Package ‘lifecontingencies’

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Type Package

Title Financial and Actuarial Mathematics for Life Contingencies

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Description Classes and methods that allow the user to manage life table, actuarial tables (also multiple decrements tables). Moreover, functions to easily perform demographic, financial and actuarial mathematics on life contingencies insurances calculations are contained therein.

Depends R (>= 3.4), methods

Imports parallel, utils, markovchain, Rcpp, stats

Suggests demography, forecast, testthat, knitr, rmarkdown

License GPL-2

Encoding latin1

LazyLoad yes

BugReports http://github.com/spedygiorgio/lifecontingencies/issues

BuildVignettes yes

VignetteBuilder utils, knitr

URL http://github.com/spedygiorgio/lifecontingencies

LinkingTo Rcpp

RoxygenNote 6.0.1

NeedsCompilation yes

Repository CRAN

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R topics documented:

`lifecontingencies-package`

Package to perform actuarial mathematics on life contingencies and classical financial mathematics calculations.

Description

The lifecontingencies package performs standard financial, demographic and actuarial mathematics calculation. The main purpose of the package is to provide a comprehensive set of tools to perform risk assessment of life contingent insurances.

Details

Package:	lifecontingencies
Type:	Package
Version:	1.3.2
Date:	2017-12-09
License:	GPL-2.0
LazyLoad:	yes

Warning

This package and functions herein are provided as is, without any guarantee regarding the accuracy of calculations. The author disclaims any liability arising by any losses due to direct or indirect use of this package.

Note

Work in progress.

Author(s)

Giorgio Alfredo Spedicato with contributions from Reinhold Kainhofer and Kevin J. Owens Maintainer: <spedicato_giorgio@yahoo.it>

References

The lifecontingencies Package: Performing Financial and Actuarial Mathematics Calculations in R, Giorgio Alfredo Spedicato, Journal of Statistical Software, 2013,55 , 10, 1-36

See Also

accumulatedValue, annuity

Examples

```
##financial mathematics example

#calculates monthly installment of a loan of 100,000,
#interest rate 0.05

i=0.05
monthlyInt=(1+i)^(1/12)-1
Capital=100000
#Montly installment

R=1/12*Capital/annuity(i=i, n=10,k=12, type = "immediate")
R
balance=numeric(10*12+1)
capitals=numeric(10*12+1)
interests=numeric(10*12+1)
balance[1]=Capital
interests[1]=0
capitals[1]=0

for(i in (2:121)) {
balance[i]=balance[i-1]*(1+monthlyInt)-R
interests[i]=balance[i-1]*monthlyInt
capitals[i]=R-interests[i]
}
loanSummary=data.frame(rate=c(0, rep(R,10*12)),
balance, interests, capitals)

head(loanSummary)

tail(loanSummary)

##actuarial mathematics example

#APV of an annuity
```

```
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate and life-long annuity for an aged 65
axn(soa08Act, x=65)
```

`accumulatedValue` *Function to evaluate the accumulated value.*

Description

This functions returns the value at time n of a series of equally spaced payments of 1.

Usage

```
accumulatedValue(i, n,m=0, k,type = "immediate")
```

Arguments

`i`	Effective interest rate expressed in decimal form. E.g. 0.03 means 3%.
`n`	Number of terms of payment.
`m`	Deferring period, whose default value is zero.
`k`	Frequency of payment.
`type`	A string, either "immediate" or "due".

Details

The accumulated value is the future value of the terms of an annuity. Its mathematical expression is $s_{\overline{n|}} = (1+i)^n \, a_{\overline{n|}}$

Value

A numeric value representing the calculated accumulated value.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

Accumulated value are derived from annuities by the following basic equation $s_{\overline{n|}} = (1+i)^n = a_{\overline{n|}}$.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

annuity

Examples

```
#A man wants to save 100,000 to pay for his sons
#education in 10 years time. An education fund requires the investors to
#deposit equal installments annually at the end of each year. If interest of
#0.075 is paid, how much does the man need to save each year in order to
#meet his target?
R=100000/accumulatedValue(i=0.075,n=10)
```

---

actuarialtable-class *Class* "actuarialtable"

Description

Objects of class "actuarialtable" inherit the structure of class "lifetable" adding just the slot for interest rate, interest.

Objects from the Class

Objects can be created by calls of the form new("actuarialtable", ...). Creation is the same as lifetable objects creation, the slot for interest must be added too.

Slots

interest: Object of class "numeric" slot for interest rate, e.g. 0.03

x: Object of class "numeric" age slot

lx: Object of class "numeric" subjects at risk at age x

name: Object of class "character" name of the actuarial table

Extends

Class "lifetable", directly.

Methods

coerce `signature(from = "actuarialtable", to = "data.frame")`: moves from `actuarialtable` to `data.frame`

coerce `signature(from = "actuarialtable", to = "numeric")`: coerce from `actuarialtable` to a numeric

getOmega `signature(object = "actuarialtable")`: as for `lifetable`

print `signature(x = "actuarialtable")`: tabulates the actuarial commutation functions

show `signature(object = "actuarialtable")`: show method

summary `signature(object = "actuarialtable")`: prints brief summary

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

The interest slot will handle time-varying interest rates in the future.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`axn`,`lifetable`

Examples

```
showClass("actuarialtable")
```

AExn *Function to evaluate the n-year endowment insurance*

Description

This function evaluates the n-year endowment insurance.

Usage

```
AExn(actuarialtable, x, n, i=actuarialtable@interest,  k = 1, type = "EV", power=1)
```

Arguments

actuarialtable	An actuarial table object.
x	Insured age.
n	Length of the insurance.
i	Rate of interest. When missing the one included in the actuarialtable object is used.
k	Frequency of benefit payment.
type	Character value, either "EV" or "ST". EV is the default value.
power	The power of the APV. Default is 1 (mean)

Details

The n-year endowment insurance provides a payment either in the year of death or at the end of the insured period.

Value

A numeric value.

Note

When type="EV" the function calls both `Axn` and `Exn`.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

Axn,Exn

Examples

```
#Actuarial Mathematics book example
#check the actuarial equality on the expected values Exn+Axn=AExn
data(soa08Act)
AExn(soa08Act, x=35,n=30,i=0.06)
Exn(soa08Act, x=35,n=30,i=0.06)+Axn(soa08Act, x=35,n=30,i=0.06)
```

annuity *Annuity function*

Description

Function to calculate present value of annuities-certain.

Usage

```
annuity(i, n,m=0, k=1,type = "immediate")
```

Arguments

i	Effective interest rate expressed in decimal form. E.g. 0.03 means 3%. It can be a vector of interest rates of the same length of periods.
n	Periods for payments. If n = infinity then annuity returns the value of a perpetuity (either immediate or due).
m	Deferring period, whose default value is zero.
k	Yearly payments frequency. A payment of k^-1 is supposed to be performed at the end of each year.
type	A string, either "immediate" or "due".

Details

This function calculates the present value of a stream of fixed payments separated by equal interval of time. Annuity immediate has the fist payment at time t=0, while an annuity due has the first payment at time t=1.

Value

A string, either "immediate" or "due".

Note

The value returned by annuity function derives from direct calculation of the discounted cash flow and not from formulas, like $a^{(m)}{}_{\overline{n|}} = \frac{1-v^n}{i^{(m)}}$. When m is greater than 1, the payment per period is assumed to be $\frac{1}{m}$.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

accumulatedValue

Examples

```
# The present value of 5 payments of 1000 at one year interval that begins
# now when the interest rate is 2.5% is
1000*annuity(i=0.05, n=5, type = "due")
#A man borrows a loan of 20,000 to purchase a car at
# a nominal annual rate of interest of 0.06. He will pay back the loan through monthly
#installments over 5 years, with the first installment to be made one month
#after the release of the loan. What is the monthly installment he needs to pay?
R=20000/annuity(i=0.06/12, n=5*12)
```

Axn *Function to evaluate life insurance.*

Description

This function evaluates n - years term and whole life insurance.

