

Top 15 Actuarial Interview Questions & Answers

1) Explain what is the role of Actuarial Analyst in the insurance company?

Actuarial analyst's works in the insurance industry and use statistical model to analyze the data and calculate the costs associated with certain events such as

- Product failure
- Accidents
- Property damage
- Injury and death
- Destruction due to natural calamities (hurricanes, earthquakes, pandemic and terrorist attacks)

2) What are the skills required to become actuarial?

Skills required to become actuarial is

- Good understanding of statistics and math's
- General knowledge of business and finance
- Basic knowledge of programming languages, statistical analysis programs, spreadsheets and databases
- Good communication skills which include preparing reports and giving presentation
- Good analytical and problem-solving skills

3) Explain what are the benefits of working as an actuary?

- **Flexibility in working hours:** Actuary can have flexible working hours and can balance his professional commitments
- **High Salaries:** From beginning onwards, salary package are excellent, and in high paying jobs it is considered as one of them
- **International Opportunities:** There is no limitation to one country, it is applicable all over the world
- **Central Role:** Many companies and government institute are highly dependent on the research and result of the actuary. On the basis of their calculation, they take a decision whether to implement the new ideas or not
- **Wide Scope:** The area or field for actuary is wide, you can work in a specialist area like insurance, pensions, benefits, healthcare, investments and banking, etc.

4) What is the role of actuary analysts in investment?

The main role of actuary analysts is to save companies money and time, by identifying the possible risk in investment. Apart from that they have to

- Identify an area of investment having a minimum risk factors

- Avoid the situation where the quantifiable risk is relatively low in terms of the potential gains
- To provide actual quantifiable estimates by creating complex financial models
- Providing rating or ranking of different investment opportunities based on the risks to the possible returns

5) Explain the role of chief actuaries?

Chief actuaries act as an actuary head or supervisor for the government organization as well as corporate. They keep an eye on other actuaries and distribute and direct assignments. Also, they prepare reports and reviews of business functions like budgets and mergers. Further, they implement policies and guidelines relating to actuary risk analysis.



6) Explain what is actuarial report?

An actuarial report includes the future and current conditions of the fund, like in case of pension or insurance policy, it helps to decide whether it meets the need of people depending on it. For government organization, this actuarial report is available on public request, while, for privately managed fund, it might not be accessible to the public.

7) Name some of the most common actuarial software used in industry?

Some of the common actuarial software used in industry are

- Milliman Actuarial software solutions
- Moses
- GGY-AXIS
- Poly Systems
- Prophet
- PTS
- RMISWeb
- SAS
- TAS
- Towers Watson

8) Explain what is the Casualty Actuarial Society?

Casualty Actuarial Society is a professional association of non-life actuaries, of risk management

professionals who work in industries other than life insurance. The motive of this society is to give knowledge to members and the general public about actuarial analysis of property and liability risk

9) Mention some of the topics that Actuary should be proficient in?

To become a successful actuary, you must have a good hold on

- Calculus
- Linear Algebra
- Differential Equations
- Probability & Statistics
- Regression Analysis
- Time series Analysis
- Accounting
- Finance & Management
- Economics
- Computer science & communication

10) Explain what is Actuarial life tables?

Actuarial life tables are statistical charts that provide detail about life expectancy in a given population.

11) Explain what is lognormal distribution in the context to insurance?

Lognormal distribution is a probability distribution that is used as a model to claim size distribution; it is positively skewed and has a range from zero to infinity.

12) Explain what does a pension actuary do?

The job of pension's actuary is to help pension's providers to set the pension rates and craft retirement policies that minimize risk. They apply their skills to the creation and maintenance of sustainable retirement plans. Majority of the pension actuaries work in a pensions actuarial firms while others work in government bodies.

13) What is the role of actuarial assistant in the insurance company?

Actuarial assistant is a helping hand to actuary; it plays a valuable support role to the actuary, assisting with the calculation of premium rates, policy liabilities and developing new products.

14) Mention what are the responsibilities of a property or casualty actuary?

As a property or casualty actuary, responsibilities includes

- Conducting studies and analyzing of rates according to geographical area and type of insurance, such as homeowner rates or automobile rates
- Preparing materials or evidence that tells the changes in the rate for insurance is legitimate
- Developing plans for the company to enter a new line of insurance
- Conducting research on new statistical models and methods for estimating claims

15) Mention the role of Actuary in consulting firm?

The role of the actuary in consulting firm varies, it may include

- Give investment advice

- Evaluating a company's insurance program cost for the employees
- Can work for a labor union to evaluate and estimate what the new health plan provided would cost
- Giving evidence on how automobile insurance rates should be determined
- Testify in court about the loss of potential lifetime earnings by a person who has been disabled or killed in an accident
- Determining the future pension benefits based on the current value in divorce cases.

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