

Abstract

This thesis deals with the application of stochastic claims reserving methods to given data with some trends in claims development. It describes the chain ladder method and the generalized linear models as its stochastic framework. Some simple functions are suggested for smoothing the origin and development period coefficients from the estimated model. The extrapolation is also considered for estimation of the unobserved tail values. The residual bootstrap is used for the reparameterized model in order to get the predictive distribution of the estimated reserve together with its standard deviation as a measure of volatility. Solvency capital requirement in one year time horizon is also calculated.