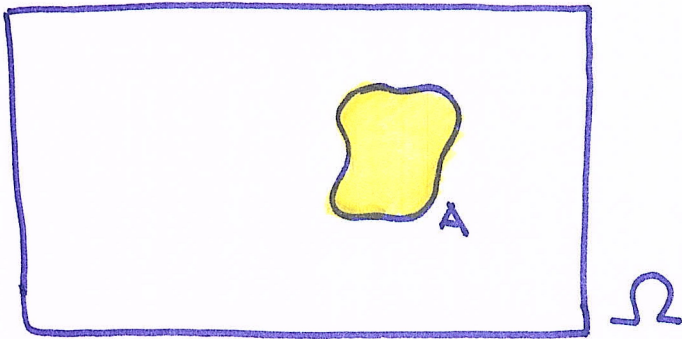


Usually:

- N ... frequency random variable,
e.g., Poisson, binomial
- $\{X_1, X_2, \dots, X_n, \dots\}$... severity random variables
independent,
identically dist'd (as a rule)

J: January 24th,
2020.

Indicator Random Variable.



$\omega \in \Omega$

$$\mathbb{I}_A(\omega) = \begin{cases} 1 & \text{if } \omega \in A \\ 0 & \text{if } \omega \notin A \end{cases}$$

$$\mathbb{I}_A = \begin{cases} 1 & \text{if event } A \text{ happened} \\ 0 & \text{if event } A \text{ did not happen} \end{cases}$$