In a second model the distribution of the losses by size is discussed intro-
ducing the Log-normal distribution, while in a third model the Poisson
distribution in model one is replaced by the Negative Binomial distribution
by assuming that the distribution of probabilities of accident within the
classification follows a Pearson-Type III curve. The problems of partial
credibility, stability in rate revision, rate relativities, credibility and expe-
rience rating plans, merit rating, reinsurance and profit-sharing are treated
and complete this most interesting paper.

This outline on the different problems involved in credibility helps to
enrich the literature. It may be recommended to all actuaries.

> *The Classification of Accident Risks*, by J. VAN KLINKEN (*Internatio-
> nale Zeitschrift für versicherungsmathematische und statistische Probleme
> der sozialen Sicherheit*, Nr. 5-6, 1960).

This paper deals with certain problems of classifying risks. Under the pro-
visions of the Dutch Accident Act all enterprises pay premiums according
to a risk number previously allotted to them and based on earlier experience.
The problem of determining new risk numbers arises when a new enterprise
has to be insured.

In section 1 the author shows that the classification is reduced to a regres-
sion problem if the total number of accidents only is considered, thus neglect-
ing subdivision into certain types of accident. A modified minimum χ^2
method is mostly used in cases when a Poisson distribution is justified.

Section 2 deals with the so-called discriminant function technique. Detailed
information of the number of accidents according to definite types requires
multi-variate methods. Again the application of multiple Poisson distribu-
tions leads to particularly simple solutions.

Finally, in section 3, some tests in connection with discriminant analysis
are described. These tests permit objective standards to be obtained for
classification purposes and are based mainly on the scheme of multiple
Poisson distributions.

M.D.