Institute and Faculty of Actuaries

A Guide to CM1 and CM2 Examinations

February 2026

Contents

Introduction to Actuarial Mathematics (CM1 and CM2)

This guide should help answer your questions about CM1 and CM2, including:

- the format of the online examinations;
- guidance on how to take the examinations;
- administrative information

If you have any further questions that are not covered in this guide, please contact the Member Services Team: **memberservices@actuaries.org.uk**

Past examination papers for CM1 and CM2 are available on the IFoA member portal Virtual Learning Environment (VLE). Non-members can contact Member Services for guest access.

What is covered in CM1 and CM2?

CM1 and CM2 provide a grounding in the principles of actuarial modelling.

CM1 focuses on deterministic models and application to financial products. It will equip you with:

- the basic principles of actuarial modelling
- theories of interest rates
- the mathematical techniques used to model and value cashflows which are either certain or are contingent on mortality, morbidity and/or survival.

CM2 focuses on stochastic and asset liability models and the valuation of financial derivatives. It will equip you with:

- the theories of behaviour of financial markets
- measures of risk
- determining reserves for a non-life insurer
- pricing options.

Subjects CM1 and CM2 assess your competence in the theory (using Microsoft Word) and the practical application (using Microsoft Excel) of these principles.

The format and timing of the CM1 and CM2 examinations

Details of the syllabus for CM1 and CM2 can be found here: **Actuarial Mathematics Syllabus**.

Examination dates can be found online at: **Key Exam Dates**.

Further guidance on preparing for your exam can be found on the **IFoA website.**

The assessment of CM1 and CM2 subjects will each consist of two dual papers (Paper A and Paper B) which are held on separate days. You must sit both papers in the same examination series. Your examination booking confirmation will show the date and time of each examination.

You can expect to answer questions of varying marks across both papers in line with the topic weightings and skill levels outlined in the subject syllabus.

Paper A consists of questions where you will need to construct and type answers in Microsoft Word. The duration of this paper is 3 hours and 20 minutes.

In Paper B you will use Microsoft Excel to answer another set of questions. The duration of this paper is 1 hour and 50 minutes.

The final mark awarded for each subject will be the weighted average of the marks awarded in Paper A (70% weighting) and Paper B (30% weighting). To award a pass, this final mark must be equal to or exceed the pass mark for the subject.

Further information on marking can be found in the **Qualification Handbook.**

Note: Reading time is included in the overall examination time. It is up to you to manage your time between reading through the paper and starting to answer the questions.

What examinations should I have passed before sitting CM1 and CM2?

You do not have to pass any other examination prior to attempting CM1 or CM2.

There are a number of foundation topics that are assumed knowledge for CM1, including compound interest, basic probability theory and random variables. You may wish to ensure you are familiar with these topics before studying for CM1. To access the latest syllabus please visit the **Actuarial Mathematics** webpage.

CM2 builds on many of the principles covered in CM1, so it is strongly advised you are familiar with the topics covered in CM1 before attempting CM2.

Study hints and tips.

- Ensure you have prepared sufficiently for the exam being taken – do not underestimate the amount of study required for these exams. It is important to remember that any part of the syllabus can be examined in the A and B papers.

- Provide all workings clearly to examiners, to demonstrate which methods are being used and how you have reached the final answer. If a numerical error is made but full workings are provided, examiners may award partial marks for the correct methods used and for correct calculations. Failure to provide sufficient workings may lead to lower marks being awarded.

- We advise you to avoid excessive rounding.

- Standard keystrokes are generally expected in your solutions.

- The number of marks available can be a fairly good indicator of the level of depth required in your responses.

- A good exam technique to remember is to read back through your answers carefully to ensure that the response you have provided adequately addresses the exact asked. For example, ensure your response is tailored to the scenario outlined in the question or the relevant formula has been used.

- When a question specifies a method to use or not use (e.g. without using a tool such as Goal Seek or Solver) if you do not follow this instruction, you may be awarded less marks.

- We recommend you practice rearranging and solving algebra on screen ahead of examinations, especially if you are more familiar with using pen and paper. When using algebra, steps need to be explained clearly to demonstrate your understanding.

- You will need to demonstrate your ability to translate descriptive wordings into mathematical formula.

What knowledge of Microsoft Word do I need?

Extensive knowledge of Word will **not** be necessary for this examination.

Please note, if you use Excel to aid with calculations in Paper A, any calculations or Excel formulae you use must appear in full in your Word answer script to ensure you receive the appropriate marks. The examiners may not award full marks if they cannot assess how your answer was determined, even if you have produced the correct final answer. It is therefore important to include the key steps and method in your answer.

