# F10: Parallel Computing for Actuaries 

Matthew Evans - EMC Actuarial and Analytics Jan Iwanik - Iwanik Limited

## F10: Parallel Computing for Actuaries

From Excel to GPU Clusters

## Agenda

- Introduction
- What is parallel processing and which processes are susceptible?
- Why are we talking about this now?
- Performance gains
- Excel, R, to C++ on GPUs
- Example Pricing Applications
- Personal Lines Impact Analysis
- Commercial Lines Claim Simulation
- Concluding remarks


## Introduction

- Parallel processing in CPU cores and GPU cores
- A CPU has a handful of cores for processing multiple independent threads
- A GPU has hundreds or cores for processing multiple similar threads in
 parallel


## Introduction

- Susceptible Processes
- Cannot be "sequential"
- Must permit separate calculation of elements, then later combination
- Examples for actuaries
- Monte Carlo, including Cat modelling and other loss simulation
- GLM fitting
- Cross-Validation for testing model fits
- Machine Learning


## Introduction

- Why are we talking about this now?



## Performance Gains

40 Years of Microprocessor Trend Data

- These days, most computers have 4 or more CPU processor cores
- They also have additional GPU processor cores


Original data up to the year 2010 collected and plotted by M. Horowitz, F. Labonte, O. Shacham, K. Olukotun, L. Hammond, and C. Batten New plot and data collected for 2010-2015 by K. Rupp

## Parallel calculations in Excel

- Excel always attempts to use all available CPU cores...
- ...so you don't have to do anything to benefit
- However, when Excel reports utilising all CPU cores...
- ... it may not be true!


How about more advanced tools?


## Personal Lines Pricing Example: Impact Analysis

- The objective - predict the distribution of possible outcomes after a hypothetical rate change.
- Method - GLM-free prediction methodology (GIRO 2015, PS 2017).
- Parallel component - simulate by bootstrapping a portfolio of 262,144 motor policies. Then apply the predictive calculation.


## Personal Lines Pricing Example: Impact Analysis

- We test the following approaches:
- Excel
- R
- C++
- C++ with BLAST
- C++ with mining rig



## Personal Lines Pricing Example: Impact Analysis

| Tool | Cores utilised | Time |
| :--- | :---: | :---: |
| Excel, disable multi-threaded calculations | 1 CPU | 59 s |
| Excel, default settings | 4 CPU | 51 s |
| R, clean code using vectors | 1 CPU | 171 ms |
| C++ | 1 CPU | 160 ms |
| C++, BLAST routines | 1 CPU | 41 ms |
| C++, OpenCL | $4 \mathrm{CPU}+4 \mathrm{GPU}$ | 7 ms |
| C++, OpenCL on mining rig | $2 \mathrm{CPU}+6 \times 36 \mathrm{GPU}=218$ | 0.16 ms |

## Personal Lines Pricing Example: Impact Analysis

Calculations per second


- Note the speed increases once multi-threading is deployed at scale
- Difference between mining-rig and typical (good) office PC using R is still a factor of 1000.


## Commercial Lines Pricing Example: Claim Simulations

- Monte Carlo claims simulation for aggregate layer pricing
- Our C\# system takes 120 seconds to simulate 1,000,000,000 Generalised Pareto Distribution claims and put through a layer structure
- Using C++ on laptop's 4 CPU cores gives a factor of 6 improvement in speed (18 seconds)


- Processing on laptop's 20 GPU cores gives a further factor of 1.5 improvement (12 seconds)
- Mining rig gives further factor of 5 ( 2.5 seconds)


## Commercial Lines Pricing Example: Claim Simulations

- A full mining rig may not be practical...
- ...but material improvements are possible with standard, cheap GPU hardware, that in many cases is already present.
- This approach offers a way to improve speed, price higher layers more accurately, and extend the life of computer hardware.


## Concluding Remarks

- Computer graphics technology is a gift to actuaries and data scientists
- We can test more interactions, run more simulations, include more data...
- Limitations of the approach
- Only some processes are susceptible
- GLMs show only marginal benefits with R multi-threading packages
- Interactions (3 way for 10/10 is 720,000 models) still numerous..!
- Specialist Technical Expertise required
- Quick wins: Monte Carlo; Cross-validation; R \& Python tools.
- Slow wins: Exhaustive model interaction testing; Any others..?


## Concluding Remarks

BTCUSD CRYPTO CHART
노 Full-Feature

- A note on crypto-currencies
- BTC cannot be mined profitably with GPUs


## Amateur investors

enter market

- GPU miners choose ETH or others
- Price has collapsed!
- But good for gamers, data scientists and actuaries?



## About Us

- Jan Iwanik
- Pricing
- Free Pricing Tools
- GPU Programming

- jan.iwanik@gmail.com
- Iwanik Limited
- Matthew Evans
- Pricing
- Reserving
- Data Science
- InsurTech
- matthew@emc-actuarial.com
- EMC Actuarial \& Analytics


## Questions

## Comments

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