Usage

```
Axn(actuarialtable, x, n, i=actuarialtable@interest,m, k=1, type = "EV",power=1)
```

Arguments

actuarialtable	An actuarial table object.
x	Age of the insured.
n	Coverage period, if missing the insurance is considered whole life $n = \omega - x - m$
i	Interest rate (overrides the interest rate slot in actuarialtable).
m	Deferring period, even fractional, if missing assumed to be 0.
k	Number of periods per year at the end of which the capital is payable in case of insured event, default=1 (capital payable at the end of death year).
type	A character value, either "EV" (default value) or "ST".
power	The power of the APV. Default is 1 (mean)

Details

The variance calculation has not been implemented yet.

Value

A numeric value representing either the actuarial value of the coverage (when type="EV") or a number drawn from the underlying distribution of Axn.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

It is possible that value returned by stochastic simulation are biased. Successive releases of this software will analyze the issue with detail.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

axn, Exn

Examples

```
#assume SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate the value of a 40 years term life insurance for an aged 25
Axn(actuarialtable=soa08Act, x=25, n=40)
#check an relevant life contingencies relationship
k=12
i=0.06
j=real2Nominal(i,k)
Axn(soa08Act, 30,k=12)
i/j*Axn(soa08Act, 30,k=1)
```

---

axn *Annuity immediate and due function.*

Description

This function calculates actuarial value of annuities, given an actuarial table. Fractional and deferred annuities can be evaluated. Moreover it can be used to simulate the stochastic distribution of the annuity value.

Usage

```
axn(actuarialtable, x, n, i = actuarialtable@interest, m,  k = 1, type = "EV",
power=1,payment = "advance")
```

Arguments

`actuarialtable`	An actuarial table object.
`x`	Age of the annuitant.
`n`	Number of terms of the annuity, if missing annuity is intended to be paid until death.
`i`	Interest rate (default value the interest of the life table).
`m`	Deferring period. Assumed to be 1 whether missing.
`k`	Number of fractional payments per period. Assumed to be 1 whether missing.
`type`	A string, eithed "EV" (default value) or "ST" (stochastic realization).
`power`	The power of the APV. Default is 1 (mean)
`payment`	Payment type: "advance" default is the annuity due, otherwise annuity immediate.

Details

When "ST" has been selected a stochastic value representing a number drawn from the domain of

$$a_x^n$$

is drawn. "EV" calculates the classical APV.

Value

A numeric value.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

When either $x = \omega$ or $n = 0$ zero is returned.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

annuity, Exn

Examples

```
#assume SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate and life-long annuity for an aged 65
axn(soa08Act, x=65)
```

Axn.mdt — *Multiple decrement life insurance*

Description

Function to evaluate multiple decrement insurances

Usage

```
Axn.mdt(object, x, n, i, decrement)
```

Arguments

object	an mdt or actuarialtable object
x	policyholder's age
n	contract duration
i	interest rate
decrement	decrement category

Value

The scalar representing APV of the insurance

Warning

The function is experimental and very basic. Testing is still needed. Use at own risk!

Examples

```
#creates a temporary mdt
myTable<-data.frame(x=41:43,lx=c(800,776,752),d1=rep(8,3),d2=rep(16,3))
myMdt<-new("mdt",table=myTable,name="ciao")
Axn.mdt(myMdt, x=41,n=2,i=.05,decrement="d2")
```

axyn *Functions to evaluate life insurance and annuities on two heads.*

Description

These functions evaluates life insurances and annuities on two heads.

Usage

```
axyn(tablex, tabley, x, y, n, i, m, k = 1, status = "joint", type = "EV",
payment="advance")
Axyn(tablex, x, tabley, y, n, i, m, k = 1, status = "joint", type = "EV")
```

Arguments

tablex	Life X lifetable object.
tabley	Life Y lifetable object.
x	Age of life X.
y	Age of life Y.
n	Insured duration. Infinity if missing.
i	Interest rate. Default value is those implied in actuarialtable.
m	Deferring period. Default value is zero.
k	Fractional payments or periods where insurance is payable.
status	Either "joint" or "last" survival status.
type	"EV" (expected value) or "ST" (stochastic)
payment	Payment type: "advance" default is the annuity due, otherwise annuity immediate.

Details

Actuarial mathematics book formulas has been implemented.

Value

A numeric value returning APV of chosen insurance form.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

Deprecated functions. Use Axyzn and axyzn instead.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

pxyt

Examples

```
## Not run:
data(soa08Act)
#last survival status annuity
axyn(tablex=soa08Act, tabley=soa08Act, x=65, y=70,
n=5,  status = "last",type = "EV")
    #first survival status annuity
Axyn(tablex=soa08Act, tabley=soa08Act, x=65, y=70,
status = "last",type = "EV")

## End(Not run)
```

Axyzn *Multiple lifes insurances and annuities*

Description

Function to evalate the multiple lives insurances and annuities

Usage

```
Axyzn(tablesList, x, n, i, m, k = 1, status = "joint", type = "EV",
power=1)
axyzn(tablesList, x, n, i, m, k = 1, status = "joint", type = "EV",
power=1, payment="advance")
```

Arguments

tablesList	A list whose elements are either lifetable or actuarialtable class objects.
x	A vector of the same size of tableList that contains the initial ages.
n	Lenght of the insurance.
i	Interest rate
m	Deferring period.
k	Fractional payment frequency.

status	Either "joint" (for the joint-life status model) or "last".
type	"EV", for expected value. "ST" for stochastic value.
power	The power of the APV. Default is 1 (mean).
payment	Payment type: "advance" default is the annuity due, otherwise annuity due.

Details

In theory, these functions apply the same concept of life insurances on one head on multiple heads.

Value

The insurance value is returned.

Note

These functions are the more general version of axyn and Axyn.

Author(s)

Giorgio Alfredo Spedicato, Kevin J. Owens.

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

axyn,Axyn.

Examples

```
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate and life-long annuity for an aged 65
listOfTables=list(soa08Act, soa08Act)
#Check actuarial equality
axyzn(listOfTables,x=c(60,70),status="last")
axn(listOfTables[[1]],60)+axn(listOfTables[[2]],70)-
axyzn(listOfTables,x=c(60,70),status="joint")
```

DAxn *Decreasing life insurance*

Description

This function evaluates the n-year term decreasing life insurance. Both actuarial value and stochastic random sample can be returned.

Usage

```
DAxn(actuarialtable, x, n,
i=actuarialtable@interest,m = 0,k=1,
type = "EV", power=1)
```

Arguments

actuarialtable	An actuarial table object.
x	Age of the insured.
n	Length of the insurance period.
i	Interest rate, when present it overrides the interest rate of the actuarial table object.
m	Deferring period, even fractional, assumed 1 whether missing.
k	Number of fractional payments per period. Assumed to be 1 whether missing.
type	Default value is "EV", where APV is returned. "ST" returns a sample from the underlying present value of benefits distribution.
power	The power of the APV. Default is 1 (mean)

Details

Formulas of Bowes book have been implemented.

