

Macquarie University Seminar  
19 December 2008

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**SECURITISATION OF LONGEVITY RISK: MEASURING MARKET PRICE OF  
RISK AND MORTALITY RISK PREMIUM WITH WANG TRANSFORM USING  
THE LEAST SQUARE METHOD**

GLMs are becoming widely used to model losses in general insurance, but it is difficult to produce prediction intervals from GLMs. As a result, the residual bootstrap is a popular tool for obtaining prediction intervals for these models. The Pearson residual is standard for a GLM bootstrap, but using it leads to an incorrect estimate of the predictive distribution for some GLMs. This has direct consequences for insurers and regulators.

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**Adverse Selection in the Insurance Markets**

Adverse selection is a controversial issue in the insurance industry. This paper examines the assumptions used by past theoretical models on adverse selection. By considering the validity of the assumptions made in those adverse selection theories, I conclude that adverse selection is only a possibility in theory, but is not likely to be a common phenomenon in practice. To demonstrate this, I suggest a demand function for insurance which incorporates factors other than the risk level that affect the demand for insurance cover.