

ACTL90004 Insurance Risk Models

Credit Points:	12.50						
Level:	9 (Graduate/Postgraduate)						
Dates & Locations:	This subject is not offered in 2011.						
Time Commitment:	Contact Hours: A 2 hour seminar and a 1 hour workshop per week Total Time Commitment: Estimated total time commitment of 120 hours per semester						
Prerequisites:	<p>MAST20004 Probability or equivalent.</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>MAST20004 Probability</td> <td>Semester 1</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	MAST20004 Probability	Semester 1	12.50
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MAST20004 Probability	Semester 1	12.50					
Corequisites:	None						
Recommended Background Knowledge:	Students should be competent in the use of Excel.						
Non Allowed Subjects:	None						
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/						
Contact:	<p>Graduate School of Business and Economics Level 4, 198 Berkeley Street Telephone: +61 3 8344 1670</p> <p>Online Enquiries (https://nexus.unimelb.edu.au/OnlineEnquiryForm.aspx?campaigncode=CMP-01311-VZ8293&cssurl=https://nexus.unimelb.edu.au/cssfiles/gsbe.css&redirecturl=http://www.gsbe.unimelb.edu.au/contactus/nexus/gsbe.html) Web: www.gsbe.unimelb.edu.au (http://www.gsbe.unimelb.edu.au)</p>						
Subject Overview:	Topics include collective risk model, calculation of moments and mgf of aggregate claims, recursion formulae, effect of reinsurance; individual risk model, De Pril's recursion formula; fundamentals of decision theory; credibility theory; exact credibility and the Buhlmann-Straub model; basics of ruin theory.						
Objectives:	<p>On successful completion of this subject a student should be able to:</p> <ul style="list-style-type: none"> # Explain and apply the concepts of decision theory; # Explain the fundamental concepts of Bayesian statistics and apply these concepts to derive Bayesian estimators; # Describe and apply the fundamental concepts of credibility theory; # Derive and calculate probabilities for, and moments of, loss distributions both with and without simple reinsurance arrangements; # Construct risk models appropriate for short term insurance contracts and derive both moments and moment generating functions for aggregate claim amounts under these models; # Derive recursion formulae to calculate aggregate claims distributions for short term insurance contracts; # Describe and apply approximate methods of calculating an aggregate claims distribution; # Explain the concept of ruin for a risk model. 						
Assessment:	An assignment of up to 1,000 words (10%) One hour mid-semester test (20%) Two hour end of semester exam (70%)						

Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	High level of development: <ul style="list-style-type: none"># Written communication;# Problem solving;# Statistical reasoning;# Application of theory to practice;# Interpretation and analysis.
Related Course(s):	Master of Actuarial Science Postgraduate Diploma in Actuarial Science