

ABSTACT

Losses on insurance companies occur due to large insurance claims filed exceeds the specified limits. If the company cannot handle it properly then the company will go bankrupt. To handle the problem, it takes the right way to predict the size of the claim so as not to exceed the limit specified by a company. One way to predict the size of a claim is to use the Exponential Autoregressive Conditional Amount (EACA) model. EACA model is a time series model applied to insurance data in the form of a large claim borne by the insurance company. In this Final Project study also used the calculation with Value-at-Risk (VaR) to measure the losses due to large claims beyond the limit. The best VaR accuracy is obtained using VaR Violation. Based on the results of the analysis, a 10% confidence level at VaR can anticipate the higher claims than other confidence experiments. This is because the 1% confidence level produces VaR Violation of 3. That the expected violation with VaR Violation yields a difference of 0.34, this result is the lowest difference of 5% and 10% confidence level.

Keywords: insurance claims, EACA model, VaR, VaR Violation