

IN MEMORIAM

KARL HENRIK BORCH

13th March 1919–2nd December 1986

Karl Borch's life was eventful—in its outer features adventurous. The realities behind were, however, not always lenient. His studies were interrupted by service in the Free Norwegian Forces in Great Britain during the war. This was a prelude to a cosmopolitan career. After he had received his actuarial degree from the University of Oslo in 1947, he was affiliated to international organizations for a period of 12 years, first to the UN with tasks in the Middle East, South Asia and Africa, then to OEEC as head of the Productivity Measurement Advisory Service in Paris. He received his doctor's degree from the University of Oslo in 1962. In 1963 he was appointed professor of insurance at the Norwegian School of Economics and Business Administration (NHH) in Bergen, a position he held until his untimely death just barely before retirement at pensionable age. In the course of his career Karl Borch stayed at a number of universities: as research associate in Chicago and Princeton, and as visiting professor in California, Vienna, Oxford, Ohio, Bonn, Stockholm, Ottawa and Texas. He died on December 2nd 1986—with his seven-league boots on — in Marbella, Spain.

The written production of Karl Borch is extensive. His major field of interest is indicated by the title of his book "The Economics of Uncertainty" (Princeton University Press, 1968), which has become a modern classic. About one hundred and fifty of his papers have been published in international journals. A selection of papers is collected in the book "The Mathematical Theory of Insurance" (Lexington, Mass., 1974). For his scientific work Karl Borch was awarded a number of prizes and proofs of honour.

Among actuaries and econometricians Karl Borch gained world fame by his contributions to the theory of the economics of uncertainty and, in particular, by invoking this theory in analyses of insurance problems. His pioneering work on Pareto-optimal risk exchanges in reinsurance opened a new area of actuarial science, which has been in continuous growth since. This research field gives a deeper understanding of the attitudes and behaviour of the parties in an insurance market. It is, therefore, of great theoretical import and must, in the end, have a corresponding practical significance. The theory raises and answers problems that could not even be put into shape by traditional actuarial handicraft: how can risk be optimally shared between economic agents, how should insurance treaties be designed, and — ultimately — how should the insurance industry be organized to best further social security and public welfare?

Karl Borch never filled official posts in ASTIN, but he will be recognized as one of the most enthusiastic and influential personalities in the membership. No single person has contributed more to the columns of the ASTIN BULLETIN.

Karl Borch will be remembered by colleagues and students at the NHH and in many other places as a guide and a source of inspiration, by successors in research as the character behind many key references, and by a multitude of people all over the world as a gentle and considerate friend who was full of concern both in their work and in their everyday life.

RAGNAR NORBERG

