

Law invariant convex risk measures

Marco Frittelli¹ and Emanuela Rosazza Gianin²

¹ Dipartimento di Matematica per le Decisioni. Università degli Studi di Firenze, Italy. Via C. Lombroso, 6/17. 50134 Firenze, Italy

² Corresponding author. Dipartimento di Matematica e Statistica, Università di Napoli Federico II, Italy. Via Cinzia, 80126 Napoli, Italy

Received: August 4, 2004

Revised: November 6, 2004

JEL classification: G11, G12, G13

Mathematical Subject Classification (2000): 60G42, 60G44

Abstract. As a generalization of a result by Kusuoka (2001), we provide the representation of law invariant convex risk measures. Very particular cases of law invariant coherent and convex risk measures are also studied.

Key words: convex risk measures; coherent risk measures; law invariant risk measures.