

ABSTRACT

How to infer the layer variance from the expectation

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Key words:

Layer, Collective model, Contagion, Convexity, Pareto, GPD

Purpose of your paper:

We give some approaches to approximating the variance of a (re)insurance layer if essentially only the risk premium is known.

Abstract:

Sometimes practitioners have the risk premium of a (re)insurance layer, but only vague further knowledge. This paper describes some ways to develop a consistent underlying model from such limited information, or at least to estimate the variance.