

A S T I N B U L L E T I N

EDITORS:

Hans Bühlmann
Switzerland

D. Harry Reid
England

CO-EDITORS:
Alois Gisler
Switzerland

David Wilkie
England

EDITORIAL BOARD:

Björn Ajne
Sweden

Marc Goovaerts
Belgium

Jacques Janssen
Belgium

William S. Jewell
USA

Jean Lemaire
USA

Walther Neuhaus
Norway

Jukka Rantala
Finland

Axel Reich
Germany

A Journal of the International Actuarial Association

CONTENTS**EDITORIAL AND ANNOUNCEMENTS**

Editorial	117
Obituary on Edouard Franckx	121
Obituary on Henri Rijkers	123
Editorial Comments on the Section Invited Papers	125

INVITED PAPERS

H. H. MÜLLER Modern Portfolio Theory: Some Main Results	127
M. SCHWEIZER and H. FÖLLMER Hedging by Sequential Regression: an Introduction to the Mathematics of Option Trading	147

ARTICLES

H. U. GERBER Mathematical Fun with the Compound Binomial Process	161
R. KAAS, A. E. VAN HEERWAARDEN and M. J. GOOVAERTS Between Individual and Collective Model for the Total Claims	169

WORKSHOP

J. F. INGENBLEEK and J. LEMAIRE What is a Sports Car?	175
CH. LEVI Produits financiers et détermination de la prime glissante de traités non proportionnels	189
Book Reviews	199
Actuarial Vacancy	203

EDITORIAL POLICY

ASTIN Bulletin started in 1958 as a journal providing an outlet for actuarial studies in non-life insurance. Since then a well-established non-life methodology has resulted, which is also applicable to other fields of insurance. For that reason *ASTIN Bulletin* will publish papers written from any quantitative point of view — whether actuarial, econometric, engineering, mathematical, statistical, etc. — attacking theoretical and applied problems in any field faced with elements of insurance and risk.

ASTIN Bulletin appears twice a year, each issue consisting of about 80 pages.

Details concerning submission of manuscripts are given on the inside back cover.

MEMBERSHIP

ASTIN is a section of the International Actuarial Association (IAA). Membership is open automatically to all IAA members and under certain conditions to non-members also. Applications for membership can be made through the National Correspondent or, in the case of countries not represented by a national correspondent, through a member of the Committee of ASTIN.

Members receive *ASTIN Bulletin* free of charge.

SUBSCRIPTION AND BACK ISSUES

ASTIN Bulletin is published for ASTIN by Basil Blackwell Ltd, 108 Cowley Road, Oxford OX4 1JF, England.

All queries and communications concerning subscriptions, including claims and address changes, and concerning back issues should be sent to Tieto Ltd.

The current subscription or back issue price per volume of 2 issues including postage is £25 (US\$49).

INDEX TO VOLUMES 1–13

The cumulative Index to Volumes 1–13 is also published for ASTIN by Tieto Ltd at the above address and is available for the price of £5.00.

Copyright © 1988 Tieto Ltd

TYPESET by MCS LTD, SALISBURY and
PRINTED by SHORT RUN PRESS LTD, EXETER
GREAT BRITAIN