This paper considers the pricing of insurance contracts for a multi-line insurer in a single period model where insurance risks have dependent gamma distributions. The pricing takes into account the impact of default, as well as financial distress costs arising from the possibility of default by the insurer, and allocates these to line of business in an economically meaningful manner. The costs of capital include frictional costs arising from writing insurance business and are assumed to be proportional to insurer end of period capital. In practice these must be incorporated into by-line pricing by also allocating them to line of business.

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