Economics Letters

Volume 114, Issue 3, March 2012, Pages 265–267

An operational interpretation and existence of the Aumann–Serrano index of riskiness

Ulrich Homm[a], Christian Pigorsch[b]

Show more

doi:10.1016/j.econlet.2011.10.030

Abstract

In this note we provide an operational interpretation of the economic index of riskiness of Aumann and Serrano (2008) and discuss its existence in the case of non-finite gambles.

JEL classification

D81

Keywords

Aumann–Serrano index of riskiness; Adjustment coefficient; Ruin probability

Corresponding author.