

The use/abuse of copulas in actuarial science and finance

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- Papers read
- Gaussian copula
- Modelling dependence
- Tools

- Embrechts, McNeil, and Straumann [EMS02]
- Frees and Valdez [FV98]
- Donnelly and Embrechts [DE]

multivariate clt

Gaussian copula

recap def of copula

explain that people didnt knew copulas

Modelling dependence 1

Causal ml

Modelling with multivariate RVs \approx marginals + copulas, (issues)

Usually only data and domain knowledge

Non parametric vs parametric

data and computational limitations

approximate assumptions

issues at tails

Spherical distributions

Modelling CDOs

Conclusion