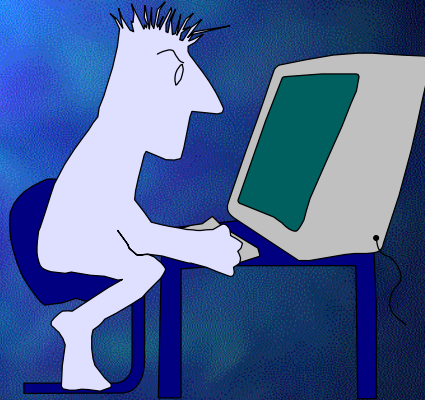


TSUNAMI EVS Study Group *Ultimate Aims*

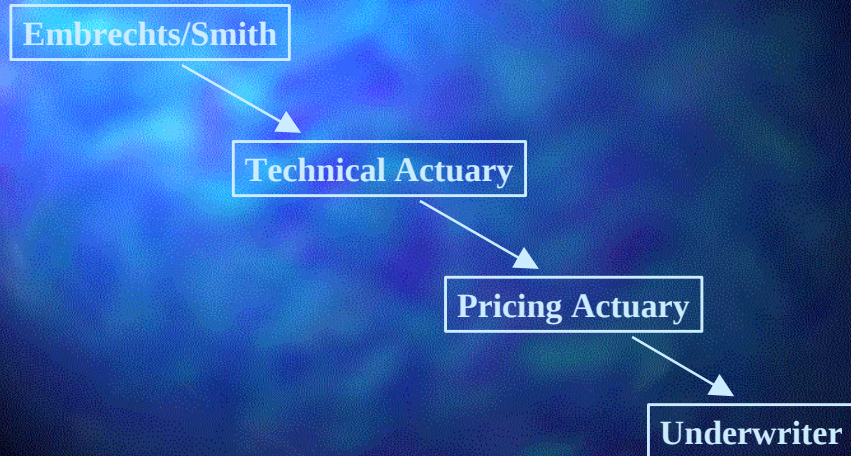
- Bring leading-edge analytical tools to finger-tips of:
 - Technical Analysts
 - Pricing Analysts
 - Underwriters



To make an impact on the industry, new analytical techniques must be made easily available.

To reach front-line underwriters, the techniques should be made available to and grasped first by technical analysts, then by pricing analysts.

TSUNAMI EVS Study Group *Approach*



Although the papers by Richard Smith and Paul Embrechts' book describe the techniques, their application would require substantial resources and commitment by technical analysts.

A "chain" on knowledge transfer from scientists to underwriters is required.

At each stage, the sharing of resources and results should reduce the individual level of commitment required.

TSUNAMI EVS Study Group *Process*

- “Teachers”:
 - Study selected topics
 - Present to “Students” and other “Teachers”
 - Include Anthony Ledford
- Group identifies practical applications:
 - Develops worked examples
 - Outlines analytical process
 - Commissions coding

A hand-full of technical analysts could share the task of understanding the available techniques.

These “Teachers” could then present their findings to the wider group, allowing the development of worked examples and coding of software.

The group as a whole would have to work on a number of practical examples, to show how the techniques might be used.

TSUNAMI EVS Study Group

Deliverables

TOOL BOX:

- Q-Q Plots/Curve Fitting
- Threshold Techniques
- Non-stationarity Detection
- Bayesian Framework



WORKED EXAMPLES:

- "UK Storms Return Period"
- "Smith/Goodman Analysis"
- "Peter Young" on-line system
- "Hunch+Data" Y2K F'casting



CODE:

- "Curve Fitter"
- "Threshold Optimiser"
- "Change Detector"
- "Data Blender"

Staged deliverables would cover identification of the tools, suitable worked examples and code for use by pricing analysts and underwriters.

TSUNAMI EVS Study Group *Suggested Time Scale*

MONTH	STAGE
March	Appoint Teachers
April	Internal Teachers' Session Agree Deliverables and Examples
May	Teachers' Presentations Away Day
June	Code Development and Delivery
July	Advanced QRA Workshop Close

The Study Group will have a finite life-time to encourage speedy deliver and limit the commitment required by all parties.

The end-point for the process will be an Advanced Quantitative Risk Assessment Workshop in July.