

## Errata and Updates for ASM Exam ALTAM (Fourth Edition) Sorted by Page

[9/10/2026] On page 3, on the fifth line of the page (formula for  $\mu_{x+s}$ , change  ${}_x p_x$  to  ${}_s p_X$ .

[12/9/2025] On page 13, 2 lines above Example 2A, change “nonsmokers” to “smokers” two times.

[9/20/2026] On page 461, 3 lines from the bottom on the last line of the table, change  $x$  from 45 to 44.

[11/8/2025] On page 477, in the solution to exercise 24.7, on the second line, change 2012 to 2022.

[12/22/2025] On page 755, in the solution to question 1(a), in the numerator of the displayed line, change  ${}^{t-1}_+VP$  to  ${}_{t-1}V + P$ .

[12/7/2025] On page 850, in the solution to question 6(b), on the second line, change  $x i$  to  $\xi$ .

[12/7/2025] On page 851, in the solution to question 6(c), replace the last two lines with

However, for every account last year,  $p_{50}$  accounts survived, so we divide 1460 by  $p_{50}$  to calculate the amount needed per surviving account.  $p_{50} = 1 - 0.001209 = 0.998791$ , and  $1460/0.998791 = 1462$ . So the rehedging cost is

$$1363 - 1462 = \boxed{-99}$$

[5/1/2026] On page 873, in the solution to question 2(c), the positive signs before 0.04 and 0.1 should be changed to negative signs:

$$\frac{d_t V^{(1)}}{dt} = \delta_t V^{(1)} - 10,000 - 0.04(120,000 - {}_t V^{(1)}) - 0.1(100,000 - {}_t V^{(1)})$$

[5/1/2026] On page 875, in the solution to question 5(a), in the fourth bullet, change  $\ddot{a}^{65}$  to  $\ddot{a}_{65}$ .

[12/10/2025] On page 876, replace the solution to question 6(c) with the following:

The Benefit Base grows to  $100,000(1.03^{10}) = 134,391.6$  at the end of 10 years. The fund values are 103,000 at time 3 and 140,000 at time 6, so the guarantee is stepped up to 140,000. This is higher than the ultimate value of the benefit base, so 140,000 is the value we will use.

You don't have enough information to calculate the value of a whole life annuity at 8%; the mortality tables you get at the exam stop at age 100. So we use the crude underestimate of 8% of the guarantee, or  $0.08(140,000) = \boxed{11,200}$ .