

Errata and updates for ASM Exam STAM Study Manual (Second Edition Second Printing) sorted by date

- [8/3/2020] On page 939, in the solution to exercise 50.16, on the fifth line, the line for Z, change the numerator from 90 to 200 + 250 + 225.
- [7/9/2020] On page 1293, on the first line, change the link to <https://www.casact.org/admissions/studytools/exam3/sp05-3.pdf>.
- [7/9/2020] On page 1296, on the first line, change the link to <https://www.casact.org/admissions/studytools/exam3/Fall105.pdf>.
- [7/9/2020] On page 1299, on the first line, change the link to <https://www.casact.org/admissions/studytools/exam3/06-3.pdf>.
- [7/9/2020] On page 1302, on the first line, change the link to <https://www.casact.org/admissions/studytools/exam3/Fall106.pdf>.
- [6/22/2020] On page 131, in the solution to exercise 8.11, in the table, the headings are wrong. Here is a table with the corrected headings:

Accident Year	Incremental Paid Losses in Development Year			
	2	2	3	4
AY6				10,650
AY7			13,000	11,700
AY8		35,000	14,000	12,600

- [6/21/2020] On page 1191, regarding the solution to question 11, the tables now do include the formulas you need to solve this question. The revised solution is

The formula is $1082.41(1 + CV_s^2) = 1082.41 \left(\frac{E[(X \wedge 10,000)^2]}{E[X \wedge 10,000]^2} \right)$. Using the formulas in the tables,

$$\begin{aligned}
 E[X \wedge 10,000] &= 1,000(1 + \ln(10,000/1,000)) = 3302.585 \\
 E[(X \wedge 10,000)^2] &= \frac{1,000^2}{1-2} - \frac{2(1,000)}{(1-2)(10,000)^{1-2}} \\
 &= -1,000,000 + 2(1,000)(10,000) = 19,000,000 \\
 1082.41 \left(\frac{E[X^2]}{E[X]^2} \right) &= 1082.41 \left(\frac{19,000,000}{3302.585^2} \right) = \boxed{1885.547} \quad \text{(B)}
 \end{aligned}$$

- [6/15/2020] On page 148, in the fourth paragraph of the solution to Example 10D, on the second-to-last line, change “differtial” to “differential”.
- [6/15/2020] On page 186, on the second line of the solution to Example 12K, change the left parenthesis after $E[Y^L]$ to a slash. On the third line, delete the exponent 2 after $(1 - F(500))$. The sentence should then read $E[Y^P] = E[Y^L]/(1 - F(500))$ and $E[(Y^P)^2] = E[(Y^L)^2]/(1 - F(500))$.

[5/20/2020] On page 1289, in the solution to question 24, replace the third and fourth lines with

$$\begin{aligned}l &= 4 \ln \alpha + 6\alpha \ln \theta - (\alpha + 1) \sum_{i=1}^4 \ln(\theta + x_i) - 2\alpha \ln(\theta + 200) \\&= 4 \ln 0.6526 + 6(0.6526) \ln 38.8571 - 1.6526 \sum_{i=1}^4 \ln(38.8571 + x_i) - 2(0.6526) \ln 238.8571 \\&= -22.8443\end{aligned}$$