

Friday, Oct. 20, 2006

Speaker:

Dr. Frank Meyer

Capital Deployment – Actuarial R&D

Republic Mortgage Insurance Company

Title:

Pricing Mortgage Risk – the Non-Trader Perspective

Abstract:

This presentation will introduce the modeling framework a mortgage guarantee insurer uses to price their product, beginning with a brief history of the industry and proceeding to a review of the modifications to the now-classical derivative valuation models used in trading instruments based on "efficiently traded" assets. It will conclude with an overview of the model development and improvement cycle and a discussion of the kinds of questions MI analysts investigate in order to contribute to improvements in these models, and the data source constraints they confront.