MAP 4176 / 5178	Name:
Test 4	Date: February 8, 2017

Show all work for full credit, use correct notation., and clearly mark your answer.

1. A 5-year endowment insurance with a benefit of 5000 payable at the moment of death is issued to (50). Using ILT actuarial assumptions and the claims acceleration approach, determine the variance of the present value random variable for this insurance.

2. A 10-year deferred whole-life insurance with a benefit of 1000 payable at the moment of death is issued to (30). Using ILT mortality and i=0.06, and assuming a uniform distribution of deaths between integer ages, determine the variance of the present value random variable for this insurance.

