COMMENT & ANALYSIS
LETTERS

Close

Swap structure is the obvious format

Print

By Paul Dawson
Published: July 10 2007 03:00 | Last updated: July 10 2007 03:00

From Dr Paul Dawson.

Sir, A swap structure is the most obvious elementary format for a longevity derivative ("Single product sector urged for longevity risk", July 3). It allows the creation of funded and unfunded products, provides an underlying instrument for option products and can be used to develop tranched products. The distinction between mortality swaps and longevity swaps is analogous to the distinction between half-full and half-empty glasses.

Paul Dawson,

Kent State University,

Kent, OH 44242, US