

# Michigan Math Club

Thursday at 4pm in the Nesbitt Room

Free Pizza and Pop



## Placing a Price on Risk

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Abstract for 11 February 2016



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