Value

A numeric value representing the expected value or the simulated value.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

Neither fractional payments nor stochastic calculations have been implemented yet.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

Axn,IAxn

Examples

```
#using SOA illustrative life tables
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate the value of a 10 years decreasing term life insurance for an aged 25
DAxn(actuarialtable=soa08Act, x=25, n=10)
```

---

decreasingAnnuity *Function to evaluate decreasing annuities.*

Description

This function return present values for decreasing annuities - certain.

Usage

```
decreasingAnnuity(i, n,type="immediate")
```

Arguments

i	A numeric value representing the interest rate.
n	The number of periods.
type	A character value, specifying the annuity type. Either "immediate" or "due". Default value is "immediate".

Details

A decreasing annuity has the following flows of payments: n, n-1, n-2, . . . , 1, 0.

Value

A numeric value reporting the present value of the decreasing cash flows.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

This function calls `presentValue` function internally.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

`annuity`,`increasingAnnuity`,`DAxn`

Examples

```
#the present value of 10, 9, 8,....,0 payable at the end of the period
#for 10 years is
decreasingAnnuity(i=0.03, n=10)
#assuming a 3% interest rate
```

`demoCanada` *Canada Mortality Rates for UP94 Series*

Description

UP94 life tables underlying mortality rates

Usage

```
data(demoCanada)
```

Format

A data frame with 120 observations on the following 7 variables.

`x` age

`up94M` UP 94, males

`up94F` UP 94, females

`up942015M` UP 94 projected to 2015, males `up942015f` UP 94 projected to 2015, females

`up942020M` UP 94 projected to 2020, males

`up942020F` UP 94 projected to 2020, females

Details

Mortality rates are provided.

Source

Courtesy of Andrew Botros

References

Courtesy of Andrew Botros

Examples

```
data(demoCanada)
head(demoCanada)
#create the up94M life table
up94MLt<-probs2lifetable(probs=demoCanada$up94M,radix=100000,"qx",name="UP94")
#create the up94M actuarial table table
up94MAct<-new("actuarialtable", lx=up94MLt@lx, x=up94MLt@x,interest=0.02)
```

`demoChina` *China Mortality Rates for life table construction*

Description

Seven yearly mortality rates for each age

Usage

```
data(demoChina)
```

Format

A data frame with 106 observations on the following 8 variables.

`age` Attained age

`CL1` CL1 rates

`CL2` CL2 rates

`CL3` CL3 rates

`CL4` CL4 rates

`CL5` CL5 rates

`CL6` CL6 rates

`CL90-93` CL 90-93 rates

Details

See the source link for details.

Source

Society of Actuaries

References

www.mort.soa.org

Examples

```
data(demoChina)
tableChinaCL1<-probs2lifetable(probs=demoChina$CL1,radix=1000,type="qx",name="CHINA CL1")
```

---

demoFrance *French population life tables*

Description

Illustrative life tables from French population.

Usage

```
data(demoFrance)
```

Format

A data frame with 113 observations on the following 5 variables.

age Attained age

TH00_02 Male 2000 life table

TF00_02 Female 2000 life table

TD88_90 1988 1990 life table

TV88_90 1988 1990 life table

Details

These tables are real French population life tables. They regard 88 - 90 and 00 - 02 experience.

Source

Actuaris - Winter Associes

Examples

```
data(demoFrance)
head(demoFrance)
```

demoGermany *German population life tables*

Description

Dataset containing mortality rates for German population, male and females.

Usage

```
data(demoGermany)
```

Format

A data frame with 113 observations on the following 5 variables.

`x` Attained age

`qxMale` Male mortality rate

`qxFemale` Female mortality rate

Details

Sterbetafel DAV 1994

Source

Private communicatiom

Examples

```
data(demoGermany)
head(demoGermany)
```

demoIta *Italian population life tables for males and females*

Description

This dataset reports five pairs of Italian population life tables. These table can be used to create life table objects and actuarial tables object.

Usage

```
data(demoIta)
```

Format

A data frame with 121 observations on the following 9 variables.

- `X` a numeric vector, representing ages from 0 to ω.
- `SIM02` a numeric vector, 2002 cross section general population males life table
- `SIF02` a numeric vector, 2002 cross section general population females life table
- `SIM00` a numeric vector, 2000 cross section general population males life table
- `SIF00` a numeric vector, 2000 cross section general population females life table
- `SIM92` a numeric vector, 1992 cross section general population males life table
- `SIF92` a numeric vector, 1992 cross section general population females life table
- `SIM81` a numeric vector, 1981 cross sectional general population males life table
- `SIF81` a numeric vector, 1981 cross sectional general population females life table
- `SIM61` a numeric vector, 1961 cross sectional general population males life table
- `SIF61` a numeric vector, 1961 cross sectional general population females life table
- `RG48M` a numeric vector, RG48 projected males life table
- `RG48F` a numeric vector, RG48 projected females life table
- `IPS55M` a numeric vector, IPS55 projected males life table
- `IPS55F` a numeric vector, IPS55 projected females life table
- `SIM71` a numeric vector, 1971 cross sectional general population males life table
- `SIM51` a numeric vector, 1951 cross sectional general population males life table
- `SIM31` a numeric vector, 1931 cross sectional general population males life table

Details

These table contains the vectors of survival at the beginning of life years and are the building block of both `lifetable` and `actuarialtable` classes.

Source

These tables comes from Italian national statistical bureau (ISTAT) for SI series, government Ministry of Economics (Ragioneria Generale dello Stato) for RG48 or from Insurers' industrial association IPS55. RG48 represents the projected survival table for the 1948 born cohort, while IPS55 represents the projected survival table for the 1955 born cohort.

References

ISTAT, IVASS, Ordine Nazionale Attuari

Examples

```
#load and show
data(demoIta)
head(demoIta)
#create sim92 life and actuarial table
lxsim92<-demoIta$SIM92

lxsim92<-lxsim92[!is.na(lxsim92) & lxsim92!=0]
xsim92<-seq(0,length(lxsim92)-1,1)
#create the table
sim92lt=new("lifetable",x=xsim92,lx=lxsim92,name="SIM92")
plot(sim92lt)
```

---

demoJapan *Japan Mortality Rates for life table construction*

Description

Two yearly mortality rates for each age

Usage

```
data(demoJapan)
```

Format

A data frame with 110 observations on the following 3 variables.

`age` Attained age

`JP8587M` Male life table

`JP8587F` Female life table

Details

See the references link for details.

Source

Society of Actuaries mortality web site

References

www.mort.soa.org

Examples

```
## Not run: data(demoJapan)
head(demoJapan)
## End(Not run)
```

demoUk *UK life tables*

Description

AM and AF one year mortality rate. Series of 1992

Usage

```
data(demoUk)
```

Format

A data frame with 74 observations on the following 3 variables.

`Age` age

`AM92` one year mortality rate for males

`AF92` one year mortality rate for females

Details

This data set shows the one year survival rates for males and females of the 1992 series. It has been taken from the Institute of Actuaries. The series cannot be directly used to create a life table since neither rates are not provided for ages below 16 nor for ages over 90. Various approach can be used to complete the series.

