

Glossary

Introduction

This glossary contains useful information for your studies. As well as being mathematically correct your answers should demonstrate accurate use of language and grammar. This is especially important in subjects where you will have to produce essay style answers.

The topics have been picked out from looking at assignment scripts and working out what reminders are necessary.

The contents are:

1. Commonly misspelt words
2. Confusing word pairs
3. Latin and Greek
4. Words you will meet in actuarial work

For students taking the ACET exam these will be tested as part of the English section of the exam.

Commonly mis-spelt words

These are the correct spellings of words that have been spelt wrongly in actuarial work:

actuarial	ageing	appropriately	basically	benefit	benefiting
biased	calendar	cancelled	commission	consensus	correlation
cyclically	deferred	definitely	formatted	fulfil	gauge
hierarchy	immediately	independence	instalment	interest	millennium
necessary	occasion	occurred	occurring	offer	offered
offering	orthogonal	paid	particularly	pensioner	precede
proceed	receive	referred	referring	relief	seize
separate	similarly	supersede	targeted	theorem	until

Notes:

- Single or double letters. With –ED and –ING words the rule is that you double up the letter if the stress in the original word was on the last syllable (as in oc-CUR and re-FER) but not if the stress comes earlier in the word (as in OFF-er, TAR-get, BEN-e-fit). Words like ‘FOR-MAT’, which have equally stressed syllables, are considered to be stressed on the last syllable. With BIAS you can spell it either way – BIASED is more common, but you can use BIASED if you prefer.
- British and American English treat L’s differently. In British spelling an L is always doubled-up before –ED and –ING, whereas the Americans don’t. So the British spelling is CANCELLED and the American spelling is CANCELED. Also in American English INSTALLMENT is spelt with two L’s. (In the exams it is best to use the British spelling conventions.)
- ‘I before E except after C’ usually works provided the combination in question sounds like ‘EE’. However, the rule doesn’t work in plurals (eg POLICIES) or names (eg NEIL) or in the word SEIZE. (If the sound isn’t ‘EE’, you just have to remember the correct spelling eg HIERARCHY.)
- Adverbs derived from –IC words (eg CYCLICALLY) always have a silent AL in the ending, even if the corresponding –ICAL word doesn’t exist (eg BASICALLY, SPECIFICALLY). However, the word PUBLICLY is an exception for some reason.
- For some reason people (especially non-actuaries) often miss the middle A out of ACTUARIAL.
- Make sure you put the right number of O’s in the words LO(O)SE. LOSE rhymes with ‘booze’ and is the opposite of ‘find’. LOOSE rhymes with ‘moose’ and is the opposite of ‘tight’.

Confusing word pairs

The following pairs of words sound similar but are spelt differently according to the context:

Advice/advise (and practice/practise)

ADVICE and PRACTICE are nouns.

Example: He took the advice he was given about passing the exams.

ADVISE and PRACTISE are verbs.

Example: I advised him how to pass the exams.

Affect/effect

AFFECT is a verb meaning 'to influence'.

Example: Studying will affect your exam performance.

EFFECT can be a noun meaning a 'noticeable change'.

Example: Taking this drug causes a strange effect.

EFFECT can also be a verb meaning 'to put into effect'. (This is rather a specialist meaning, but it comes up often in actuarial work.)

Example: She effected her car insurance policy on 1 July.

Dependant/dependent

DEPENDANT is a noun meaning 'someone who is supported by someone else'.

Example: He has two dependants: his son and his sick mother.

DEPENDENT is an adjective meaning 'being supported by someone else' or 'reliant on something else'.

Example: This formula is dependent on the assumption of equal variances.

In fact, there is some flexibility with this pair, but these are the conventions usually adopted.

Precede/proceed

PRECEDE is a verb meaning 'to come before'.

Example: Will payment precede or follow delivery?

PROCEED is a verb meaning 'to continue'.

Example: Do you wish to proceed with reformatting your hard disk?

Principal/principle

PRINCIPAL is an adjective meaning 'main' or 'primary'.

Example: The principal reason was financial.

This spelling is also used for the head of a school or college. (This is really an abbreviation for 'principal teacher' or 'principal director'.)

PRINCIPLE is a noun meaning a 'rule' or 'moral guidance'.

Example: He was a man of principle.

This spelling is also used in the phrases 'on principle' and 'in principle', which are derived from this meaning.

