

The Aktua Times



2013 First Edition

"All the little pieces..."

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Aktua wants you to design a hoodie!



We are looking for fresh, creative design ideas for our new hoodies that we will be selling for winter.

Come up with a design that can be printed/embroidered onto this hoodie and we will put the best entries to a vote.

The design must include the *Aktua* logo and *TUKS Actuarial Science*.

Submit your entries via e mail to aktua@up.ac.za before or on 26 July 2013.





Editor's Say

Life is like a jigsaw puzzle....Okay, okay, so maybe I've been spending too much time philosophising about life's deeper meaning instead of studying Calculus... But bear with me; I think I might be on to something here:

So we all get that a person's life is made up of a whole lot of different parts – academics, physical health, emotions, social interaction, etc. The different parts vary in size and importance, but the point is: if one of them goes missing, the person will be incomplete.

“What has this got to do with my student society at Tuks?”, you might wonder. Well, quite a lot, actually. You see, many people, actuarial students in particular, seem to forget exactly how important and delicate this balance can be... And that is where being a part of Aktua comes in! We as the executive committee of this student society go to great lengths to try and create organised opportunities to fill in the gaps – Whether it is by making provision for future planning at career evenings, or setting up platforms for meeting new friends at socials & sports days. I'm sure everyone who attended any of our events this semester will agree – it is always a fun, enriching experience. While things are quiet at the moment, with exams looming, we would like to wish everyone the best of luck with this stressful academic time. Remember to also make time to breathe and relax – even if only for a couple of minutes. It'll make an incredible difference, trust me. And, when it's all over for the moment, may you all have a most enjoyable June/July-holiday. We look forward to seeing everyone back again next semester.

Last, but certainly not least: Greatest thanks to my fellow committee members for everything this semester, and especially for their contributions to this edition of the Times. As always, it is an honour working with you.

Ilse de Villiers

Departmental News

PPS donates generously to Insurance & Actuarial Science Department

The excitement in the air was tangible as the selected guests gathered around in the Quadrangle of the Maths Building on the morning of 15 April 2013. Few passersby looked on curiously, shrugged, and went on their way. Little did they know that the little company gathered there were about to witness the start of something new.

For a while, there have been plans to upgrade one of the rooms in the Maths building to a state-of-the-art, multi-purpose meeting room for postgraduate students of the Department where they can do research, conduct video calls with businesses if necessary and simply just interact with one another in a relaxed, professional environment. Now, with the R292 178.80 donation from PPS, these plans may finally become a reality.



From the left: Prof Anton Ströh (Dean: Faculty of Natural and Agricultural Sciences and Acting Head of the Department of Insurance and Actuarial Sciences), Prof Stephanie Burton (Vice-Principal: Research and Postgraduate Studies) and Mr Frans Lombard (Senior Manager: Distribution Support at PPS).

It was an almost unnoticed event – but the impact will certainly be felt for many years to come. As Mr Frans Lombard (Senior Manager: Distribution Support at PPS) emphasised: Graduates are the future of the country, and PPS has always been involved with the University of Pretoria to ensure that South Africa may continue to deliver top of the class graduates in all professional fields.

(Photo: <http://web.up.ac.za/default.asp?ipkCategoryID=3523&articleID=16433>)

Careers Fair 2013

SA³ have done it again! For the third consecutive year, they have hosted the annual Actuarial Careers Fair at the University of Pretoria with great success. This year, 29 companies participated - more than ever before. This called for a change of venue – the Rautenbach Hall provided the perfect setting for students from all years to integrate with possible future employers and find out more about what the companies are all about.

Apart from its own students, the University also welcomed the Honours groups from both the University of North West (Potchefstroom) and the University of the Free State, with the purpose of establishing closer bonds between our separate universities.

Aktua would like to thank the Department for organising a fantastic day, SA³ for their loyal sponsorship, and of course to all the companies and students who attended. It was an exciting, enriching day for all, and we hope to see even more of our students attend the event again next year.



