# Errata Sheet for Solutions Manual for Actuarial Mathematics for Life Contingent Risks, 3rd Edition[1]

- Solution to 8.6: after the first $=$, the term should be $\bar{A}_{79}^{02}$, not $\bar{A}_{79}^{01}$.

- Solution to 8.11: the powers in the final line should be $j$, $8 - j$, $2 - j$, $2 + j$

- Solutions to 8.21(a) parts (ii) and (iii) have been interchanged. Also in current (ii), subscript 10 should be $t$ in the integrand.

- Solution to 9.4(c): should read $512/1\,232 = 0.4156$.

- Solution to 10.14(b): in line 4 the exponential term should be $e^{0.0005t}$, giving

$$_{20}p_{60:55}^{00} = 0.78292 \times 0.87079 \times 1.01005 = 0.68861.$$

- Solution to 10.14(d): the change in (b) means that $\bar{a}_{60:55:\overline{20|}}^{00} = 11.6733$ and hence $P = \$6\,969.90$.

- Solution to 10.14(e) has $\bar{A}_{xy}^{13}$ and $\bar{A}_{xy}^{23}$, but subscripts should be single lives.

- Solution to 10.14(g): the change in (c) means that $_{19.5}V^{(0)} = 146\,374$.

- Solution to 13.3(a): the third solution (i.e. for NPV(2)) should be $-\$4123.85$, not $-\$4067.02$.

- Solution to 17.1(b) should have $c\,\ddot{a}_{60:\overline{10|}_{i*}} = 7.2708c$, giving $c = 0.63$.

- Solution to 17.5(b): in part (i) the cost of the hedge brought forward should be

$$\frac{11\,701}{\frac{1}{12}p_{60\frac{1}{12}}} = 11\,704,$$

leading to a rebalancing cost of $-\$112$ and an EPV of $-\$1189.09$. In part (ii), the corrected rebalancing cost of $-\$112.35$ leads to a profit, given survival, of 290.43, an unconditional profit of 290.27, and a profit margin of $-1.12\%$.

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[1]Last updated on 3 October 2024