

## Ma 419 ~ Actuarial Mathematics II

### Spring Semester 2023-2024

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Instructor:	Dr. Melissa Gardenghi
Office:	Alumni 38
Office Hours:	Daily by appointment, see <a href="https://calendly.com/mgardeng/20min">https://calendly.com/mgardeng/20min</a>
Preferred Method of Communication:	MS Teams; personal correspondence by personal chat and general course/content related questions in the course general channel
Email:	<a href="mailto:mgardeng@bju.edu">mgardeng@bju.edu</a>
Course Website:	<a href="https://math.bju.edu/ma419/">https://math.bju.edu/ma419/</a>

#### Course Description:

A continuation of Ma 418. Topics include actuarial modeling, including life states, survival models and relevant random variable calculations; premium and reserves calculations; pension and retirement calculation. Prerequisite: Ma 418.

#### Textbook/Calculator:

*Actuarial Mathematics for Life Contingent Risks*, 3<sup>rd</sup> edition, by Dickson, Hardy, & Waters (ISBN# 9781108478083). Please note that this text is not a statistics book. You may find it useful to have access to a mathematical statistics book for referencing information on various distributions. *Solutions Manual for Actuarial Mathematics for Life Contingent Risks* is optional but not required.

Students may ONLY use the TI BA II Plus, TI-30Xa, TI-30X II, and TI-30X MultiView (adapted from SOA Exam guidelines, exceptions for non-actuarial students are made on a case-by-case basis).

**Course Context:** This course supports the following objectives of the actuarial program:

- ASM1: Progress logically from premises to valid conclusions in a variety of mathematical and applied contexts including analysis, statistics (both theoretical and applied), probability and finance.
- ASM2: Apply mathematics to actuarial problems (such as financial math and probability modeling) in exercising the biblical mandate to have dominion over the earth.
- ASM3: Use technology as a tool for understanding as well as a labor-saving or problem-solving tool.
- ASM4: Build the communication skills necessary to effectively communicate technical information to a quasi-technical audience and provide the information necessary for data-based decisions.
- ASM5: Construct a biblically consistent philosophy of topics encountered in actuarial science.

#### Course Goals:

- CG1: Introduce the student to actuarial models. ASM1, ASM3
- CG2: Develop the student's ability to communicate information about technical aspects of actuarial science. ASM2, ASM3
- CG3: Encourage the appropriate use of technological tools to efficiently develop actuarial models. ASM1, ASM4
- CG4: Prepare the student with the foundational material that will allow them to start preparing for the Advanced Long Term Actuarial Mathematics Exam (Exam ALTAM). ASM2, ASM3

**Course Objectives:** The student will be able to\*

1. Use statistical tools appropriate for modeling risk. CG1, CG2, CG3, CG4
2. Calculate and interpret standard components of multiple life/state models including a basic understanding of Markov chain models. CG1, CG3, CG4
3. Calculate and interpret probabilities, means, percentiles and higher moments in the context of multiple life/state models, premiums, and reserves. CG1, CG3, CG4
4. Calculate and interpret the effect of changes in underlying assumptions in the context of premiums, reserves, and pensions. CG1, CG3, CG4
5. Apply appropriate approximation methods such as uniform distribution of deaths, constant force, Woolhouse, Thiele's differential equation, and Euler moments in the context of multiple life/state models, premiums, reserves, and pensions. CG1, CG3, CG4
6. Recognize those questions on Exam ALTAM that are covered in chapters 8 – 11, 13 of the textbook. CG4
7. Apply actuarial modeling principles to a policy and clearly communicate the results. CG2, CG3

\* Objectives 2-5 are based on or come directly from the Learning Outcomes stated in the syllabus for Exam ALTAM (see <https://www.soa.org/4ae26d/globalassets/assets/files/edu/2024/spring/syllabi/2024-spring-exam-altam-syllabus.pdf>, retrieved January 9, 2024).

**Course Requirements and Evaluation:** The course grade will consist of

1. Two units, each test will be worth approximately 200 points.  
**Tentative Test Schedule:** Ch 8-10 February 22, Ch 11/13 April 2
2. Weekly homework rubrics – 8 points each, for 15 weeks. Homework grades will intentionally be optional. You are expected to put in the time and effort to learn the material and stay current whether you submit these or not. Any homework not submitted by the due date will be ignored/excused (and will reduce your total points possible in the course). No late homework will be accepted.  
Recommended problems are posted on the course webpage. Homework problems themselves will NOT be collected.
3. Coaching Actuaries quizzes, approximately 9, worth 5 points each.
4. A project in two parts, multi-state model and profit testing, worth approximately 420 points in total. See course website for assignment details and tentative due dates.
5. A cumulative final exam, worth 300 points.

