



SOCIETY OF ACTUARIES

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## SOA's inaugural monograph focuses on financial instruments

**F**irst in the SOA's new Monograph Series, *Valuation of Interest-Sensitive Financial Instruments* offers detailed discussion of the models used to price interest rate-sensitive securities, options, and futures.

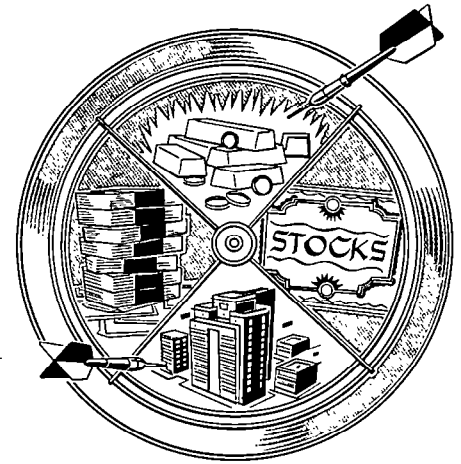
The 145-page soft cover book by David Babbel and Craig Merrill gives a practical understanding of the development and underpinnings of models used in pricing today. For both financial analysts and valuation actuaries, the monograph aims to serve as a springboard into other technical literature.

As regulations are proposed concerning "fair value" for insurance liabilities, such models may be put to increasing use in valuation. Babbel and Merrill note that these models are used to price a wide range of financial instruments, including government,

corporate, and mortgage-backed securities and more recently devised instruments such as inverse floaters, swaptions, caps, and collars.

Interestingly, the monograph's authors take a stand for the term "contingent claims valuation" rather than the more often-used "options pricing." Most interest rate-sensitive instruments can be viewed as contingent claims, Babbel and Merrill note, with contingencies including loss events, consumer choice, company profitability, interest rate levels, and call features, among others.

David Babbel, Ph.D., is a professor at the Wharton School of the University of Pennsylvania, where he teaches insurance finance and investment management. He is a former vice president and director of research in



the pension and insurance department of Goldman Sachs. Craig Merrill received his Ph.D. from Wharton and now is an assistant professor at the Marriott School of Management, Brigham Young University, where he teaches risk management and investments.

The cost of the monograph is U.S. \$55, plus shipping. It is available only through the publisher. More information is available from the publisher, Frank Fabozzi Associates, in New Hope, Pennsylvania, 215/598-8926 or 215/598-8930; fax: 215/598-8932.

## 4 universities announce faculty positions

### The University of Akron Akron, Ohio

**Position:** A tenure-track assistant professor position, available in January or August 1997.

**Qualifications:** A doctorate in mathematical science and a strong commitment to both teaching and research. Ideally, the candidate would be an Associate or Fellow in the SOA and be committed to developing an actuarial science program.

**Application:** Review of applications will begin November 15 and continue until the position is filled. Send an application letter, curriculum vitae, official copy of graduate transcripts, and three letters of reference to Professor Dale Borowiak, Statistics Search, Department of Mathematical Sciences, The University of Akron,

Akron, OH 44325-4002. E-mail: dborowiak@uakron.edu.

### Ball State University Muncie, Indiana

**Position:** The Lincoln National Corporation Distinguished Professorship in Actuarial Science in the Department of Mathematical Sciences, available August 22, 1997.

**Duties:** Teaching at both the graduate and undergraduate levels, scholarly activity, advising students, and professional service and leadership.

**Qualifications:** A doctorate in mathematical science and Associateship in the SOA or a master's degree in mathematical science and Fellowship in the SOA. Applicants should demonstrate a strong commitment to both teaching and scholarship.

**Application:** Review of applications will continue until the position is filled or the search is terminated. Send a letter of application, resume or vita, and official transcripts to Professor Dale E. Umbach, Chair, Search Committee for the Lincoln National Professorship, Department of Mathematical Sciences, Ball State University, Muncie, IN 47306-0490. Telephone: 317/285-8640; fax: 317/285-1721. E-mail: 00deumbach@bsuvc.bsu.edu.

### Georgia State University Atlanta, Georgia

**Position:** Director of the actuarial science program in the Department of Risk Management and Insurance, beginning in June or September 1997. Salary and rank will reflect qualifications and experience.

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