Project (4): Nested simulations for financial reporting

Faculty: Runhuan Feng

It is widely known in the financial and insurance industries that nested simulation procedure can pose a binding constraint on the scale of stochastic models. The more realistic and flexible the models, the more time consuming the implementation of the nested procedures. The objective of this project is to provide a comprehensive review of the existing literature on nested simulations and introduce a quantitative framework to analyze and compare various techniques. We shall focus on tools that can be implemented by most insurers, and that can provide a practical, timely and regular assessment of a variety of risk components.

Students:

   Yitong Huang
   Qianyu Cheng
   Tianyi Xing
   Zhan Zhang