Ilse de Villiers

Career Evenings

This semester Aktua hosted two very successful career evenings, during which we got to learn more about two consulting firms as well as a new short-term insurer.

The first evening was held on 25 April. We were joined by Raymond Bennett and Monique Hoffman from KPMG's Actuarial Consultancy. This was the first time that we hosted actuaries from KPMG. It was interesting to learn more about an actuarial consultancy which isn't very well known. Their growing actuarial consulting team is split between Johannesburg and Cape Town and they do work in Life Insurance, General Insurance, Employee Benefits and Healthcare. Applications for their graduate programmes are completed on-line and the link can be found on their website www.kpmg.com/ZA.

Secondly, we hosted representatives from PwC's Actuarial, Risk and Quants (ARQ) team and King Price Insurance. This proved to be a very interesting evening in two respects:

Firstly, the actuarial consulting team at PwC, formerly known as AIMS, has amalgamated with the quantitative risk analyst team to form the new ARQ. Similarly to AIMS, ARQ has two main roles: they are either responsible for assurance work or alternatively provide an advisory service. The ARQ team is also split between Johannesburg and Cape Town, and forms part of a global network.

Secondly, King Price was the first short-term insurer that has spoken to our students in a number of years. Many of the students have seen the King Price advertisements on television as well as around Pretoria and there was a lot of interest regarding this new insurer. Although the presentation was short, it was very entertaining and portrayed their message very effectively. It was a great end to the evening.

Aktua would like to thank the speakers and representatives from these three companies for taking the time to speak to our students. It is always very enlightening and provides much needed insight into the respective industries.

We are looking forward to the presentations scheduled for next semester.



Marianne Behr



pwc

King Price Insurance - Let the magic begin!

We have all seen their comic and colourful advertisements on television and YouTube. Launched in June 2012, *King Price* Insurance is still in their infancy as an insurance company compared to other short-term insurers. However, they are by no means letting the “big kids” have all the toys to themselves!

“It is a creature of raw entrepreneurial private capital.” Such are the words Stephen Cranston used to describe the company in the *Financial Mail* of 12 December 2012. The entrepreneur referred to above is the founder of *King Price*, Gideon Galloway.

Critics might say that starting a short-term insurance company with the current state of economic affairs might not be the smartest endeavour to undertake, since cancelling insurance policies is usually the first of many rand-stretching techniques exercised by consumers. If the economic circumstances do not provide enough of a challenge, there are also the strict regulations and legislations to deal with.

Then there was magic. With 25,000 policies sold in 11 months, and the numbers increasing exponentially each month, it certainly looks like *King Price* has become the king of a consumer market where price is everything. So what is the method behind the madness?

Well, unfortunately, a magician never reveals his secrets. However, we have been let in on a few of the practices contributing towards their success. Firstly, *King Price* insures their clients directly. By not using a broker, the middleman is effectively eliminated and the savings made on commissions in turn lowers the price of the policy. Secondly, by insuring an asset against its book value, you take into account the depreciation of the asset. So, as your assets book value decreases, so does your premium. However, the handiest tool at *King Price*'s disposal is its Risk Rating System, a three year underground development believed to be the fastest and most accurate of its kind in South Africa.

For reinsurance *King Price* looks to Munich Re. Reinsurance helps lower risk to the insurance company and improves the solvency of the insurer in accordance with Solvency Assessment and Management. Look out for more on this in our next *AKTUA Times*.

King Price has certainly taken the short-term insurance market by storm in more than one way. The results of the risks taken speak for themselves. We will be eagerly watching the growth of this “creature” with utmost interest.

Vivian Olivier

Price is King

KingPrice
INSURANCE

Royal service, cheapest price

Lecturer Interview – Matthew Smith

Background

- * **Full name:** Matthew Lee Smith
- * **Date of Birth:** 24/05/1990
- * **Qualifications:** BSc Actuarial and Financial Mathematics
BSc (Hons) Actuarial Science
- * **Position at UP:** Assistant lecturer for IAS 211,
IAS 221, IAS 361



Interview

Where did you grow up and go to school?

