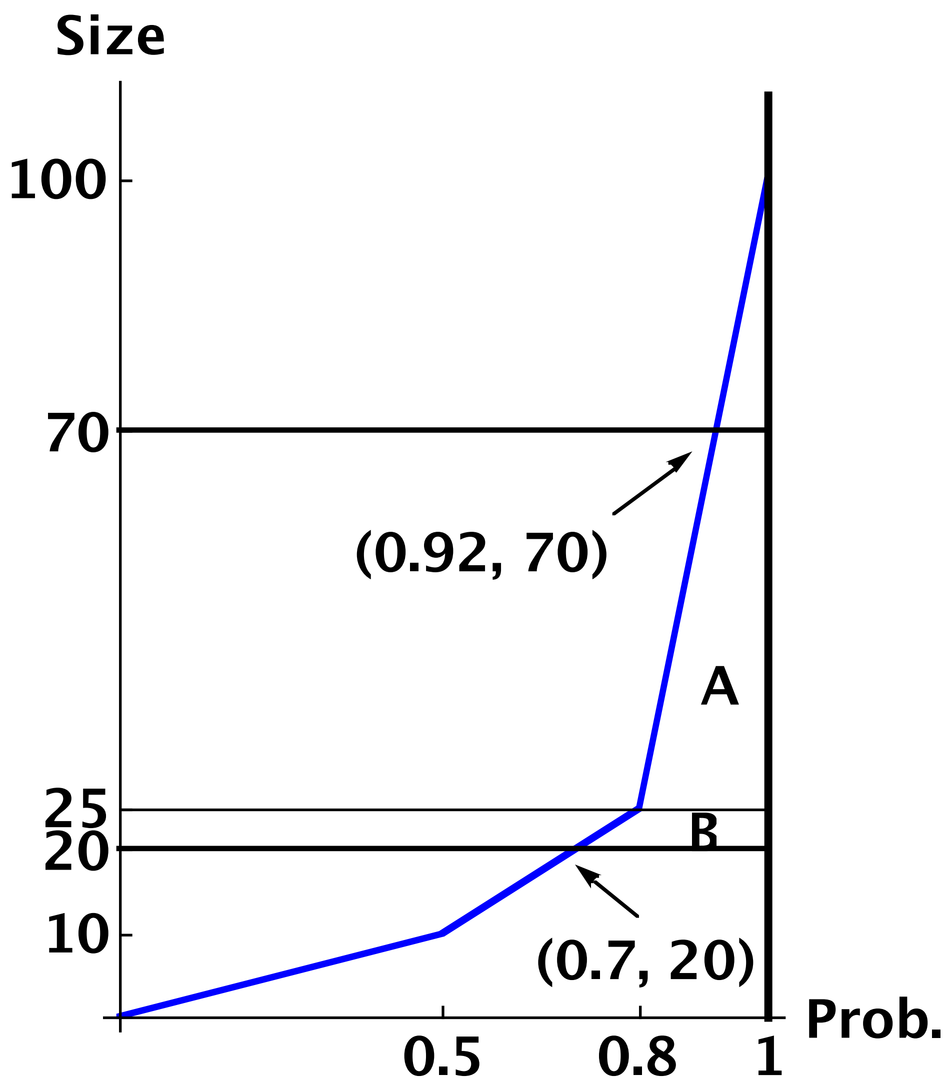
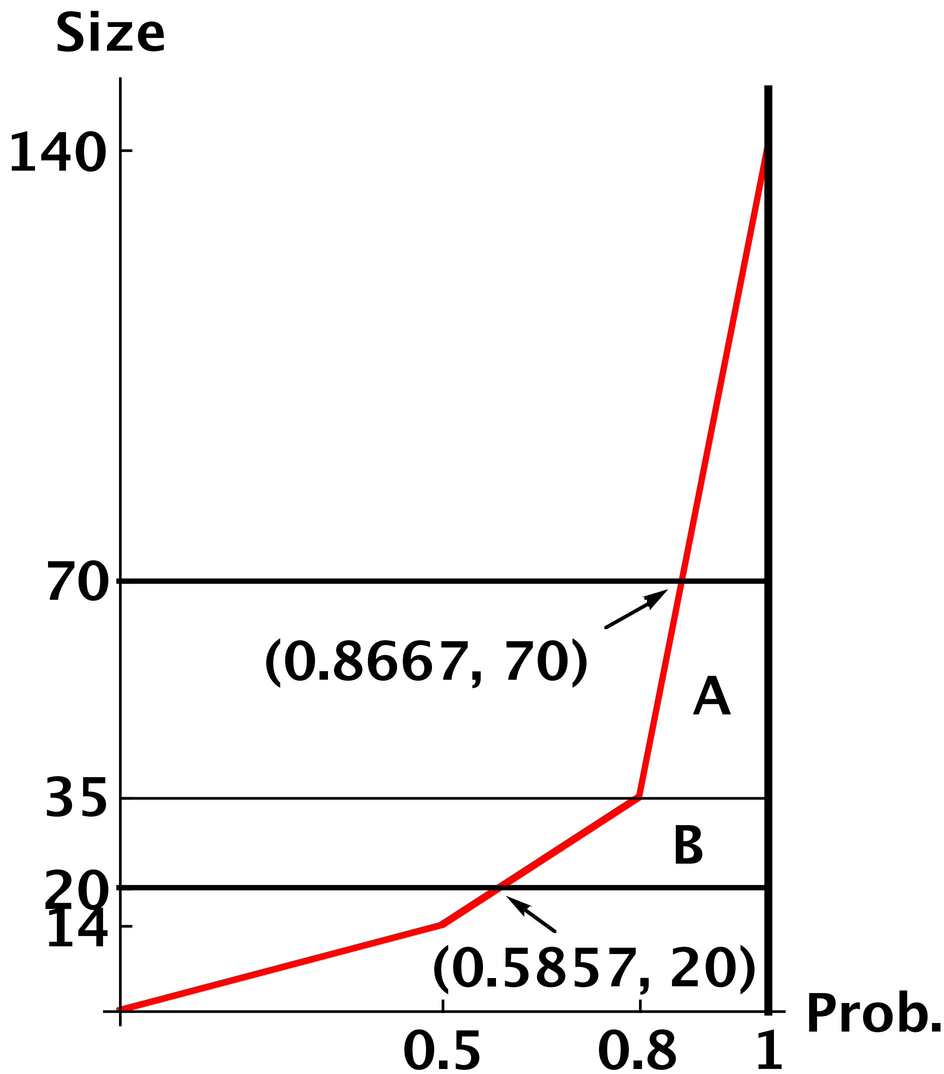
Section 6, Slide 39, Solution to Q. 6.52, fourth line: (56)(812.5) = 45,**5**00.
This is okay further down on the slide as well as in my study guide.

