

The reading material for Exam C includes a variety of textbooks. Each text has a set of probability distributions that are used in its readings. For those distributions used in more than one text, the choices of parameterization may not be the same in all of the books. This may be of educational value while you study, but could add a layer of uncertainty in the examination. For this latter reason, we have adopted one set of parameterizations to be used in examinations. This set will be based on Appendices A & B of *Loss Models: From Data to Decisions* by Klugman, Panjer and Willmot. A slightly revised version of these appendices is included in this note. A copy of this note will also be distributed to each candidate at the examination.

Each text also has its own system of dedicated notation and terminology. Sometimes these may conflict. If alternative meanings could apply in an examination question, the symbols will be defined.

For Exam C, in addition to the abridged table from *Loss Models*, sets of values from the standard normal and chi-square distributions will be available for use in examinations. These are also included in this note.

When using the normal distribution, choose the nearest z-value to find the probability, or if the probability is given, choose the nearest z-value. No interpolation should be used.

Example: If the given z-value is 0.759, and you need to find $\Pr(Z < 0.759)$ from the normal distribution table, then choose the probability for z-value = 0.76: $\Pr(Z < 0.76) = 0.7764$.

When using the normal approximation to a discrete distribution, use the continuity correction.

The density function for the standard normal distribution is $\phi(x) = \frac{1}{\sqrt{2\pi}} e^{-\frac{1}{2}x^2}$.