I was born in the United Kingdom but moved to Pretoria in 1993 when I was 3 years old. I attended Waterkloof House Preparatory School (WHPS) for primary school. After my time at WHPS I was accepted to complete my high school career at St Alban's College.

You are currently doing your Masters in Actuarial Science. What is your area of research?

That is correct. Well, I believe the world is moving into a new paradigm with new problems that require 'new age' solutions. In the next decade I am convinced we will see the boundaries separating different fields of study fade and many study fields will become intertwined. Further, many of the problems we are faced with in the financial world are becoming dynamic and are beginning to evolve rapidly. To combat this evolution we are going to require models that evolve and learn with these problems. Fortunately, these models do exist in the field of Artificial Intelligence but have not been 'tweaked' enough to be applied to financial problems. My Masters revolves around understanding these models, 'tweaking' them and applying them to some of the problems we face.

How difficult are you finding it to study and work at the same time?

As I am in a unique position where my studies and work complement each other, I am not finding it difficult. Also, the staff from the Actuarial department I have interacted with through work have aided me in the development of my studies.

4. Are you enjoying it at UP, and would you consider staying after your Masters is done? Basically, what are your plans for the future?

I am definitely enjoying it at UP, and I've been grappling with the idea of staying on after my Masters. Recently, I made a decision regarding this, namely that I will likely not stay on, simply because I feel it necessary to gain exposure to the corporate world. This will allow me to understand exactly how the corporate sector functions, and more importantly, where it can be improved. I do see myself returning to the university in the future to continue research and lecturing, but only after I have gained the knowledge I wish to from the financial world.



Were there any subjects you specifically disliked during your undergraduate degree?

I'm glad you asked this question. Fortunately, there were no subjects I genuinely disliked. However, I have found that people (including myself) associate initial dislike with level of difficulty. This leads me onto the third year subject of Analysis (WTW 310) which, unfortunately, is a prime culprit in this regard. For those of you who have not taken the course yet, Analysis is a brief glimpse into a more fundamental and abstract type of mathematics. Analysis is a subject that I disliked initially as it was time consuming and difficult to grasp. However, I found that, the more time and effort I dedicated towards understanding the concepts, the more I enjoyed it. Analysis then became one of my favourite subjects when I look back.

Do you have any hidden talents and/or interests?

I have several interests which are not aligned with my studies, one of which is astronomy. I was introduced to it in first year and it has remained with me ever since. More interests of mine are public speaking and philosophy. However, I am not exceptionally good at either of them. Travelling is also a secret passion of mine as I find different cultures and people fascinating. As for sports, I have a love for cricket, show jumping and field hockey. Unfortunately, I stopped playing field hockey competitively this year as I do not have time for the training sessions. My new favourite sport is snowboarding which I recently discovered on my trip to Canada and Austria.

If you could re-live one specific day or time period of your life, what would it be, and why?

I am fortunate enough to have been given incredible opportunities throughout my life. To choose one, I feel, would disrespect the others. My answer then is simple, if I had to re-live any specific period of my life it would be the entire period.

Any specific advice you can offer to students in our Department with regards to studies, or just life in general?

When I was younger I got into several arguments with my friends about the level of difficulty of different degrees. As these arguments never had a clear victor, I naively tried to reason why I thought Actuarial Science was the most challenging degree and qualification of all. After several months I came to a realisation: it is necessarily not the most challenging. What I realised is that Actuarial Science resembles far more a life choice than an academic pursuit. Now, as a student, this may not sound grandly inspirational or even pleasant, but this is the truth I have come to understand. The good news is that this dedication is not something to fear or shy away from. Instead, it is something to embrace as the education and knowledge you gain from the journey you are on is worth far more than those days when you are going to feel like it is no longer worth the effort. So my message is simple, embrace the choice you have made, learn something new every day and, finally, one does not pursue an academic degree for the accolades or titles but for the richness of the knowledge one gains.

First Year Madness!

Welcoming Social

Orientation week – nothing spells out “disorientated” quite as well as a bunch of new first years running around on campus with maps in their hands and confused looks on their faces.