Source

Institute of Actuaries

References

http://www.actuaries.org.uk/research-and-resources/documents/am92-permanent-assurances-males

Examples

```
## Not run:
#shows the table
data(demoUk)
#create an actuarial table using a Brass - Logit approach
data(soa08Act)
x=seq(0, 110,1)
qx=numeric(length(x))
for(i in 1:111) qx[i]=qxt(soa08Act, x=i, t=1)
temp=data.frame(Age=x, qx=qx)
db=merge(temp, demoUk)
db$lnAm92=with(db, log(AM92))
db$lnAf92=with(db, log(AF92))
db$logqx=with(db, log(qx))
```

```
#do the brass model
brassModelAM<-lm(lnAm92~logqx, data=db)
brassModelAF<-lm(lnAf92~logqx, data=db)
temp$logqx=log(temp$qx)
#fit the probabilities
temp$logAm92=predict(brassModelAM, newdata=temp)
temp$logAf92=predict(brassModelAF, newdata=temp)
temp$AM92=with(temp, exp(logAm92))
temp$AF92=with(temp, exp(logAf92))
missingAges=setdiff(temp$Age, demoUk$Age)
#prepare the data
dataOne=demoUk[,c("Age", "AM92", "AF92")]
dataTwo=subset(temp[,c("Age", "AM92", "AF92")], Age
temp=rbind(dataOne, dataTwo)
dataFull=temp[order(temp$Age),]
#setting last attainable year death probability equal to one
dataFull$AM92[length(temp$Age)]=1
dataFull$AF92[length(temp$Age)]=1
#produce the tables
AM92Lt<-probs2lifetable(probs=dataFull$AM92,
radix=100000,type="qx", name="AM92")
AF92Lt<-probs2lifetable(probs=dataFull$AF92,
radix=100000,type="qx", name="AF92")

## End(Not run)
```

---

demoUsa *United States Social Security life tables*

Description

This data set contains period life tables for years 1990, 2000 and 2007. Both males and females life tables are reported.

Usage

```
data(demoUsa)
```

Format

A data frame with 114 observations on the following 7 variables.

`age` age vector

`USSS2007M` 2007 male life table

`USSS2007F` 2007 female life table

`USSS2000M` 2000 male life table

`USSS2000F` 2000 female life table

`USSS1990M` 1990 male life table

`USSS1990F` 1990 female life table

Details

Reported age is truncated at the last age with $lx > 0$.

Source

See http://www.ssa.gov/oact/NOTES/as120/LifeTables_Body.html

References

Social Security Agency.

Examples

```
data(demoUsa)
head(demoUsa)
```

---

de_angelis_di_falco   *Italian Health Insurance Data*

Description

A list of data.frames containing transition probabilities by age (row) and year of projections Transitions are split by males and females, and show probabilities of survival, death and transitions from Healty to Disabled

Usage

```
de_angelis_di_falco
```

Format

a list containing elevent items (data.frames), and an mdt data object (HealthyMaleTable2013)

Source

PAOLO DE ANGELIS, LUIGI DI FALCO (a cura di). Assicurazioni sulla salute: caratteristiche, modelli attuariali e basi tecniche

duration	*Functions to evaluate duration and convexity*

Description

These functions evaluate the duration or the convexity of a series of cash flows

Usage

```
duration(cashFlows, timeIds, i, k = 1, macaulay = TRUE)

convexity(cashFlows, timeIds, i, k = 1)
```

Arguments

cashFlows	A vector representing the cash flows amounts.
timeIds	Cash flows times
i	APR interest, i.e. nominal interest rate compounded m-thly.
k	Compounding frequency for the nominal interest rate i.
macaulay	Is the macaulay duration (default value) or the effective duration to be evaluated?

Details

The Macaulay duration is defined as $\sum_t^T \frac{t*CF_t\left(1+\frac{i}{k}\right)^{-t*k}}{P}$, while $\sum_t^T t*\left(t+\frac{1}{k}\right)*CF_t\left(1+\frac{y}{k}\right)^{-k*t-2}$

Value

A numeric value representing either the duration or the convexity of the cash flow series

Note

Vectorial interest rate are not handled yet.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

annuity

Examples

```
#evaluate the duration of a coupon payment
cf=c(10,10,10,10,10,110)
t=c(1,2,3,4,5,6)
duration(cf, t, i=0.03)
#and the convexity

convexity(cf, t, i=0.03)
```

---

effective2Convertible *Function to switch from nominal / effective / convertible rates*

Description

This function provides convenience functions to switch from effective to convertible rate.

Usage

```
effective2Convertible(i, k = 1, type = "interest")

convertible2Effective(i, k = 1, type = "interest")

nominal2Real(i, k = 1, type = "interest")

real2Nominal(i, k = 1, type = "interest")
```

Arguments

i	The rate to be converted.
k	The original / target compounting frequency.
type	Either "interest" (default) or "nominal".

Details

`effective2Convertible` and `convertible2Effective` wrap the other two functions.

Value

A numeric value.

Warning

The function is provided at is without any guarantee of results.

Note

Convertible rates are synonims of nominal rates

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

real2Nominal

Examples

```
#a nominal rate of 0.12 equates an APR of
nominal2Real(i=0.12, k = 12, "interest")
```

Exn *Function to evaluate the pure endowment.*

Description

Given an actuarial table, this function evaluate the pure endowment.

Usage

```
Exn(actuarialtable, x, n, i=actuarialtable@interest, type = "EV", power=1)
```

Arguments

`actuarialtable`	An actuarial table object.
`x`	Age of the insured.
`n`	Length of the pure endowment.
`i`	Interest rate (overrides the interest rate of the actuarial table object)
`type`	A string, eithed "EV" (default value), "ST" (stocastic realization) or "VR" if the value of the variance is needed.
`power`	The power of the APV. Default is 1 (mean)

Details

As done in all package, interest rate is assumed fixed.

Value

The value of the pure endowmnet.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

axn

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate the pure endowment for a man aged 30 for a time span of 35
Exn(soa08Act, x=30, n=35)
```

---

exn *Function/method to calculate the expected life.*

Description

This method calculates the expected life span between ages x and x+n.

Usage

```
exn(object, x, n,type="curtate")
```

Arguments

object	A lifetable object.
x	Age from which the life span should be calculated.
n	Time until which the expected life should be calculated. Assumed omega - x whether missing.
type	Either complete or curtate

Value

A numeric value representing the expected life span.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Author(s)

Giorgio A. Spedicato.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

lifetable

Examples

```
#loads and show
data(soa08Act)
exn(object=soa08Act, x=0)
exn(object=soa08Act, x=0,type="complete")
```

---

getDecrements *Function to return the decrements defined in the mdt class*

Description

This function list the character decrements of the mdf class

Usage

```
getDecrements(object)
```

Arguments

object	A mdt class object

Details

A character vector is returned

Value

A character vector listing the decrements defined in the class

Note

To be updated

Author(s)

Giorgio Spedicato

References

Marcel Finan A Reading of the Theory of Life Contingency Models: A Preparation for Exam MLC/3L

See Also

getOmega

Examples

```
#create a new table
tableDecr=data.frame(d1=c(150,160,160),d2=c(50,75,85))
newMdt<-new("mdt",name="testMDT",table=tableDecr)
getDecrements(newMdt)
```

---

getLifecontingencyPv *Functions to obtain the present value of a life contingency given the time to death*

Description

It returns the present value of a life contingency, specified by its APV symbol, known the time to death ob the sibjects

Usage

```
getLifecontingencyPv(deathsTimeX, lifecontingency, object, x, t, i = object@interest,
m = 0, k = 1, payment = "advance")
getLifecontingencyPvXyz(deathsTimeXyz, lifecontingency, tablesList, x, t, i, m = 0,
k = 1, status = "joint", payment = "advance")
```

Arguments

`deathsTimeX`	Time to death
`lifecontingency`	lifecontingency symbol
`object`	life table(s)
`x`	age(s) of the policyholder(s)
`t`	term of the contract
`i`	interest rate
`m`	deferrement
`k`	fractional payments
`payment`	either "advance" or "deferred"
`deathsTimeXyz`	matrix of death times from birth
`tablesList`	list of table of the same size of num column of deathTimeXyz.
`status`	"joint" or "last" survivor.

Details

This function is a wrapper to the many internal functions that give the PV known the age of death.

Value

A vector or matrix of size number of rows of deathTimeXyz / deathTimeXy

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

Multiple life function needs to be tested

Author(s)

Spedicato Giorgio

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`rLifeContingenciesXyz`, `rLifeContingencies`

Examples

