Obtaining the optimal reinsurance treaty of several dependent risks in practice

A. Bugalho de Moura^{1,*} & M. Guerra¹,

 1 ISEG (Lisbon School of Economics and Managemente), Universidade de Lisboa and REM

- Research in Economics and Mathematics, CEMAPRE

* Speaker

We introduce the optimal reinsurance problem from the point of view of a direct insurer owing several dependent risks, assuming a maximal expected utility criterion and independent negotiation of reinsurance for each risk. We present necessary optimality conditions verified by the optimal treaty and use them to devise a numerical scheme to obtain the optimal treaty. Illustrative numerical examples will be provided.