During this crazy time, Aktua added to the fun by putting together the infamous “Amazing Race @ Tuks” – Actuarial Edition. The first years were given maps, and a list of places on campus to go to. Upon finding any of the destinations, which proved to be an overwhelming experience in itself, the freshmen also had to answer a question pertaining to their career of choice. Although everyone seemed to know the basics – that we’re in a battle to get as many exemptions as possible to qualify as soon as we can – some were still not too sure about the specifics. If you’re ever uncertain about how many exemptions you can get while studying undergrad at UP, or what exactly ASSA stands for, be sure to visit the department’s website: www.up.ac.za/actuarial.

After an hour had passed, it became clear that perhaps finishing the race was not the main goal – the focus was actually on having fun and the fact that campus might be a bit larger than you thought! Although we had limited time to conduct the social, Aktua would like to thank the Department for helping arrange the event and the first years for being such eager beavers and participating with so much enthusiasm. Look out for the next generation of campus explorers next year!

Bophelo Matlaila





30 Seconds Evening

“He is a famous white South African soccer player” she shouted and got slightly annoyed when most people just gave her a puzzled look. She got even more annoyed when the only response she got was Matthew Booth. “No man, the other one! The famous one!” I would not have guessed it either.

The answer was, after all, Bryan Habana.

This was just one of the questions that had everyone in stitches at this year’s annual 30 Seconds evening. The winning team’s members all walked away with a small prize, but more importantly, everyone made a few new friends in the chaotic period known as the start of the first year. The turnout was amazing and the evening was a great success. Aktua would like to thank everyone who attended.

We have been talking to a few of the first year students, asking them about possible issues or concerns that they may have about Aktua events. One of the responses we get time and time again is that people feel that they might not know anyone there. To address this concern: Not knowing anyone is actually a great opportunity. You get the chance to meet new people outside the class environment, which is a great way to start building your network for the future. These are, after all, the people who you will be working with some day. Another huge benefit in attending the Aktua events is that you get to meet students in higher years than yourself. The importance of someone who can explain what a moment generating function does, or warn you about the evils of WTW220 cannot be overstated.

We have many more events planned for the second semester and hope to see all of you there. If you have any ideas for possible future events, or want to make a suggestion to Aktua in general, please send us an email at aktua@up.ac.za.

Albert Mijburgh

Aktua Beach Volleyball Day 2013

Our academic schedules at Tuks can become very stressful at times, especially if you live on the actuarial side of life! (Grunts of agreement please) How often are there times when, after several runs of your SAS code, it still won't work? At such times a student might get the dangerous urge to punch something. Now, since we at Aktua do not promote violence in any form, we took the initiative and organised yet another fun-filled volleyball day to let out all of the stress, or at least just have a great time in the sun!

This year the tournament took place on Saturday 23 February in the form of a round robin. The teams wasted no time getting onto the sand for some warming up and hitting the ball around. From the start, our oldest veteran team "Vanilla Choc Chip Cookie" made it clear that they were after the trophy once again. It wasn't going to be easy though, as they were faced with tough games from both the other older and the newer teams.

In the end, however, "Vanilla Choc Chip Cookie" proved to be just a little too strong as they clenched their spot as the overall winners of this year's tournament – claiming the title for the third year running! Congratulations guys, well done!

We look forward to seeing many of you, at next year's beach volleyball day. As always, we welcome beginners and pros alike. It's all in the name of fun, quality time on the beach sand, a laugh with your fellow students and last, but not least, the litres and litres of free ice cold Energade to round it off nicely.

Lawrence de Jesus





Poker night: Aktua vs. House CA

The future actuaries went up against the future accountants on 2 May 2013 when Aktua hosted our first poker night with House CA at Mimmos in Hatfield. It was always going to be an interesting challenge - and did the night live up to its promise! Everyone who attended will agree that it was an amazing evening defined by pizza, cocktails, plenty of laughs and skilful poker all round.