Latin and Greek

Plurals

A lot of words that come directly from Latin and Greek keep their original Latin and Greek plural endings when they're used in English. The patterns you'll see are:

	Singular	Plural	Examples
LATIN	–US	–I	stimulus/stimuli
	–UM	–A	maximum/maxima medium/media
	–A	–AE	formula/formulae
	–IX or –EX	–ICES	index/indices appendix/appendices
GREEK	–ON	–A	criterion/criteria phenomenon/phenomena
	–IS	–ES	basis/bases analysis/analyses crisis/crises

Notes:

- A lot of Latin and Greek words use the regular English –(E)S ending. So you should say: SURPLUSES, CENSUSES, SYLLABUSES, STATUSES, PREMIUMS, LEMMAS.
- With a lot of words you have the choice of a classical or an English plural. For example, with formula you can use either FORMULAE or FORMULAS. (Americans tend to use formulas.) You can also say TRAPEZIA or TRAPEZIUMS.
- The plural of INDEX is INDICES when you're talking about an economic index, but INDEXES if you mean the pages at the back of a book. The plural of APPENDIX is APPENDICES when you're talking about the section in a book, but APPENDIXES if you mean the thing that gives people appendicitis.
- The plural of SERIES is the same as the singular.
- The word DATA can be treated as plural (*eg* 'The data are complete'). However, many people think of DATA as singular (*eg* 'The data has arrived').
- The word DICE also causes problems. Strictly speaking, the thing with six sides you play games with is called a DIE and DICE is the plural form.

Words and abbreviations

PER ANNUM is a common phrase meaning a year *eg* 'Some actuaries are paid more than £100,000 *per annum*.' The abbreviation *pa* is universally recognised. We also use *pm* (for a month), *pcm* (for a calendar month) and *pq* (for a quarter), but these are not so well known.

PRO RATA means in proportion. For example, 'Your pension will be calculated as 1/60th of your salary for each year of service, with months counting *pro rata*' means that, if you worked for 5 years and 5 months (say), this would be counted as $5\frac{5}{12}$ in the calculation. It is also used as a verb *eg* 'We can *pro rata* the payments to allow for holidays'.

SIC. This is the Latin word for thus. People use it to mean 'it really said this' when they're quoting a passage from a document that has a mistake in. For example, 'In his letter the client said that the company would be increasing its contribution rate from 6½% to 6¼% [*sic*].' I've put 'sic' to show that I realised that the client's secretary had probably typed these numbers the wrong way round, but this was what the letter actually said.

STATUS QUO means the current position. So 'trying to maintain the *status quo*' means trying to keep things as they are.

STET. This means 'Let it stand' in Latin. If you cross something out or change something, but then realise it was right after all and you wish you hadn't changed it, you can write *stet* next to it. This tells the person reading it that you crossed it out by accident. This one can be useful in exams too.

VICE VERSA means the other way round.

eg. This means for example and is used where you want to give an example that could have been one of several.

ie. This means that is and is used when you want to pin down exactly what you mean.

cf. This just means compare. For example, you might write, 'Using the approximation, I got £73.98 (*cf* £74.02 when calculated accurately).'

Words you will meet in actuarial work

The BASIS for an actuarial calculation is used to mean the set of assumptions (*eg* mortality rates, interest rates) used in the calculation. A STRONG basis is one with very pessimistic assumptions. A WEAK basis is one with optimistic assumptions.

A LIFE just means a person.

A FIRST-CLASS LIFE is a person in perfect health. Otherwise, they are IMPAIRED.

IMMEDIATE is the opposite of 'deferred'. It doesn't necessarily mean 'straight away'. A 'deferred pension' would normally start making payments a number of years in the future. An 'immediate pension' would make the first payment at some time during the coming year, but not necessarily at the start of that year.

LEVEL means constant *eg* 'level payments' are for the same amount each time.

A NET payment is one where something has been deducted. Net monthly pay generally refers to the amount of your 'take home' pay after your employer has deducted any amounts due in tax, pension contributions *etc.* Your GROSS monthly pay ignores these deductions. In actuarial contexts the words 'net' and 'gross' are used a lot and need not refer to tax. So you should always ask yourself 'net of what?' *ie* what is it that has been deducted?

An OFFICE (short for LIFE OFFICE) just means an insurance company.

OUTGO is (very logically) the opposite of INCOME.

The word PAYABLE means 'must be paid' rather than 'may be paid'. For example: '£1000 tax is payable on 31 January' doesn't mean you have an option.

The word SECULAR is used to mean, 'in relation to time measured by reference to the calendar'. It clarifies the meaning when time could be measured relative to some other reference point *eg* the time since you were born or since you took out your life insurance policy (which is called the DURATION). So, for example, if I said 'Mortality can be expected to improve over your lifetime because of secular effects', I would mean that in the future they will find a cure for cancer *etc.*, so you are likely to live longer than your parents' generation.

STOCHASTIC means allowing for random variation over time. It is the opposite of DETERMINISTIC.

There are some words that put the S in a strange place when you make them plural *eg* SUMS ASSURED, ANNUITIES-CERTAIN, CLAIMS EXPERIENCE and NO CLAIMS DISCOUNT.