

ACT 348H1F, Advanced Life Contingencies, Fall 2022

Lecture Section	L0101	
<i>Lecture times, location</i>	Mon 3:00 -5:00 pm – in person HS610 starting on Sept 12 Wed 11:00 -12:00 pm – in person HS610	
<i>Instructor</i>	Dr. Andrei Badescu, andrei.badescu@utoronto.ca	
<i>Office hours</i>	On zoom Wed: 2-3 pm, link to be provided on Quercus. Office hours will start the week of 19 th of Sept. Sophia office hours, Tu 2-3 on zoom, link on Quercus.	
<i>TA</i>	Sohpia Chen	

Texts

Required

Exam LTAM Study Guide includes ACT247+348, and ACT348+455, Samuel A Broverman. Please purchase your required coursebook for this semester from the Department of Statistical Science. More info about the time when you can get the manual on Quercus.

Additional

- Actuarial Mathematics, 2nd Ed., by Bowers et al, Society of Actuaries, available on the SOA website to be ordered.
- Actuarial Mathematics for Life Contingent Risk, 2nd edition, Dickson D, Hardy M., Waters

Course Objective:

This course is designed to help prepare you for the portion of the old Exam LTAM of the Society of Actuaries (www.soa.org) and for the new FAM (Fundamentals of Actuarial Mathematics) and the ALTAM (Advanced LTAM) and for future university courses. Questions and in-class discussions are encouraged.

Coverage:

- Review of Intro to Life Contingencies (S1-S17)
- Benefit Premiums (S18-S19)
 - o The loss at issue random variable
 - o Equivalence principle premium
- Expense Augmented Models (S20)
- Benefit Reserves (S21-S27)
 - o Prospective and retrospective reserves
 - o Reserves on additional policy types
 - o Expense augmented reserves
 - o Recursive relationships for reserves
 - o Modified reserves, policy profit
- Multiple Life Functions (S28-S31)
 - o The joint life status
 - o The last survivor status
 - o The common shock model

- Multiple life insurance and annuities
- Contingent probabilities and insurances

Teaching style:

All the lectures will be in person. I will post the pdf files for the lectures on Quercus. This will give the students the chance to go over the notes and be able to pay attention to the class explanations.

Test:

Term tests

- Test 1 – 3rd of October 2022, 3:10 -4:10 pm, in person in the normal class time, more details to be announced later – 25% of the final mark
- Test 2 – 14th of November 2022, 3:10 -4:10 pm, in person in the normal class time, more details to be announced later – 25% of the final mark
- **Final Exam 2 hours (TBA) – 50% of the final mark**

Marking Scheme:

The final course mark will be determined via two term tests, each worth 25% and a final exam worth 50%. These weightings will not be changed, either for the whole class or for any individuals. The test and final exam will be in a combination of multiple choice questions and written answer questions.

Missed Term Test: YOU ARE NOT ALLOWED TO MISS MORE THAN ONE TEST. If by valid reasons you missed one term test, the 25% weight of the mark associated to the test will be moved towards the final exam and the final exam will count for 75%. Students who will miss both term tests will lose automatically 25% of the final mark and the remaining 25% will be moved to the final that will only count for a maximum of 75%. **There is no deferred final exam for this class.**

Calculator:

A calculator is essential for working exercises, tests and final exam. The Texas Instruments BA II PLUS calculator is one of the calculators allowed on the Society of Actuaries examinations; it has the financial functions that would be needed for this course and is recommended. All non-programmable calculators are allowed.

E-mail policy:

E-mails will only be answered if they are from a U of T address. When there are many e-mail requests, not all can be answered, but an answer to a common question will be posted on Quercus.

Updates:

All the possible updates regarding to this course will be made in class and in Quercus. The student should check Quercus regularly.

UAP course syllabus:

This course is one of the mandatory courses under Canadian Institute of Actuaries (CIA)'s University Accreditation Program (UAP). UAP has moved away from the course-by-course accreditation method and towards program accreditation method (the "Pathway 1 of CIA qualification"). Under the new pathway, in order to obtain ACIA (Associate of CIA) professional credential, students need to:

1. Complete a degree from an actuarial program (ACT Specialist or Major) at University of Toronto and pass a list of mandatory courses. No minimum course grade or GPA is required as long as students pass all the mandatory courses. The full list of UofT's 16 mandatory courses are: ACT240, ACT245, ACT247, ACT348, ACT349, ACT370, ACT451, ACT452, ACT466, STA257, STA261, STA302, STA314, ECO101, ECO102, MGT201/RSM219.

For transition: CIA will accept an actuarial degree from UofT completed between June 30, 2015 and October 31, 2023 without all the specified mandatory courses.

2. Complete the ACIA Module (administered by CIA, projected Spring 2023).

For transition: a student can be exempt from the ACIA Module if they complete SOA exam PA and the 8 FAP Modules and assessments by December 31, 2023.

3. Complete an open-book ACIA Capstone Exam (administered by CIA, projected Fall 2023).

For transition: a student can be exempt from the capstone exam by completing any combination of UAP credits or exams for P, FM, IFM, LTAM, STAM and SRM by October 31, 2023. The deadline to apply for UAP credits is September 30, 2023.

Details on the new pathway for students can be found here: <https://education.cia-ica.ca/acia/acia-for-accredited-university-students/>