The three top poker players for the evening each received an award for their skill. We are proud to announce that all three were, in fact, actuarial students! We extend our congratulations to them for putting all of their statistics theory to good use!

Please join us next year! Whether you are a complete beginner or a pro, we encourage you to participate in this fun-filled tradition.



Kelefilwe Kungwane



Agie Se Magie

First Year

And so it begins...

We've gotten into university, and completed our very first semester. Only, hmmm, I'm not sure how many left to go? It's been a tough road so far, but nothing worthwhile comes easy, or so we hear...

Somehow it seems quite believable, since even those who had Accounting and IT at school are struggling. Stress relief comes in many forms - perhaps also in the form of denial. Sleeping or watching movies during lectures is certainly not a healthy way of progressing towards exam entrance. Programming proved the most challenging of all, and brought forth hysterical laughter each time an activity was given not for marks, but for 'fun'. What a matter of pride trying to get those little coloured rascal things next to our names on Honey!

Yes, this year was more than we expected after matric, but we've learnt a lot - especially the guys who now know the 'game theory' method of picking up girls and also where to find the best nappies if that 'pick-up' ends badly. Lastly, good luck for exams... I hear chances of all of us getting great marks are...improbable?

Second Year

You know those people in the year ahead of you who are always superior? Come on, I know you've all heard that nose-in-the-air, somewhat smug phrase: "You think YOUR level/grade/year is hard? Wait till you get where WE are!"

Well, these speakers have become a bit quiet lately... And just when you think it's because the difficulty level of this course is finally evening out, you take a look around and realise: They're quiet, because they are no longer ahead of you, but are actually sitting in class with you... Even more disturbing, you can understand all too well why this is the case. With enough class tests, practical assignments, group work and semester tests to let any sane-minded student run away screaming, the second year of Actuarial Mathematics has certainly been living up to its promise in terms of difficulty.

Luckily, happiness is never too far off. Whether it be the Stats lecturer not showing up for class on a Wednesday afternoon (still in shock after that), the INF lecturer accidentally posting memo's instead of question papers on ClickUP, or just getting ONE test result back that went better than you expected... You learn to take whatever you can get.

Best of luck to my fellow second years. May you reach whatever marks you hope & worked for during this exam. Almost half-way there... Let's do this!

Third Year

We made it to our final year! One more year (or so we hope) of countless class tests, SAS practicals that tend to infinity and a workload increasing at an exponential rate.

The semester started out with lecture halls overflowing with students - so much so, that lecturers even tried to convince us that we really don't want to do their ever so "boring" subject! However, as time progressed, numbers have diminished, as we all strategically pick which lectures we can afford to skip in the name of a last minute cramming session for a semester test. One of the "unskippable" ones, however, would be Stats Tutorial... because, if a class test is announced, there isn't one, and when it isn't, there is! Afterwards, there is the practical session ALL the way up in the Brown lab... which only the male species seem to have the energy to walk to. Then, of course, there is that one particular lecture that has had 'perfect' attendance throughout the semester... Honestly though, after a night of celebrating a friend's 21st, drowning your sorrows after a terrible semester test, or just pretending to be a normal student for once, who was ever really going to pitch for a 07:30 Friday morning lecture?? Unless you make Financial Engineering your after-after party, of course...

If you are currently reading this: Congratulations on surviving HELL week! If you could make it through that, exams shouldn't be too much to stress about... If all else fails, always remember that, at the very least, if you are studying to be an actuary and you get brain damaged, you can still become an accountant!

Best of luck for the exams my fellow 3rd years!

