



Statistics and Actuarial Science Seminar

Title: Credit transition and default risk

Speaker: Andrew Smith (UCD)

Date: Thu 8th October 2026 at 3:00PM

Location: N0.20 – Science North

Abstract: This paper examines models for the evolution of credit ratings over time, a key component in the portfolio and risk management of many insurance and pension plan balance sheets. It describes a common framework which includes many models used in practice and explores the ability of these models to capture important aspects of real-world credit evolution. It shows that the T copula naturally generates two systematic factors that can be interpreted as optimism and inertia, two key dimensions of empirical credit-rating transition behaviour.

The full paper is here: https://vle.actuaries.org.uk/pluginfile.php/182007/mod_resource/content/1/TC