

Subject SA2

Corrections to 2019 study material

0 Comment

This document contains details of any errors and ambiguities in the Subject SA2 study materials for the 2019 exams that have been brought to our attention. We will incorporate these changes in the study material each year. We are always happy to receive feedback from students, particularly details concerning any errors, contradictions or unclear statements in the courses. If you have any such comments on this course please email them to SA2@bpp.com.

You may also find it useful to refer to the Subject SA2 threads on the Actuarial Discussion Forum. (You can reach the Forums by clicking on the 'Discussion Forums' button at the top of the ActEd homepage, or by going to www.acted.co.uk/forums/.)

Important note

This document was created on 10th April 2019.

1 CMP

Chapter 5

Practice Question Solutions 5.3 (page 12)

The second and third paragraph under 'Anti-selection' should read:

'The averaged annuity rate will appear relatively more attractive to females than to males.

Hence, it is more likely that females will buy the product under gender-neutral pricing than previously (under gender-specific pricing), and vice versa for males.'

The first paragraph under 'New business volume' should read:

'Many males may now decide not to purchase the product, but there may not be an equivalent increase in new business from females.'

Chapter 18

Section 4.2

On page 20, the second Core Reading paragraph should read:

'For example, this may be due to changes in the methodology used to determine the period over which the margins and capital requirements are released, or to the parameters used to determine the period over which the margins and capital requirements are released, or to the parameters used to determine the related frictional costs.'