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**Quantile Hedging Under Stochastic Interest Rates and Applications
to Life Insurance**

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Nowadays, equity-linked life insurance contracts are very popular products in North America, UK and many other countries. This type of insurance contracts connects the amount of its benefit with a financial asset such as a certain stock, a foreign currency, etc. Quantile hedging technique is perfectly suited to price equity-linked life insurance contracts, and it is applied to contracts which have initial budget constraints. However, most recent research on quantile hedging depends on the assumption of constant interest rate. As most equity-linked life insurance contracts are long term contracts, it is necessary to consider the stochastic interest rate instead of the constant one. The objective of this presentation is to introduce the quantile hedging technique for equity-linked life insurance contracts under stochastic interest rate.