

Stochastic Loss Reserving Using Generalized Linear Models

Errata

Page 7, last line of second paragraph: should read “ $Y_{k1}(= X_{k1})$ ”.

Page 7, last dot point: replace with the following:

Cape Cod forecast: $B_k = P_k \sum_{i=1}^K P_i \omega_i [(X_{i,K-i+1} + \hat{R}_i)/P_i] / \sum_{i=1}^K P_i \omega_i$ with $\omega_i = 1/\hat{f}_{K-i+1} \dots \hat{f}_{j-1}$.

Page 9, Table 2-1. In the “Inverse Gaussian” row, under the heading $b(\theta)$, the entry $-(-2\theta)^{-1/2}$ should be $-(-2\theta)^{1/2}$.

Page 9, sentence immediately following Table 2-1. Add “where n and v are additional parameters providing alternative representations of ϕ ”.

Page 9, equation (2-5). The factor $\alpha(\phi)$ should be $a(\phi)$.

Page 10, equations (2-12) and (2-13). These are incorrect, and should be deleted. Equation (2-9) holds for $p \neq 1, 2$, and (2-10) holds for $p \neq 1$. However, in these cases, the form of variance function implies the following:

For $p = 1$, $b(\theta) = e^\theta$, $\mu = b'(\theta) = e^\theta$.

For $p = 2$, $b(\theta) = -\ln(-\theta)$, $\mu = b'(\theta) = -1/\theta$.

Page 11, Table 2-2. In the “Gamma” row, under the heading $b(\theta)$, the entry $\ln(-\theta)$ should be $-\ln(-\theta)$.

Equation (2-15): Replace by $\exp c(y, \phi) = \phi^{-y/\phi} [(y/\phi)!]^{-1}$.

Equation (2-16): Replace by $\pi(y; \mu, \phi) = \frac{(\mu/\phi)^{y/\phi} \exp(-\mu/\phi)}{(y/\phi)!}$.

Page 29, equation (3-12) require correction in sympathy with the correction to (2-16):

replace the term $\ln(f_{j-1} - 1)$ by $\ln\left(\frac{f_{j-1}-1}{\phi_{j-1}/X_{k,j-1}}\right)$.

Page 30, 3 lines after equation (3-14): Definition of β should be

$$\beta = (f_1 - 1, f_2 - 1, \dots, f_9 - 1)^T.$$

Page 49, equation (5-21): Replace by

$$\varepsilon_{proc}^* = \tilde{Y}_{proc} - \hat{Y}.$$