

Our subject has a double name, that is,

FINANCIAL AND INSURANCE MATHEMATICS.

These two disciplines usually go together, since the computation principles and rules of financial maths, e.g., the INTEREST COMPOUNDING AND DISCOUNTING, PRESENT VALUES, ANNUITIES, EQUIVALENCE OF PAYMENTS, etc., are at the basis of insurance mathematics.

INSURANCE MATHEMATICS then deals with such problems as LIFE ANNUITIES and LIFE INSURANCE PREMIUMS, LIFE INSURANCE SAVINGS, etc., where the financial mathematics rules combine with the INSECURITY surrounding human life, as expressed formally by means of the MORTALITY TABLES, for example.

This interconnection of the two branches of applied mathematics means that usually lectures commence with a certain REVIEW OF, and introduction of definitions and formal symbols FOR, the basic notions of COMPOUND INTEREST, ANNUITIES ORDINARY, SIMPLE and GENERAL, PERPETUITIES, etc. Those notions and concepts are then applied in the domain of insurance.

In our course, too, this sequence of explanations will be kept to. Therefore, a brief OVERVIEW OF CHAPTERS of this course can be given as follows.

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