What knowledge of Microsoft Excel do I need?

Extensive knowledge of Excel is **not** part of the examination. However, candidates will be expected to perform calculations effectively using Excel.

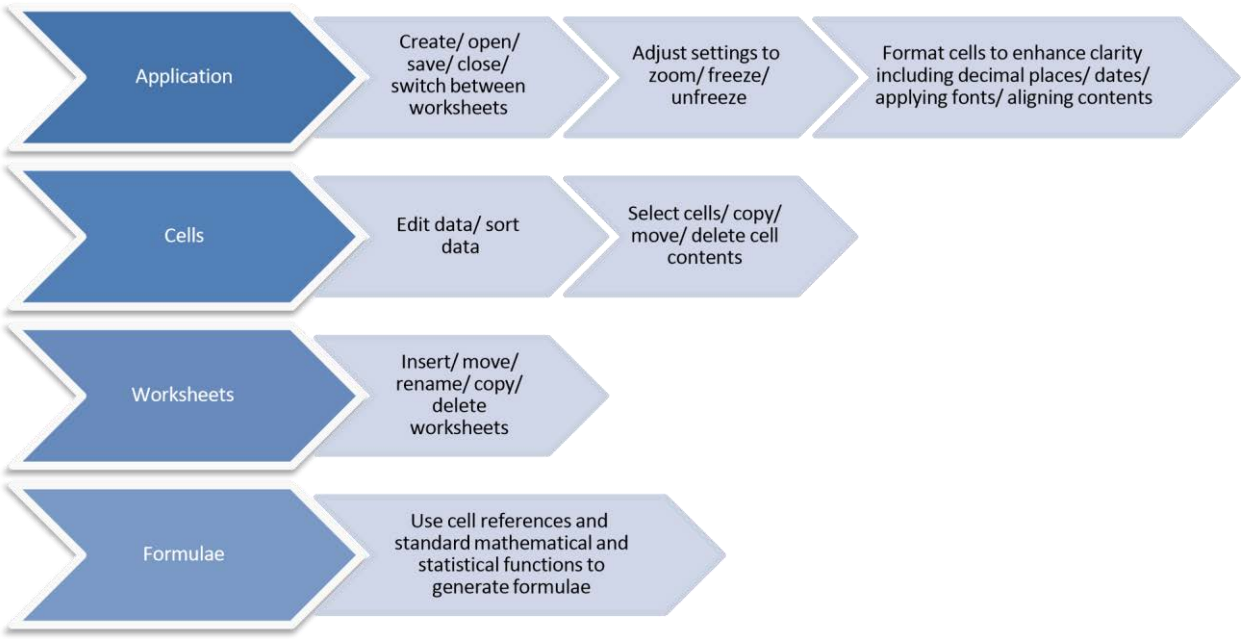
Candidates who have limited experience or rarely have an opportunity to create spreadsheets are encouraged to practise before sitting the examination. Past papers for CM1 and CM2 are available on the IFoA Virtual Learning Environment.

An indication of the Excel functionality and Excel functions that candidates should be able to use is given below. In addition, candidates are expected to know how to sort data and create and modify charts. Examination questions are designed **not** to require advanced Excel techniques. Candidates should not use in-built employer Excel functions nor user defined Excel functions.

Candidates are unlikely to be required, in any one examination, to use all of the functions listed here:

AVERAGE STDEV MIN / MAX / MEDIAN LARGE / SMALL SUMPRODUCT SUMIF	COUNT COUNTIF VLOOKUP HLOOKUP INDEX OFFSET	IF AND/OR NOT ROUND ABS INT	The "Goalseek" function, found under "What-If analysis" in the "Data" tab.

Candidates are recommended to look up the details of how to use the below features before the exam. Further information and help is available free and online, as well as through many reference books and the Help facility in Excel itself.



Where can I find more information?

Candidates should be familiar with the current **exam related guidance** for further information to prepare for IFoA examinations. The IFoA offer:

- Mini Guides: A selection of easily assessable, bitesize step by step instructional guidance covering a range of topics on how to prepare for your IFoA exam, what happens on the day of your exam and what happens after your exam.

- Exam Guidelines: A clear checklist of the candidates' responsibilities, in the build up to their exam, the day before, the day of and after their exam. The guidance details what items are permitted within the exam.

The IFoA **Qualification Handbook** contains key information for those working towards qualification.

The IFoA **Assessment Regulations** contain the regulations that all candidates are required to follow when sitting an IFoA assessment. If you fail to follow these regulations your assessment may be investigated.

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