```
#simulate the PV values for some life contingencies given some death times
data(soa08Act)
testgetLifecontingencyPvXyzAxyz<-getLifecontingencyPvXyz(deathsTimeXyz=
matrix(c(50,50,51,43,44,22,12,56,20,24,53,12),
ncol=2),
lifecontingency = "Axyz",tablesList = list(soa08Act, soa08Act), i = 0.03, t=30,x=c(40,50),
m=0, k=1,status="last")
testgetLifecontingencyPvAxn<-getLifecontingencyPv(deathsTimeX = seq(0, 110, by=1),
lifecontingency = "Axn", object=soa08Act,
x=40,t=20, m=0, k=1)
```

---

getOmega — *Function to return the terminal age of a life table.*

Description

This function returns the ω value of a life table object, that is, the last attainable age within a life table.

Usage

```
getOmega(object)
```

Arguments

`object`	A life table object.

Value

A numeric value representing the ω value of a life table object

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

actuarialtable

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08=with(soaLt, new("lifetable",
x=x,lx=Ix,name="SOA2008"))
#the last attainable age under SOA life table is
getOmega(soa08)
```

IAxn *Increasing life insurance*

Description

This function evaluates the APV of an increasing life insurance. The amount payable at the end of year of death are: $1, 2, \ldots, n-1, n$. N can be set as $\omega - x - 1$.

Usage

```
IAxn(actuarialtable, x, n,i=actuarialtable@interest,  m = 0, k=1, type = "EV", power=1)
```

Arguments

actuarialtable	The actuarial table used to perform life - contingencies calculations.
x	The age of the insured.
n	The term of life insurance. If missing n is set as $n = \omega - x - m - 1$.
i	Interest rate (overrides the interest rate of the actuarialtable object).
m	The deferring period. If missing, m is set as 0.
k	Number of fractional payments per period. Assumed to be 1 whether missing.
type	Default value is "EV", where APV is returned. "ST" returns a sample from the underlying present value of benefits distribution.
power	The power of the APV. Default is 1 (mean).

Details

The stochastic value feature has not been implemented yet.

Value

A numeric value.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

DAxn

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate the value of a 10 years increasing term life insurance for an aged 25
IAxn(actuarialtable=soa08Act, x=25, n=10)
```

Iaxn *Increasing annuity life contingencies*

Description

This function evaluates increasing annuities

Usage

```
Iaxn(actuarialtable, x, n, i, m = 0, type = "EV", power=1)
```

Arguments

actuarialtable	An actuarialtable object.
x	The age of the insured head.
n	The duration of the insurance
i	The interest rate that overrides the one in the actuarialtable object.
m	The deferring period.
type	Yet only "EV" is implemented.
power	The power of the APV. Default is 1 (mean)

Details

This actuarial mathematics is generally exoteric. I have seen no valid example of it.

Value

The APV of the insurance

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

axn,IAxn

Examples

```
#using SOA illustrative life tables
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#evaluate the value of a lifetime increasing annuity for a subject aged 80
Iaxn(actuarialtable=soa08Act, x=80, n=10)
```

---

increasingAnnuity *Increasing annuity.*

Description

This function evaluates non - stochastic increasing annuities.

Usage

```
increasingAnnuity(i, n, type = "immediate")
```

Arguments

`i`	A numeric value representing the interest rate.
`n`	The number of periods.
`type`	Type of annuity. Either "immediate" or "due".

Details

An increasing annuity shows the following flow of payments: $1, 2, \ldots, n-1, n$

Value

The value of the annuity.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

This function calls internally `presentValue` function.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

`decreasingAnnuity`,`IAxn`

Examples

```
#the present value of 1,2,...,n-1, n sequence of payments,
#payable at the end of the period
#for 10 periods is
increasingAnnuity(i=0.03, n=10)
#assuming a 3% interest rate
```

`intensity2Interest` *Functions to switch from interest to intensity and vice versa.*

Description

There functions switch from interest to intensity and vice - versa.

Usage

```
intensity2Interest(intensity)

interest2Intensity(i)
```

Arguments

`intensity`	Intensity rate
`i`	Interest rate

Details

Simple financial mathematics formulas are applied.

Value

A numeric value.

Note

Simple formulas are used

Author(s)

Giorgio Alfredo Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

`real2Nominal`, `nominal2Real`

Examples

```
#an interest rate equal to 0.02 corresponds to a force of interest of of
interest2Intensity(i=0.02)
#a force of interest of 0.02 corresponds to an APR of
intensity2Interest(intensity=0.02)
```

`interest2Discount` *Functions to switch from interest to discount rates*

Description

These functions switch from interest to discount rates and vice - versa

Usage

```
interest2Discount(i)

discount2Interest(d)
```

Arguments

`i`	Interest rate
`d`	Discount rate

Details

The following formula (and its inverse) rules the relationships:

$$\frac{i}{1+i} = d$$

Value

A numeric value

Author(s)

Giorgio Alfredo Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

`intensity2Interest`,`nominal2Real`

Examples

```
discount2Interest(d=0.04)
```

`Isn` *Function to calculated accumulated increasing annuity future value.*

Description

This function evaluates non - stochastic increasing annuities future values.

Usage

```
Isn(i, n, type = "immediate")
```

Arguments

`i`	Interest rate.
`n`	Terms.
`type`	Either "due" for annuity due or "immediate" for annuity immediate.

Details

It calls `increasingAnnuity` after having capitalized by $(1+i)^n$

Value

A numeric value

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

This function calls internally `increasingAnnuity` function.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

accumulatedValue

Examples

```
Isn(n=10,i=0.03)
```

---

lifetable-class *Class* "lifetable"

Description

lifetable objects allow to define and use life tables with the aim to evaluate survival probabilities and mortality rates easily. Such values represent the building blocks used to estimate life insurances actuarial mathematics.

Objects from the Class

Objects can be created by calls of the form new("lifetable", ...). Two vectors are needed. The age vector and the population at risk vector.

Slots

x**:** Object of class "numeric", representing the sequence 0,1,..., ω

lx**:** Object of class "numeric", representing the number of lives at the beginning of age x. It is a non increasing sequence. The last element of vector x is supposed to be > 0.

name**:** Object of class "character", reporting the name of the table

Methods

coerce signature(from = "lifetable", to = "data.frame"): method to create a data - frame from a lifetable object

coerce signature(from = "lifetable", to = "markovchainList"): coerce method from lifetable to markovchainList

coerce signature(from = "lifetable", to = "numeric"): brings to numeric

coerce signature(from = "data.frame", to = "lifetable"): brings to life table

getOmega signature(object = "lifetable"): returns the maximum attainable life age

plot signature(x = "lifetable", y = "ANY"): plot method

head signature(x = "lifetable"): head method

print signature(x = "lifetable"): method to print the survival probability implied in the table

show signature(object = "lifetable"): identical to plot method

summary signature(object = "lifetable"): it returns summary information about the object

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

`t` may be missing in `pxt`, `qxt`, `ext`. It assumes value equal to 1 in such case.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`actuarialtable`

Examples

