

Abstract

Insurance companies or other financial institutions face financial risks during their various activities. Risk capital is allocated in order to cover these risks. The goal of capital allocation is to redistribute this capital to various constituents of the firm with respect to their riskiness. The thesis deals with risk measures and allocation methods. Special emphasis is put on the notions of coherent risk measures and coherent allocation methods. Conditions of coherence are checked for certain allocation methods. The thesis also deals with practical calculation of allocations to individual risks using allocation methods.