

The Working Group on Risk - CREAR, with the support of the IDS department at ESSEC, the group BFA (SFdS) & Institut des Actuaire (IA) , has the pleasure to invite you to the Seminar by:

Michael NOACK
Senior Consultant & Actuary DAV
ADDACTIS Worldwide

April 8, 2015, 12:30-1:30 pm
EEE - ESSEC La Défense (CNIT) – Room 104

Handling of GLM convergence issues for Insurance Data

In the pricing process GLM is market standard and it is used to explain response variables Y like – the number of claims (frequency), the average cost of a claim, the cost of the risk, the propensity of large claims. With the correct selection of starting points and enough data models generally do converge.

In the case where Newton-Raphson doesn't converge, the GLM model might be incorrectly specified. With some modifications in the design matrix (parameter selection and/or parameter grouping) user can transform his problem in different one that will converge.

But in order to make a documented decision, the user has to be informed about the calculations. Consequently convergence should not be “artificially” forced, and non-convergence is important information for the user. It is the condition for users to have all information he needs to evaluate if the proposed solution is the correct one.

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Michael Noack, Actuary DAV, is Senior Consultant at ADDACTIS Worldwide for now 2 years. He has worked in Insurance Business in Spain and Germany, on many subjects: Advanced pricing methods non-life, Innovation / Imagination / product development and Strategic Planning. He was for many years responsible for pricing for one of the largest Spanish insurers, Linea Directa.

He graduated in Mathematics from Moscow State University, then moved to Germany to obtain the title of Actuary from DAV. During 2 years, he was also Associate Professor at University Carlos III of Madrid.



Labex MME-DII

Modèles Mathématiques et Économiques de la Dynamique, de l'Incertitude et des Interactions



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