

HISTORY OF RISK

1600S | PROBABILITY

Pascal and Fermat formalized probability theory, Graunt applies statistics to draw conclusions about society

$$p(x)$$

<1600S | GAMES OF CHANCE

For centuries, people have interacted with probability only through games of chance.



1700S | EARLY MARKETS

European stock markets funded voyages, used stock companies, Tulip Mania.



1800S | INSURANCE COMPANIES

Establishment of formal insurance companies. Introduction of life insurance and companies covering various risks



PRESENT | ALGORITHMS

Quantitative risk assessment models, computerized trading, AI and ML applied to markets, automated trading



1900S | MODERN MARKETS

Modern financial theories, the development of actuarial science, and the introduction of behavioral economics and finance.