```
showClass("lifetable")
data(soa08)
summary(soa08)
#the last attainable age under SOA life table is
getOmega(soa08)
#head and tail
data(soaLt)
tail(soaLt)
head(soaLt)
```

`Lxt` *Number of person - years lived.*

Description

This function calculates the Lxt demographic function.

Usage

```
Lxt(object, x, t = 1, fxt = 0.5)
```

Arguments

`object`	A lifetable object.
`x`	Age.
`t`	Length of the period.
`fxt`	separation factor, default value is 0.5 (half year).

Details

The separation factor is the average number of years not lived between exact ages x and x+t for those who die between exact ages x and +t

Value

An integer value

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

This function is used in life tables analysis

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`Tx`, `lifetable`

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
Lxt(soa08Act, 67,10)
```

`mdt-class` *Class* `"mdt"`

Description

A class to store multiple decrement tables

Objects from the Class

Objects can be created by calls of the form `new("mdt", name, table, ...)`. They store absolute decrements

Slots

`name`**:** The name of the table

`table`**:** A data frame containing at least the number of decrements

Methods

getDecrements `signature(object = "mdt")`: return the name of decrements

getOmega `signature(object = "mdt")`: maximum attainable age

initialize `signature(.Object = "mdt")`: method to initialize the class

print `signature(x = "mdt")`: tabulate absolute decrement rates

show `signature(object = "mdt")`: show rates of decrement

coerce `signature(from = "mdt", to = "markovchainList")`: coercing to `markovchainList` objects

coerce `signature(from = "mdt", to = "data.frame")`: coercing to `markovchainList` objects

summary `signature(object = "mdt")`: it returns summary information about the object

Note

Currently only decrements storage of the class is defined.

Author(s)

Giorgio Spedicato

References

Marcel Finan A Reading of the Theory of Life Contingency Models: A Preparation for Exam MLC/3L

See Also

`lifetable`

Examples

```
#shows the class definition
showClass("mdt")
#create a new table
tableDecr=data.frame(d1=c(150,160,160),d2=c(50,75,85))
newMdt<-new("mdt",name="testMDT",table=tableDecr)
```

`multiple life probabilities` *Functions to deals with multiple life models*

Description

These functions evaluate multiple life survival probabilities, either for joint or last life status. Arbitrary life probabilities can be generated as well as random samples of lifes.

Usage

```
exyzt(tablesList, x, t = Inf, status = "joint",  type = "Kx", ...)
pxyzt(tablesList, x, t, status = "joint", fractional=rep("linear",
length(tablesList)), ...)
qxyzt(tablesList, x, t, status = "joint",
fractional=rep("linear",length(tablesList)), ...)
rLifexyz(n, tablesList, x, k = 1, type = "Tx")
```

Arguments

`tablesList`	A list whose elements are either `lifetable` or `actuarialtable` class objects.
`x`	A vector of the same size of tableList that contains the initial ages.
`t`	The duration.
`n`	The size of sampled life duration matrix.
`status`	Either "joint" (for the joint-life status model) or "last".
`type`	"Tx" for continuous, "Kx" for curtate.
`fractional`	Fractional lives assumption.
`...`	Options to be passed to `pxt`.
`k`	Fractional frequency option.

Details

These functions extends `pxyt` family to an arbitrary number of life contingencies.

Value

An estimate of survival / death probability or expected lifetime, or a matrix of ages.

Note

The procedure is experimental.

Author(s)

Giorgio Alfredo, Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

pxt,exn

Examples

```
#assessment of curtate expectation of future lifetime of the joint-life status
#generate a sample of lifes
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,x=x,lx=Ix,name="SOA2008"))
tables=list(males=soa08Act, females=soa08Act)
xVec=c(60,65)
test=rLifexyz(n=50000, tablesList = tables,x=xVec,type="Kx")
#check first survival status
t.test(x=apply(test,1,"min"),mu=exyzt(tablesList=tables, x=xVec,status="joint"))
#check last survival status
t.test(x=apply(test,1,"max"),mu=exyzt(tablesList=tables, x=xVec,status="last"))
```

---

mx2qx — *Mortality rates to Death probabilities*

Description

Function to convert mortality rates to probabilities of death

Usage

```
mx2qx(mx, ax = 0.5)
```

Arguments

mx	mortality rates vector
ax	the average number of years lived between ages x and x +1 by individuals who die in that interval

Details

Function to convert mortality rates to probabilities of death

Value

A vector of death probabilities

See Also

mxt, qxt, qx2mx

Examples

```
#using some recursion
qx2mx(mx2qx(.2))
```

---

mxt *Central mortality rate.*

Description

This function returns the central mortality rate demographic function.

Usage

```
mxt(object, x, t)
```

Arguments

object	A lifetable object
x	Age when the calculation starts.
t	Age when the calculation ends, default=1.

Details

The central mortality rate is defined as $m_{x,t} = \frac{d_{x,t}}{l_{x,t}}$

Value

A numeric value representing the central mortality rate between age x and x+t.

Note

This function is used in demographic analysis.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

lifetable, Lxt

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
#compare mx and qx
mxt(soa08Act, 60,10)
qxt(soa08Act, 60,10)
```

---

presentValue — *Present value of a series of cash flows.*

Description

This function evaluates the present values of a series of cash flows, given occurrence time. Probabilities of occurrence can also be taken into account.

Usage

```
presentValue(cashFlows, timeIds, interestRates, probabilities,power=1)
```

Arguments

cashFlows	Vector of cashFlow, must be coherent with timeIds
timeIds	Vector of points of time where cashFlows are due.
interestRates	A numeric value or a time-size vector of interest rate used to discount cahs flow.
probabilities	Optional vector of probabilities.
power	Power to square discount and cash flows. Default is set to 1

Details

probabilities is optional, a sequence of 1 length of timeIds is assumed. Interest rate shall be a fixed number or a vector of the same size of timeIds. power parameters is generally useless beside life contingencies insurances evaluations.

Value

A numeric value representing the present value of cashFlows vector, or the actuarial present value if probabilities are provided.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

This simple function is the kernel working core of the package. Actuarial and financial mathematics ground on it.

Author(s)

Giorgio A. Spedicato

References

Broverman, S.A., Mathematics of Investment and Credit (Fourth Edition), 2008, ACTEX Publications.

See Also

`annuity`, `axn`

Examples

```
 #simple example
 cf=c(10,10,10) #$10 of payments one per year for three years
 t=c(1,2,3) #years
 p=c(1,1,1) #assume payments certainty
 #assume 3% of interest rate
presentValue(cashFlows=cf, timeIds=t, interestRates=0.03, probabilities=p)
```

`probs2lifetable` *Life table from probabilities*

Description

This function returns a newly created lifetable object given either survival or death (one year) probabilities)

Usage

```
probs2lifetable(probs, radix = 10000, type = "px", name = "ungiven")
```

Arguments

- `probs` A real valued vector representing either one year survival or death probabilities. The last value in the vector must be either 1 or 0, depending if it represents death or survival probabilities respectively.
- `radix` The radix of the life table.
- `type` Character value either "px" or "qx" indicating how probabilities must be interpreted.
- `name` The character value to be put in the corresponding slot of returned object.

Details

The ω value is the length of the probs vector.

Value

A `lifetable` object.

Warning

The function is provided as is, without any guarantee regarding the accuracy of calculation. We disclaim any liability for eventual losses arising from direct or indirect use of this software.

Note

This function allows to use mortality projection given by other softwares with the lifecontingencies package.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`actuarialtable`

Examples

