

Michigan Math Club

Thursday at 4pm in the Commons

Free Pizza and Pop

Property-Casualty Insurance: Placing a Price on Risk

Joe Marker

Abstract for 28 October 2010

Events such as fires, windstorms, accidents, and negligence can bring financial ruin and great physical harm. Purchasing insurance from an "insurer" reduces the probability of ruin. How does the insurer help others avoid ruin without ruining itself? We explore ideas about how the insurer sets a price to cover both the expected losses from the policies it writes and the uncertainty in the loss amounts.

