

Actuarial Applications of the Linear Hazard Transform in Mortality Fitting and Prediction

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In this talk, we study actuarial applications of the linear hazard transform in actuarial science. Under the linear hazard transform, the survival function of a risk is distorted, which provides a safety margin for pricing insurance products. We find that the linear hazard transform is very good at fitting by regression between two mortality curves. With the method of mortality fitting, the mortality for a future year can be predicted as well. Numerical examples will be given for illustration.