```
fakeSurvivalProbs=seq(0.9,0,by=-0.1)
newTable=probs2lifetable(fakeSurvivalProbs,type="px",name="fake")
head(newTable)
tail(newTable)
```

pxt *Functions to evaluate survival, death probabilities and deaths.*

Description

These functions evaluate raw survival and death probabilities between age x and x+t

Usage

```
dxt(object, x, t, decrement)
pxt(object, x, t, fractional = "linear", decrement)
qxt(object, x, t, fractional = "linear", decrement)
```

Arguments

object	A lifetable object.
x	Age of life x.
t	Period until which the age shall be evaluated. Default value is 1.
fractional	Assumptions for fractional age. One of "linear", "hyperbolic", "constant force".
decrement	The reason of decrement (only for mdt class objects). Can be either an ordinal number or the name of decrement

Details

Fractional assumptions are: -linear: linear interpolation between consecutive ages. -constant force of mortality: constant force of mortality. -hyperbolic: Balducci assumptions. See references for details.

Value

A numeric value representing requested probability.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

Function dxt accepts also fractional value of t. Linear interpolation is used in such case. These functions are called by many other functions.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

exn, lifetable

Examples

```
#dxt example
data(soa08Act)
dxt(object=soa08Act, x=90, t=2)
#qxt example
qxt(object=soa08Act, x=90, t=2)
#pxt example
pxt(object=soa08Act, x=90, t=2, "constant force" )
#add another example for MDT
```

---

pxyt *Functions to evaluate joint survival probabilities.*

Description

These functions evaluate survival and death probabilities for two heads.

Usage

```
exyt(objectx, objecty, x, y, t, status = "joint")

pxyt(objectx, objecty, x, y, t, status = "joint")

qxyt(objectx, objecty, x, y, t,  status = "joint")
```

Arguments

objectx	lifetable for life X.
objecty	lifetable for life Y.
x	Age of life X.
y	Age of life Y.
t	Time until survival has to be evaluated.
status	Either "joint" or "last".

Value

A numeric value representing joint survival probability.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software. Also it is being Deprecated and asap removed from the package.

Note

These functions are used to evaluate two or more life contingencies.

Author(s)

Giorgio A. Spedicato, Kevin J. Owens.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

exyt

Examples

```
## Not run:
data(soa08Act)
pxyt(soa08Act, soa08Act, 65, 70,10)
pxyt(soa08Act, soa08Act, 65, 70,10, "last")

## End(Not run)
```

---

qx2mx *Death Probabilities to Mortality Rates*

Description

Function to convert death probabilities to mortality rates

Usage

```
qx2mx(qx, ax = 0.5)
```

Arguments

qx	death probabilities
ax	the average number of years lived between ages x and x +1 by individuals who die in that interval

Details

Function to convert death probabilities to mortality rates

Value

A vector of mortality rates

See Also

`mxt`, `qxt`, `mx2qx`

Examples

```
data(soa08Act)
soa08qx<-as(soa08Act,"numeric")
soa08mx<-qx2mx(qx=soa08qx)
soa08qx2<-mx2qx(soa08mx)
```

`qxt.prime.fromMdt` *Return Associated single decrement from absolute rate of decrement*

Description

Return Associated single decrement from absolute rate of decrement

Usage

```
qxt.prime.fromMdt(object, x, t = 1, decrement)

qxt.fromQxprime(qx.prime, other.qx.prime, t = 1)
```

Arguments

`object`	a mdj object
`x`	age
`t`	period (default 1)
`decrement`	type (necessary)
`qx.prime`	single ASDT decrement of which corresponding decrement is desired
`other.qx.prime`	ASDT decrements other than `qx.prime`

Value

a single value (AST)

Functions

- `qxt.fromQxprime`: Obtain decrement from single decrements

Examples

```
#Creating the valdez mdf

valdezDf<-data.frame(
x=c(50:54),
lx=c(4832555,4821937,4810206,4797185,4782737),
hearth=c(5168, 5363, 5618, 5929, 6277),
accidents=c(1157, 1206, 1443, 1679,2152),
other=c(4293,5162,5960,6840,7631))
valdezMdt<-new("mdt",name="ValdezExample",table=valdezDf)

qxt.prime.fromMdt(object=valdezMdt,x=53,decrement="other")

#Finan example 67.2

qxt.fromQxprime(qx.prime = 0.01,other.qx.prime = c(0.03,0.06))
```

---

rLife — *Function to generate random future lifetimes*

Description

This function returns random samples from the time until death (future lifetime) of a subject aged x. Either the continuous or the curtate time until death can be returned.

Usage

```
rLife(n, object, x = 0, k=1, type = "Tx")
```

Arguments

`n`	Number of variates to generate.
`object`	An object of class lifetable.
`x`	The attained age of subject x. Default value is 0.
`k`	Number of periods within the year when it is possible death to happen. Default value is 1.
`type`	Either "Tx" for continuous future lifetime or "Kx" for curtate future lifetime

Details

Following relation holds for the future life time: $T_x = K_x + 0.5$.

Value

A numeric vector of n elements.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

This function will probably will improved in the future.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`lifetable`, `exn`

Examples

```
##get 20000 random future lifetimes for the Soa life table at birth
data(soa08Act)
lifes=rLife(n=20000,object=soa08Act, x=0, type="Tx")
##check if the expected life at birth derived from the life table
##is statistically equal to the expected value of the sample
#
t.test(x=lifes, mu=exn(soa08Act, x=0, type="continuous"))
```

`rLifeContingencies` *Function to generate samples from the life contingencies stochastic variables.*

Description

This function returns a n-size sample from the underlying present value of benefits stochastic variable defined by a specific life contingencies insurance form.

Usage

```
rLifeContingencies(n, lifecontingency, object, x, t,
i = object@interest, m=0, k = 1 , parallel=FALSE, payment="advance")
```

Arguments

`n`	Size of sample
`lifecontingency`	A character string, either "Exn" or "Axn" or "axn" or "IAxn" or "DAxn".
`object`	An `actuarialtable` object.
`x`	Policyholder's age at issue time.
`t`	The lenght of the insurance. Must be specified according to the present value of benefits definition.
`i`	The interest rate, whose default value is the `actuarialtable` interest rate slot value.
`m`	Deferring period, default value is zero.
`k`	Fractional payment, default value is 1.
`parallel`	Uses the parallel computation facility.
`payment`	Payment type: "advance" default is the annuity due, otherwise annuity due.

Details

This function is a wrapper for internal function that returns the present value of insured benefits.

Value

A numeric vector.

Warning

Before using this function, the unbiaseness of the sample drawn from the distribution shall be verified. The function is still in testing ad for some classes of life contingencies biased. The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software. Currently k>1 computation are not supported yet.

Note

This function is a wrapper for many internal functions. It is called by all actuarial mathematics functions when value "ST" is provided to `type` parameter.

Author(s)

Giorgio Alfredo Spedicato.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

Exn, Axn, axn,IAxn,DAxn.

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
out<-rLifeContingencies(n=1000, lifecontingency="Axn",object=soa08Act,
x=40,t=getOmega(soa08Act)-40, i=soa08Act@interest,m=0)
APV=Axn(soa08Act,x=40)
#check if out distribution is unbiased
t.test(x=out, mu=APV)$p.value>0.05
```

---

rLifeContingenciesXyz *Function to return samples from lifecontingencies on multiple heads*

Description

This function returns samples from multiple heads life contingent insurances.

