

STATISTICS COLLOQUIUM

MONDAY, NOVEMBER 13, 2006

TALK: 4:00 PM — SCIENCE CENTER B-10

RECEPTION: 5:15 PM — SCIENCE CENTER, 7TH FLOOR

“Dynamic Fund Protection”

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ABSTRACT

Nowadays, many products sold by life insurance companies are basically mutual funds, wrapped around with some insurance features or guarantees. These guarantees are financial options that should be priced, hedged, and reserved by means of modern option-pricing theory, using mathematical tools such as martingales, Brownian motion, stochastic differential equations, and so on. This talk will explain “dynamic fund protection” and show how it is priced.