Department of Mathematics and Statistics
Concordia University

ACTU 457 (MAST 724/MAST 881), Sec. O
Risk Theory
Winter 2023

Instructor: Prof. Melina Mailhot, Office: LB 921.29 (SGW), Phone: 848-2424, Ext. 3830
Email: melina.mailhot@concordia.ca

Class Schedule: Tuesday-Thursday, 10:15-11:30.

Outline: Risk theory forms the core part of Property-Casualty Insurance mathematics. The course gives an introduction to classical models and applies them to some common problems of interest in risk theory.

The emphasis is on the probabilistic aspects (stochastic processes) although some estimation (inference) questions will also be discussed. The topics include (but are not limited to) aggregate risk models, homogenous and non-homogenous Poisson processes, coinsurance, effects of inflation on losses, risk measures (VaR, TVaR).

A grade of B or better is needed in this course and in Actu-457 and 459, to apply to the Canadian Institute of Actuaries for exemption of Exams STAM (see http://www.concordia.ca/artsci/math-stats/programs/undergraduate/accredited-programs.html).

In addition to the university's internal policies on conduct, including academic misconduct, candidates pursuing credits for writing professional examinations shall also be subject to the Code of Conduct and Ethics for Candidates in the CIA Education System and the associated Policy on Conduct and Ethics for Candidates in the CIA Education System. For more information, please visit Obtaining UAP Credits and the CIA FAQ.

Text: "Loss Models", S.A. Klugman et al., Wiley, New York, 2012, 4th Edition.

Calculators: The only calculators allowed in tests or at the final exam for this course are those allowed at SOA/CAS exams: the Texas Instrument calculator models BA-35, BA-II Plus, BA-II Plus Professional Edition, TI-30XS MultiView, TI-30Xa, TI-30XIIS, TI-30XIIB or TI-30XM MultiView. This rule will be strictly enforced.

Assignments: The assignments will count 10% towards your final grade and should be submitted as PDF files to the Moodle site. An announcement will be made how to do this. Solutions must be written up carefully, showing all work for full credit. No late assignments will be accepted.

If the grading scheme for this course includes graded assignments, a reasonable and representative subset of each assignment may be graded. Students will not be told in advance which subset of the assigned problems will be marked and should therefore attempt all assigned problems.

Tests and Final: There will be one class mid-term exam in the seventh week of classes counting for 40% of your final mark and a final examination counting for the remaining 50% and scheduled by the University Examinations Office during the regular examination period in April. **There is no option for a 100% final or supplemental exam.** The grading scheme used to convert percentage marks into corresponding letter grades is given at the following webpage http://www.concordia.ca/artsci/math-stats/programs/grading.html, then to convert letter grades to a Grade Point Average (GPA) see the formula at http://www.concordia.ca/academics/undergraduate/calendar/current/sec16/16.html#b16.3.11 under article 16.3.11.

Academic Integrity and the Academic Code of Conduct
This course is governed by Concordia University's policies on Academic Integrity and the Academic Code of Conduct as set forth in the Undergraduate Calendar and the Graduate Calendar. Students are expected to familiarize themselves with these policies and conduct themselves accordingly. "Concordia University has several resources available to students to better understand and uphold academic integrity. Concordia's website on academic integrity can be found at the following address, which also includes links to each Faculty and the School of Graduate Studies: concordia.ca/students/academic-integrity." *[Undergraduate Calendar, Sec 17.10.2]*

Use of Zoom
Note: Zoom is included as an institutionally-approved technology. This means we have been assured of the privacy protections needed to use freely within the classroom)

Zoom might be used in this course to facilitate learning at a distance. It may be used to record some or all of the lectures and/or other activities in this course. If you wish to ensure that your image is not recorded, speak to your instructor as soon as possible.

Also, please note that you may not share recordings of your classes and that the instructor will only share class recordings for the purpose of course delivery and development. Any other sharing may be in violation of the law and applicable University policies, and may be subject to penalties.

Behaviour
All individuals participating in courses are expected to be professional and constructive throughout the course, including in their communications.

Concordia students are subject to the Code of Rights and Responsibilities which applies both when students are physically and virtually engaged in any University activity, including classes, seminars, meetings, etc. Students engaged in University activities must respect this Code when engaging with any members of the Concordia community, including faculty, staff, and students, whether such interactions are verbal or in writing, face to face or online/virtual. Failing to comply with the Code may result in charges and sanctions, as outlined in the Code.

Intellectual Property
Content belonging to instructors shared in online courses, including, but not limited to, online lectures, course notes, and video recordings of classes remain the intellectual property of the faculty member. It may not be distributed, published or broadcast, in whole or in part, without the express permission of the faculty member. Students are also forbidden to use their own means of recording any elements of an online class or lecture without express permission of the instructor. Any unauthorized sharing of course content may constitute a breach of the Academic Code of Conduct and/or the Code of Rights and Responsibilities. As specified in the Policy on Intellectual Property, the University does not claim any ownership of or interest in any student IP. All university members retain copyright over their work.

Extraordinary circumstances
In the event of extraordinary circumstances and pursuant to the Academic Regulations the University may modify the delivery, content, structure, forum, location and/or evaluation scheme. In the event of such extraordinary circumstances, students will be informed of the change.