\*\* Point assignments are subject to change.

\*\*\* Tentative homework assignments and project instructions can be found on the course webpage.

**Grading Scale:** Standard 10-point scale with approximately 1165 to 1285 points possible.

**Office Hour Appointments:**

Office hour appointments can be made using the Calendly site (appointments may be made up to two weeks in advance), <https://calendly.com/mgardeng/20min>. If there are no available times at which you are able to meet, send Dr. Gardenghi a message including some days/times between 7:30am and 3pm when you are available.

**General Policies:**

1. Compliance with student handbook policies is expected during class. The classroom is to be a professional environment. That means your attention is expected to be on course related material, and you are expected to positively contribute to the class. I reserve the right to ask you to leave class should your attention be elsewhere (sleeping, surfing the internet, working on assignments for another class, etc.).

2. Late Policy:

- Weekly HW/progress reports are optional but are not accepted after the due date.
- Written assignments/projects are penalized at 15% off if turned in within 3 calendar days of the due date and are a 0 after that. Oral presentations are a 0 if not presented on the day assigned.
- In-class tests must be taken by the date given in class unless there is incapacitating illness (see attendance policy below).
- Work may always be completed early (contact your professor if you wish to take a test early).

Exceptions may be granted by your professor in emergencies. Contact your professor asap by Teams to notify them of the emergency.

3. BJU attendance policy is in effect (see <https://home.bju.edu/bju-policies/> for details).

Scheduled tests/quizzes should be taken before your *planned absence*; please contact your professor to make arrangements for doing so. You are personally responsible for getting notes from your classmates and discuss the missed material with them. You should not expect your professor to privately re-teach you the material you missed. If an unannounced quiz/assessment is taken during the class that you miss, you will NOT be allowed to make it up, and you WILL receive a zero on the assignment.

Missing an in-class test because you feel you are not prepared to take it is **not** acceptable. Work missed for this reason will not be made up and you will receive a zero on the assignment.

For *absences due to incapacitating illness or emergency*, you should contact the instructor as soon as you realize you will not be in class to make arrangements to make up any missed work. In-class tests will be made up without penalty for the first occurrence. Each subsequent time a test is missed because of incapacitating illness or emergency, an additional 10 percent grade penalty for that test will be incurred.

4. University academic integrity policy is in effect (see <https://home.bju.edu/bju-policies/> for more details).

Since the goal of the assignments in this course is to learn to develop the skills covered NOT complete the tasks assigned, and since the use of AI to complete or jumpstart tasks defeats the goal of the assignments, you may not use generative AI tools (i.e. Chat GPT, Bing Chat, Google Bard, etc.) in this course for any assignment without the professors express permission. Should an AI tool be used with permission, its use must be documented (including the tool used, a summary of the prompts provided and the portions of the assignment that were based on AI generated work).

Cheating is defined as any use of unauthorized helps, and plagiarism is defined as taking someone else's words and/or ideas and claiming them as your own.

Doing your own work brings glory to God. The claiming of someone else's work as your own is cheating and is a sin. All work done for this class needs to be your own. If information is taken from other sources (which is at times appropriate), it always needs to be referenced and credit given where it is due. Use standard referencing techniques as taught in En 102. Solutions found on the internet are not to be copied.

Projects: You are encouraged to discuss the general ideas as discussed in this course with your classmates but are **not** permitted to "work together" on your project. Your projects must represent your own ideas and your own work. Use of generative AI R code may be helpful during the project. Consult with your professor before incorporating it into your work. If you do use it, you must document it as indicated above. You may NOT use AI to generate the text/discussion in your project.

Papers: You may discuss the general ideas included in your papers, but you must craft your own positions and the writing should represent your own work.

In-Class Tests: In today's age of technology, cheating includes getting unapproved help from a source on the internet and/or using your calculator to provide you with additional information during a test. The presence

of any unauthorized material on your desk while taking a test will be construed as cheating and will be dealt with as such. Cheating on a test may result in a zero on the test plus any penalties imposed by the Academic Integrity Committee. See detailed Testing Guidelines on the course website.

**Take-Home Tests:** Take-home tests are also expected to represent your own work. All guidelines for in-class tests also apply to take-home tests unless explicitly stated otherwise in the directions. No collaboration, discussion, consultation, etc. with any person is permitted. Cheating on a test may result in a zero on the test plus any penalties imposed by the Academic Integrity Committee.

If you have a question about any source you are considering using, please gain your professor's approval before using it. You are always permitted to ask your professor for help. Any help they choose to provide is acceptable.