

of *Public Economics*, Vol. 39, No. 2 (July 1989), pp. 177-206. (Reprinted with permission of North-Holland Publishing Company).

Bayesian Modelling of Mortality Catastrophes, by Stuart A. Klugman (Drake University).

When a mortality catastrophe is at its beginning data is scarce and estimates of its consequences are likely to be unreliable. When performing financial calculations (e.g., reserve setting) it is necessary to account for variability due to both estimation error and the random insured event itself. In this paper a Bayesian approach and an example using AIDS data will be presented. *Insurance: Mathematics and Economics*, Vol. 8, No. 3 (November 1989), pp. 159-64. (Reprinted with permission of North-Holland Publishing Company).

Observations on the HIV Epidemic and Managing Uncertainty in Insurance, by David M. Holland (Munich American Reassurance Company, Atlanta, GA).

This paper reviews strategies for insurance company management in dealing with the human immunodeficiency virus (HIV) epidemic in light of imperfect information and analyzes data available on the epidemic to gain further insight. U.S. AIDS deaths are projected for the years 1986-2000 and log-normal and gamma distributions are fitted to the distribution of AIDS deaths by age. Crude population AIDS death rates are calculated for quinquennial ages and are compared with the corresponding projected population death rates without special provision for AIDS deaths. *Insurance: Mathematics and Economics*, Vol. 8, No. 3 (November 1989), pp. 211-32. (Reprinted with permission of the North-Holland Publishing Company).

A Martingale Approach to Premium Calculation Principles in an Arbitrage Free Market, by F. Delbaen (University of Brussels) and J. Haezendonck (University of Antwerp).

An arbitrage free model is used to study martingale equivalent probability distributions on the basic probability space of a compound Poisson process. It is shown how this new approach is related to premium calculation principles. *Insurance: Mathematics and Economics*, Vol. 8, No. 4 (December 1989), pp. 269-77. (Reprinted with permission of North-Holland Publishing Company).

Estimating 'Hedonic' Distributions Using Polynomials, by Richard J. Butler (Brigham Young University) and John D. Worrall (Rutgers University).

There are many instances in both private and public insurance when changes in the underlying claimant 'demography' will have far reaching impacts on prospective insurance costs. Changes in the age distribution of policy holders in life insurance may significantly affect the total fixed costs administering such policies (holding the total number of policies constant). Similarly, a change in the distribution of firm sizes will affect costs in unemployment

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