Project (9): **Heavy tailed distribution and reinsurance ratemaking**

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Reinsurance is a very important component of the global financial market. It allows insurers to take on risks that they would otherwise not be able to. Did you know that NASA buys insurance contracts for every rocket it launches and every satellite and probe it sends to the outer space? These objects are so expensive that typical insurers would not be able to cover on their own. Therefore, they can go to the reinsurance market, slide up the coverage and transfer partial coverage to reinsurers that exceed their financial capabilities. This case study introduces heavy tailed distributions and their applications to the pricing of a reinsurance contract.

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