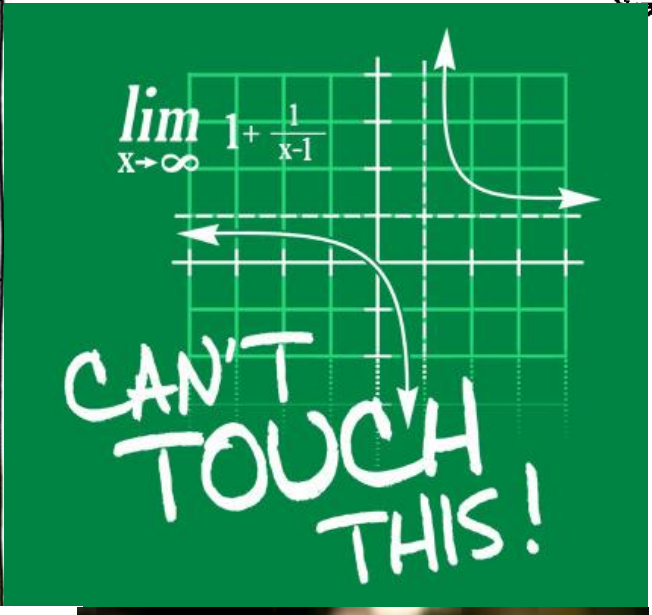
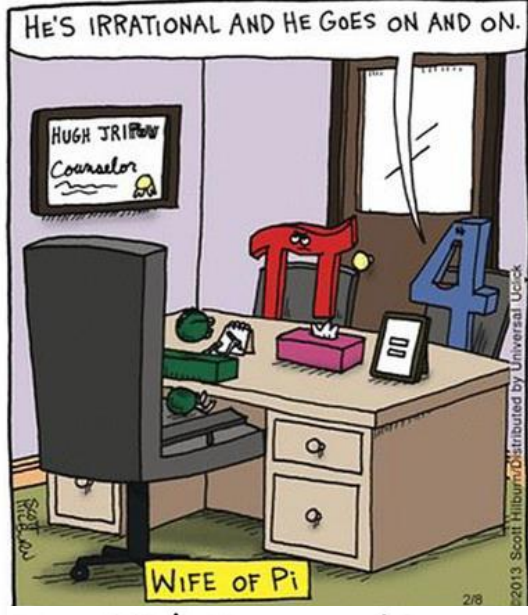


Life as we know it...

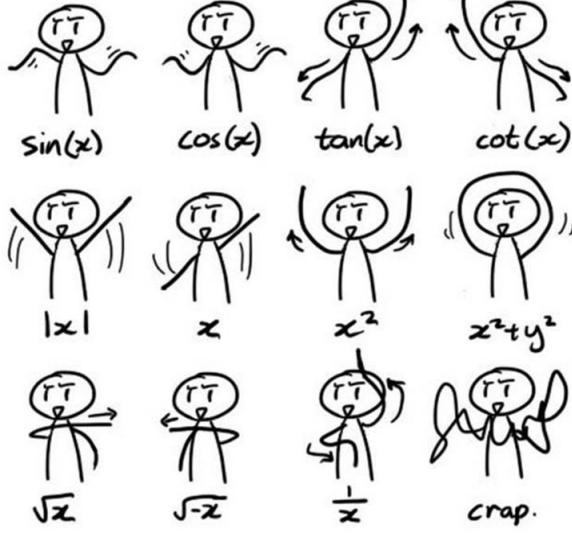
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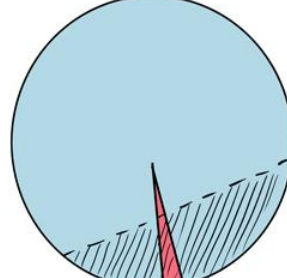
Humour & Such... Because We Can!



Beautiful Dance Moves



A graph on math jokes

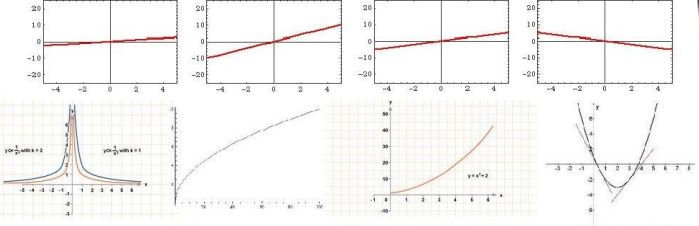


- Math jokes that are funny
- Math jokes that are not funny

/// math jokes that you could actually understand



When did this...



...become hotter than this?

These are real graphs with real curves.