Usage

```
rLifeContingenciesXyz(n, lifecontingency, tablesList, x, t, i, m = 0,
k = 1, status = "joint", parallel = FALSE,payment = "advance")
```

Arguments

n	Sample size
lifecontingency	Either "Axyz" or "axyz"
tablesList	List of tables
x	Ages vector
t	Term
i	Interest rate
m	Deferral period
k	Frequency of payments
status	Either "joint" (default) or "last"
parallel	Use parallel computation
payment	Payment type: "advance" default is the annuity due, otherwise annuity immediate.

Details

This function should return samples from multiple life contingent insurances.

Value

A matrix of variates

Warning

The function is experimental and it its early stages. Samples are biased.

Note

A matrix is returned.

Author(s)

Giorgio Alfredo Spedicato, Kevin J. Owens.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

rLifeContingencies,Axyzn,axyzn

Examples

```
data(soa08Act)
n=10000
lifecontingency="Axyz"
tablesList=list(soa08Act,soa08Act)
x=c(60,60)
i=0.06
m=0
status="joint"
t=30
k=1
#
APV=Axyzn(tablesList=tablesList,x=x,n=t,m=m,k=k,status=status,type="EV")
samples<-rLifeContingenciesXyz(n=n,lifecontingency = lifecontingency,
tablesList = tablesList,x=x,t=t,m=m,k=k,status=status,
parallel=FALSE)
APV
mean(samples)
```

`rmdt` *Simulate from a multiple decrement table*

Description

Simulate from a multiple decrement table

Usage

```
rmdt(n = 1, object, x = 0, t = 1, t0 = "alive", include.t0 = TRUE)
```

Arguments

`n`	Number of simulations.
`object`	The `mdt` object to simulate from.
`x`	the period to simulate from.
`t`	the period until to simulate.
`t0`	initial status (default is "alive").
`include.t0`	should initial status to be included (default is TRUE)?

Value

A matrix with n columns (the length of simulation) and either t (if initial status is not included) or t+1 rows.

Details

The functin uses `rmarkovchain` function from markovchain package to simulate the chain

Author(s)

Giorgio Spedicato

See Also

`rLifeContingenciesXyz`,`rLifeContingencies`

Examples

```
mdtDf<-data.frame(x=c(0,1,2,3),death=c(100,50,30,10),lapse=c(150,20,2,0))
myMdt<-new("mdt",name="example Mdt",table=mdtDf)
ciao<-rmdt(n=5,object = myMdt,x = 0,t = 4,include.t0=FALSE,t0="alive")
```

soa08 *Society of Actuaries Illustrative Life Table object.*

Description

This is the table that appears in the classical book Actuarial Mathematics in Appendix 2A and used throughout the book to illustrate life contingent calculations. The Society of Actuaries has been using this table when administering US actuarial professional MLC preliminary examinations.

Usage

```
data(soa08)
```

Format

Formal class 'lifetable' [package "lifecontingencies"] with 3 slots ..@ x : int [1:141] 0 1 2 3 4 5 6 7 8 9 ... ..@ lx : num [1:141] 100000 97958 97826 97707 97597 ... ..@ name: chr "SOA Illustrative Life Table"

Details

This table is a blend of Makeham's mortality law for ages 13 and above and some ad hoc values for ages 0 to 12.

The parameters for Makeham's mortality law are

1000 * mu(x) = 0.7 + 0.05 * 10^(0.04 * x)

where mu(x) is the force of mortality.

The published Illustrative Life Table just shows ages 0 to 110 but in the computing exercises of chapter 3 the authors explain that the table's age range is from 0 to 140.

Note

This table is based on US 1990 general population mortality.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

Examples

```
data(soa08)
## maybe str(soa08) ; plot(soa08) ...
```

`soa08Act` *Society of Actuaries Illustrative Life Table with interest rate at 6*

Description

An object of class actuarialtable built from the SOA illustrative life table. Interest rate is 6

Usage

```
data(soa08Act)
```

Format

Formal class 'actuarialtable' [package "lifecontingencies"] with 4 slots ..@ interest: num 0.06 ..@ x : int [1:141] 0 1 2 3 4 5 6 7 8 9 ... ..@ lx : num [1:141] 100000 97958 97826 97707 97597 ... ..@ name : chr "SOA Illustrative Life Table"

Details

This table is a blend of Makeham's mortality law for ages 13 and above and some ad hoc values for ages 0 to 12.

The parameters for Makeham's mortality law are

1000 * mu(x) = 0.7 + 0.05 * 10^(0.04 * x)

where mu(x) is the force of mortality.

The published Illustrative Life Table just shows ages 0 to 110 but in the computing exercises of chapter 3 the authors explain that the table's age range is from 0 to 140.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

Examples

```
## Not run:
data(soa08Act)

## End(Not run)
```

`SoAISTdata` *SoA illustrative service table*

Description

Bowers' book Illustrative Service Table

Usage

```
data(SoAISTdata)
```

Format

A data frame with 41 observations on the following 6 variables.

`x` Attained age

`lx` Surviving subjects ate the beginning of each age

`death` Drop outs for death cause

`withdrawal` Drop outs for withdrawal cause

`inability` Drop outs for inability cause

`retirement` Drop outs for retirement cause

Details

It is a data frame that can be used to create a multiple decrement table

Source

Optical recognized characters from below source with some few adjustments

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

Examples

```
data(SoAISTdata)
head(SoAISTdata)
```

`soaLt` *Society of Actuaries life table.*

Description

This table has been used by the classical book Actuarial Mathematics and by the Society of Actuaries for US professional examinations.

Usage

```
data(soaLt)
```

Format

A data frame with 95 observations on the following 2 variables.

`x` a numeric vector

`Ix` a numeric vector

Details

Early ages are miss.

Note

SOA has not provided population at risk data for certain spans of age (e.g. 1-5, 6-9, 11-14 and 16-19). Linear interpolation has been used to fill them.

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

Examples

```
data(soaLt)
head(soaLt)
```

`Tx` *Number of person-years lived after exact age x*

Description

This function returns the number of years lived after exact age x.

Usage

```
Tx(object, x)
```

Arguments

`object`	A lifetable object
`x`	An integer representing the age for which the T_x value shall be returned.

Details

x shall be an integer value.

Value

A numeric value.

Warning

The function is provided as is, without any warranty regarding the accuracy of calculations. The author disclaims any liability for eventual losses arising from direct or indirect use of this software.

Note

The calculation is performed on all x where $l_x > 0$.

Author(s)

Giorgio A. Spedicato

References

Actuarial Mathematics (Second Edition), 1997, by Bowers, N.L., Gerber, H.U., Hickman, J.C., Jones, D.A. and Nesbitt, C.J.

See Also

`Lxt`

Examples

```
#assumes SOA example life table to be load
data(soaLt)
soa08Act=with(soaLt, new("actuarialtable",interest=0.06,
x=x,lx=Ix,name="SOA2008"))
Tx(soa08Act, 67)
```

Uk life tables *Uk AM AF 92 life tables*

Description

Uk AM AF life tables

Usage

```
data(AF92Lt)
```

Format

The format is: Formal class 'lifetable' [package ".GlobalEnv"] with 3 slots ..@ x : int [1:111] 0 1 2 3 4 5 6 7 8 9 ... ..@ lx : num [1:111] 100000 99924 99847 99770 99692 ... ..@ name: chr "AF92"

Details

Probabilities for earliest (under 16) and lastest ages (over 92) have been derived using a Brass - Logit model fit on Society of Actuaries life table.

Source

See Uk life table.

References

http://www.actuaries.org.uk/research-and-resources/documents/am92-permanent-assurances-males

Examples

```
data(AF92Lt)
exn(AF92Lt)
data(AM92Lt)
exn(AM92Lt)
```

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