Errata and Updates for the 2nd Edition the ACTEX Manual for Exam FAM-S

(Last updated 05/13/2025)

Page 310 **Solution of Question 12.** Change the second and third lines to:

$E[X \wedge 1] = 1 \times \frac{1}{2} + 1 \times \frac{1}{2} = 1$. $E[S^{(A)}] = E[N] \times E[X \wedge 1] = 1$.

$E[(X \wedge 1)^2] = 1^2 \times \frac{1}{2} + 1^2 \times \frac{1}{2} = 1$. $Var[S^{(A)}] = E[N] \times E[(X \wedge 1)^2] = 1$.

Page 337 **Solution to Question 2. Bottom Line.**

$t = \frac{\bar{x}}{1+x}$ should read $t = \frac{\bar{x}}{1+\bar{x}}$.

Page 482 **Question 1.**

Change the table to:

	Cumulative Paid Losses							
Accident	Development Year							
Year	0	1	2	3	4	5	6	7
2010	1825	3249	4077	5188	5730	6061	6228	6348
2011	2157	3938	5029	6312	7057	7486	7674	
2012	2413	4495	5938	7374	8321	8823		
2013	2663	5051	6725	8347	9462			
2014	3004	5791	7753	9589				
2015	3508	6776	9201					
2016	4034	9885						
2017	4401							

Page 487 **Solution to Question 1.**

Change the table in (b) to:

Accident	Development Table (3 Year Average)							Est. Ult	Paid	Est Res
Year	1	2	3	4	5	6	7		to Date	
2011							7822	7822	7674	148
2012						9055	9230	9230	8823	407
2013					10026	10290	10489	10489	9462	1027
2014				10750	11392	11691	11917	11917	9589	2328
2015			11409	12854	13620	13979	14248	14248	9201	5047
2016		13273	16457	18542	19648	20165	20554	20554	9885	10669
2017	9256	12429	15411	17363	18398	18883	19247	19247	4401	14846
Total Loss Reserve								93565	59035	34530

Page 488 **Solution to Question 1.**

Change the table in (c) to:

Accident	Development Table (mean)							Est. Ult	Paid	Est Res
Year	1	2	3	4	5	6	7		to Date	
2011							7822	7822	7674	148
2012						9054	9229	9230	8823	407
2013					10028	10290	10489	10489	9462	1027
2014				10769	11413	11712	11937	11937	9589	2348
2015			11472	12884	13654	14012	14282	14282	9201	5081
2016		13064	16289	18293	19387	19895	20278	20278	9885	10393
2017	8797	11626	14496	16279	17253	17705	18046	18046	4401	13645
Total Loss Reserve								92084	59035	33049

Page 490 **Solution to Question 3. Tables in (a), (b) and (c).**

Change “Total Discounted Loss Reserve ” to ”Total Loss Reserve”.

Page 506 **Sixth line from the bottom.**

Change “Sept” to “Oct”.

Page 507 **Fourth line from the top.**

Change “Sept” to “Oct”.

Page 556 **Fourth line from the top.**

Change “From Problem 6” to “From Problem 4”.

Page 565 **Seventh line from the top.**

Change “Questions 18 and 19 refer to the following information” to “Questions 16 and 17 refer to the following information”.

Page 571 **Solution of Question 17.**

Change “From 18” to “From 16”.

Page 609 **Question 17. Choice A.**

Change it to: “Less than 1.00”