Mack Method Assumptions

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Suppose, for a regular claims triangle, we have a system as such:

Year	1 year claims	2 year claims	3 year claims	4 year claims
2000	14124	10243	80425	62041
2001	15083	12421	91240	
2002	13132	11023		
2003	15850			

We can generalise this as

Year	1 year claims	2 year claims	3 year claims	4 year claims
2000	$C_{1,1}$	$C_{1,2}$	$C_{1,3}$	$C_{1,4}$
2001	$C_{2,1}$	$C_{2,2}$	$C_{2,3}$	
2002	$C_{3,1}\}$	$C_{3,2}$		
2003	$C_{4,1}$			

$C_{i,j}$ is used to model claims, with R_i being the outstanding claims in oncoming years. Then we can search for $\sum_{i=1}^{n} R_i$ as the claims reserve.