CORRESPONDENCE.

A NEW METHOD OF VALUING POLICIES IN GROUPS.

To the Editors of the Journal of the Institute of Actuaries.

DEAR SIRS,—In accordance with a suggestion by Mr. Lidstone I have tested the application of the method described in the above-mentioned paper (*J.I.A.*, April 1920), to the calculation of expected claims.

Applying it to the data of Table I, I have obtained the following results:

Whole-Life Assurances.   *Expected Claims* O^M

a, β method.

Years of Birth	Age Groups	Expected Claims		Percentage Deviation
		Amount	Deviation	
1823–29	90–96	394	− 1	·25
1830–39	80–89	6,337	− 28	·44
1840–49	70–79	18,672	+ 1	·01
1850–59	60–69	18,122	+ 6	·03
1860–69	50–59	12,003	+ 4	·03
1870–79	40–49	7,157	+ 2	·03
1880–89	30–39	3,382	− 1	·03
1890–98	21–29	671	...	...
Total	...	66,738	− 17	·03

I am indebted to Mr. Lidstone for pointing out to me

(1) that if the α, β expression for the value be written in the form $\alpha'\Sigma + \beta\Sigma^2$, where $\alpha' = \alpha - 4.5\beta$, the multipliers of α' and β can be obtained by a double summation, the multiplications by 4.5, &c., being thereby avoided ;

(2) that if the S's are constant, my method will produce accurate results, whatever the values of the u's.

Yours faithfully,

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