

Karen: The Career Design Center is a place where students can come to "design" their future - either in person or with the click of a mouse. Our goal is to help you explore careers that will most closely fit your interests, skills, and values. We offer:

- Career and Health Professions Coaching and Guidance
- Career & Health Professions Fair
- Resume / Cover Letter / Personal Statement Reviews
- Mock Interview Sessions

### Is there anything you would like our students to know about the Career Design Center?

Karen: We want students to know that we are here for them with every phase of their job and internship search. We want students to realize that studying hard and getting good grades is not enough to get into graduate or professional school or to land that first job or internship. Students really need to focus on developing their soft skills, so please stop by the Career Design Center and we'll help you put your education to work!

Karen M. Landolt joined the Career Design Center in 2011. She has over 16 years of experience in organizational programming, teaching, and advising in non-profit, legal, and academic settings. Karen has worked at UT since 2004 and joins us most recently from the MBA Career Services at the McCombs School of Business where she was the Senior Associate Director and an Adjunct Lecturer.

(By Keith Cruz)

(What is An Actuary? Continued) Further, the consulting field is faster-paced and more unpredictable than insurance, but many times the solutions are more flexible than in insurance projects.

For actuaries who want to take the health and life route, the Society of Actuaries (SOA) certifies those interested in specializing not only in health and life insurance, but also in retirement benefits, investments and finance. Actuaries with SOA certification seem to have more flexibility and scope than do those who are certified by the Casualty Actuarial Society (CAS).

Students who are choosing between the health, life and the P&C track should consider whether they want to work as a consulting or as an insurance actuary. The differences between the two may play a bigger role in choosing a career path than the differences between health, life and P&C. The decision between these tracks comes down to which subject matter is most interesting, whereas the decision between insurance and consulting is a matter of career preference.

Of course, there are many other avenues an actuary might pursue in choosing a career. The federal government employs actuaries in departments such as the Social Security Administration, Centers for Medicare and Medicaid, and the Treasury Department. Additionally, actuaries work for colleges and universities, banks and investment firms, public accounting firms and a number of other private corporations. Either way, the number of articles ranking actuaries as a top job confirms that whichever path one decides to take, it will be a success.

(By Katy James)