Section 8, slides 34: (**1/3**)(0.5) + (**2/3**)(0.8) = 0.7.

Section 8, slides 34-37 an arrow in the diagram points to the wrong place, corrected below:





Section 9, some questions have the wrong numbers: 9.46 should be 9.58. 9.41 should be 9.53. 9.12 should be 9.24. 9.54 really 9.66. 9.34 really 9.46. 9.47 really 9.59. 9.45 really 9.57. 9.36 really 9.48.

Section 23, slide 13 left out information from page 1540 of my study guide:
If the Buhlmann Credibility formula holds, then the three-year credibility is
$Z = 3 / (3 + K)$, with $K = EPV / VHM$.
For K big compared to 3, as it is in the situations in Bailey Simon: $Z \cong 3/K = (3)(VHM / EPV)$.
Let μ be the overall mean frequency, which is also the mean of the hypothetical mean frequencies.
Assume the EPV is (approximately) proportional to the overall mean frequency: $EPV = c\,\mu$.
Then the ratio of the credibility to the mean frequency is approximately:
$(3)(VHM / EPV) / \mu = (3/c)\, VHM / \mu^2$.
Thus the ratio of the credibility to the mean frequency is proportional to the square of the coefficient of variation of the hypothetical means: VHM / μ^2. Thus the smaller this ratio, the smaller the CV of the hypothetical means, and the less variation between the insureds within a class.
Thus the smaller this ratio of credibility to frequency, the more homogeneous the class.

Section 26, page 55, solution 26.56:

Midpoint	Portion Retained	1000K / (midpoint times portion retained)	Exposure Factor
175K	100%	5.714	100%
375K	2/3	**4**	100%
750K	1/3	**4**	100%
1250K	0.2	**4**	100%
1750K	2/7	1.5	100%

Range of Insured Value	Net Premium ($ million)	Expected Ceded Losses
100 to 250	(20)(100%) = 20	(64%)(100% - 100%)(20) = 0
250 to 500	(40)(2/3) = 26.667	(64%)(100% - 96%)(26.667) = 0.683
500 to 1000	(25)(1/3) = 8.333	(64%)(100% - 96%)(8.333) = 0.213
1000 to 1500	(10)(0.2) = 2	(64%)(100% - 96%)(2) = 0.051
1500 to 2000	(5)(2/7) = 1.429	(64%)(100% - 81%)(1.429) = 0.174

Expected ceded losses = 0 + 0.683 + 0.213 + 0.051 + 0.174 = **$1.121 million**.

Section 26, page 89, exercise: **$900K** xs $300K.

Section 26, page 92:
The numerator of the exposure factor is:
$(1-\phi)\,(E[X \wedge \mathrm{Min}[UL + PL, UL + AP + Lim]] - E[X \wedge \mathrm{Min}[UL + PL, UL + AP]])$
$+ \phi\,(E[X \wedge \mathrm{Min}[\mathbf{PL}, AP + Lim]] - E[X \wedge \mathrm{Min}[\mathbf{PL}, AP]])$.
The denominator of the exposure factor is:
$(1 - \phi)\,(E[X \wedge (UL + PL)] - E[X \wedge UL]) + \phi\, E[X \wedge \mathbf{PL}]$.

Section 26, page 97-99: A**A**D not ADD.

Section 26, page 101: Mo**r**e not Mo**t**e