DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar

# Professor Hans U. GERBER

Faculty of Business and Economics
University of Lausanne
and
Department of Statistics and Actuarial Science
The University of Hong Kong

will give a talk

entitled

## OPTIMAL REINSURANCE, EXPECTILES AND PARETO OPTIMAL RISK EXCHANGES

Abstract

Reinsurance is available according to a principle of premium calculation H. The first insurer chooses the reinsurance coverage that maximizes his expected utility. The optimality condition involves the "gradient" of H. In the special case where H is an expectile principle, closed form formulas for the optimal reinsurance are given. The solution resembles a stop-loss contract. Insight is provided from the perspective of Pareto optimal risk exchanges and the Theorem of Borch.

on

**Wednesday, November 11, 2015**

*(Refreshments will be served from 10:45 a.m. <u>outside Room 301 Run Run Shaw Building</u>)*

**11:00 a.m. – 12:00 noon**

at

**Room 301, Run Run Shaw Building**

**<u>Visitors Please Note</u> that the University has limited parking space. If you are driving please call the Department at 3917 2466 for parking arrangement.**

All interested are welcome