

# ALU EXAMS: PREPARATION MEETS OPPORTUNITY



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## Exam Format

Every April, the Academy of Life Underwriting (ALU) offers a series of four exams of increasing difficulty designed for underwriters seeking continuing education and the highly regarded Fellow, Academy of Life Underwriting designation. Each exam is administered internationally annually, typically in the middle of the month. All four of the ALU exams consist of 100 equally weighted questions. The exam is scored and the exam passing distinction is determined by a number of factors, including the number of students taking the exam; the highest, lowest and median scores; and calculated relative pass mark. Therefore, the passing scores may vary slightly from year to year, and from exam to exam. The exams are composed of three types of question formats with multiple choice answers: Straight, EXCEPT and Multiple Option.

## Straight Answer Questions

There are two types of Straight answer questions. The first consists of the question stem being a complete question, ending with a question mark. The answer options are generally phrases or single words. For example:

Which of the following intracranial tumors has a high cure rate with surgery alone?

1. Sarcoma
2. Medulloblastoma
3. Astrocytoma
4. **Meningioma**

The second type of Straight answer question is not a complete sentence by itself, but forms a complete sentence with each of the answer options. For example: A malignant disorder characterized by the uncontrolled proliferation of abnormal white blood cells is:

1. Thalassemia
2. **Leukemia**
3. Von Willebrand's disease
4. Idiopathic thrombocytopenic purpura

**Executive Summary** *The Academy of Life Underwriting's mission is to be the recognized leader in providing professional educational opportunities to life underwriters worldwide<sup>1</sup>. Although the ALU provides a myriad of educational mediums such as webinars, forums and a published journal, this article will focus on the ALU exams. With the ALU exams fast approaching, many ALU students have begun studying for this important event. This article focuses on an overview of the exam format, including details of each question type, as well as some suggestions and tips to help the student prepare for an ALU exam.*

## EXCEPT Questions

Another question type utilized on ALU exams is called an EXCEPT question. Similar to Straight questions, there are two types of EXCEPT questions. The first consists of statements that consist of complete sentences, while the second is not a complete sentence and the answer, in general, is a phrase or single word. Unique to the other question formats, EXCEPT questions seek the only *incorrect* answer. For example: All of the following statements regarding jumbo limits are correct EXCEPT:

1. Cases that exceed these limits are not eligible for automatic reinsurance.
2. It prevents reinsurers from inadvertently being bound for too much coverage on an individual.
3. The total amount of coverage with all carriers is part of the jumbo limit calculation.
4. **It is the maximum capacity of all reinsurers for a direct carrier.**

All of the following can cause epilepsy EXCEPT:

1. **Migraine headache**
2. Brain tumor
3. Head injury
4. Stroke

In this example, a brain tumor, head injury and stroke can all cause epilepsy. However, migraine headaches cannot, hence making this the correct, *incorrect* answer.

### Multiple Option Questions

The last question type is the Multiple Option question.

The Multiple Option question consists of a complete question, ending with a question mark. The answer options within this question type can be composed of complete sentences, short phrases or single words. For example:

Which of the following statements regarding the accidental death benefit (ADB) provision is/are correct?

- A. Death resulting from a self-inflicted injury typically is covered.
- B. It provides an additional amount of insurance if death occurs by accident.
- C. There is usually a maximum age at which the benefit will terminate.

- 1. C only is correct.
- 2. A and B only are correct.
- 3. **B and C only are correct.**
- 4. A, B and C are correct.

Disease-modifying anti-rheumatic drugs (DMARDs) are commonly used to treat which of the following?

- A. Pancreatitis
- B. Crohn's disease
- C. Rheumatoid arthritis

- 1. A and B only are correct.
- 2. A and C only are correct.
- 3. **B and C only are correct.**
- 4. A, B and C are correct.

In this example, both Crohn's disease and rheumatoid arthritis can be treated with disease-modifying anti-rheumatic drugs (DMARDs), while pancreatitis is not, making "B and C only are correct" the correct answer.

### Test-Taking Tips

Below are some general test-taking tips that may be beneficial as you prepare for your upcoming ALU Exam.

- *Be prepared.* The best tip is to make a study plan to learn the material and provide yourself with enough time to prepare for the exam.
- *Do not fear, only believe.* Although it is common to have some feelings of nervousness, a positive attitude goes a long way!
- *Get a good night's sleep.* Cramming is not a good study plan. Take some time the night before to do a quick review and get to bed early, as your brain and body need sleep to function well.

- *Manage your time.* There is no prize for finishing the test first. Take your time reviewing each question and all of the possible answers. If you get stuck on a question, mark this question and move on to the next question. You can always answer it later.

In addition, below are some valuable tips specific to the ALU exam.

- *Review the ALU question formats.* You should learn more about each of the question formats to prepare yourself and be familiar with the exam question format.
- *Suffixes are your friend.* With the majority of the ALU exams focusing on medical impairments, you will need to understand a lot of medical terminology. And yes, some medical terminology can be intimidating; however, mastering prefixes and suffixes is a great foundation for understanding the word's derivation.
- *Join a study group.* Although some may study better as an individual, others may find value in a group study session. This not only helps you hold yourself accountable for studying, but also provides a different perspective on the important aspects of the chapter.
- *Find a mentor.* It's a good idea to find a mentor who has passed the exams and is able to provide additional support not only for the ALU exam, but also for your professional development.
- *Review the questions at the end of each chapter.* Read the material, take notes and look at the review questions. At the end of each chapter in the ALU textbooks there are 5-10 review questions. These questions have been provided as a source of learning targets/key concepts for each chapter.
- *Review the sample questions on the ALU website.* The ALU website has sample questions for each exam that demonstrate the format of the questions you can expect on your ALU exam. These sample questions are intended to help the student prepare for the examination and are not intended to serve as a practice exam.

We hope you have a better understanding of the exam question and multiple choice answer formats that we consistently use on all ALU exams. It is our hope that you will continue your professional development efforts and be proud of your accomplishments in passing the ALU exams and achieving the Fellow, Academy of Life Underwriting designation. On behalf of the exam writers, exam coordinators and all the volunteers of the Academy of Life Underwriting, we wish you the best of luck in your upcoming exam and much success in your career!

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## Notes

1. The Academy of Life Underwriting. (2017, October 29). *Mission and Vision: The Academy of Life Underwriting*. Retrieved from <https://alu-web.com/about-us/mission-and-vision/>.

### **About the Author**

Michael R. Hill, FALU, FLMI, is a Director of Underwriting for Reinsurance Group of America, Inc. based in RGA's global headquarters in Chesterfield, MO. Michael has over 10 years experience in underwriting, and is responsible for internal and external underwriting audits, as well as production underwriting. Prior to his current role, Michael was an Account Manager on RGA's Underwriting Services Team, focused on delivering e-Underwriting solutions to clients. Michael is a published author, a Fellow of the Academy of Life Underwriting (FALU) and a Fellow of the Life Management Institute (FLMI). He is active in the industry, currently serving as a Coordinator on the ALU Exam Committee. Michael has a BSBA from the University of Missouri, as well as an MBA from Maryville University.