31st Seminar of the European Group of Risk and Insurance Economists (EGRIE)

Marseille > 2004, September 20 – 22

Program

Each paper lasts between 40 and 45 minutes

Monday September 20th

8.30 a.m. Welcome comments

9.00 - 9.30 a.m. Presentation Patrick Liedtke, Geneva Association, Dominique Henriet, Egim-Greqam-Idep and Robert Kast, CNRS, LAMETA-Idep

9.30 – 10.30 a.m. **Guest lecture** – Chair Henri Loubergé, University of Geneva & FAME

Securitization of Life Insurance Assets and Liabilities
David Cummins, Wharton School-University of Pennsylvania

10.30 - 11.00 a.m. Coffee break

11.00 - 12.30 a.m. > Parallel sessions 1 (Amphi) and 2 (Assembly Room)

Parallel session 1 **Background risk** - Chair Jean-François Outreville, Unctad/Dite-Palais des Nations

Optimal risk sharing with background risk
Rose-Anne Dana, Ceremade-Universitté Paris-Dauphine and Marco Scarsini, Icer University of Torino
Discussant: Robert Kast, CNRS, LAMETA-Idep

Background risk and the value of a monetary risk
Laurence Abadie, Iae-Université Lyon 3 and **Beatrice Rey**, Lass-Université Claude Bernard Lyon 1
Discussant: Rose-Anne Dana, Ceremade-Universitté Paris-Dauphine

Parallel session 2 **Insurance claims** - Chair Mercedes Ayuso, University of Barcelona

Claims for economic loss : an analysis of insurance claim propensity, claim success and claim size for injured road mark
Cate Cameron and **Luke Connelly**, University of Queensland, Elizabeth Kendall and Heidi Muenchberger, Griffith University
Discussant:

Point record mechanisms and road safety : an economic approach
Jean-Marc Bourgeon and **Pierre Picard**, Thema-University of Paris X
Discussant : José Antonio Ordaz, University Pablo de Olavide, Seville

12.30 - 2.00 p.m. Lunch

2.00 - 4.00 p.m. > Parrallel sessions 3 (Amphi) and 4 (Salle des Voûtes)

Parallel session 3 **Econometrics of Insurance 1** – Chair Pierre Picard, Thema-University of Paris X

From Wage-Risk Trade-offs to the Value of Longevity Gains: How Serious is the Simplicity Bias?
Antoine Bommier, Gremaq-University of Toulouse, **Bertrand Villeneuve**, Lerna & Cea, University of Toulouse
Discussant: Marie-Cécile Fagart, University of Rennes

Why Is There a Reinsurance Cycle in the USA?
Ursina Meier, University of Zurich and Jean-Francois Outreville, Palais des Nations
Discussant: Bertrand Villeneuve, Lerna & Cea, University of Toulouse

The Main Determinants of the Number of Accidents in Automobile Insurance:An Empirical Analysis
Flor Maria Guerrero, Maria del Carmen Melgar and **José Antonio Ordaz**, University Pablo de Olavide, Seville
Discussant : Luke Connelly, Conrod-University of Queensland

Parallel session 4 **Financial Choice** – Chair Volker Meier, University of Munich

Role of insurance services in risk management of natural hazards : European context – French experience
Roland Nussbaum, Mission Risques Naturels-Association between FFSA and GEMA
Discussant: Geoffroy Enjolras, Greqam

Optimal Asset Allocation Given Personal, Non-Hedgeable Income and Re-Investment Risks
Guenter Franke, University of Constance, **Harris Schlesinger**, University of Alabama & University of Konstanz and Richard Stapleton, University of Strathclyde
Discussant: Jack Meyer, Michigan State University

4.00 - 4.30 p.m. Coffee break

4.30 - 6.00 p.m. > Parallel sessions 5 (Amphi) and 6 (Salle des Voûtes)

Parallel session 5 **Risk Aversion Characteristics** – Chair Luke Connelly, Conrod University of Queensland

Relative Risk Aversion: What do We Know?
Donald Meyer and **Jack Meyer**, Michigan State University
Discussant: Emilio Venezian, Rutgers University

Some Characteristics of Supply of and Demand for Insurance: The CARA Case
Emilio Venezian, Rutgers University
Discussant: Pierre Picard, Thema-Université Paris X

Parallel session 6 **Subjective Risk Measures** – Chair Stéphane Luchini, Greqam-Cnrs

The Valuation of Risks to Life When Probabilities are Distorted
Han Bleichrodt, Erasmus University and Louis Eeckhoudt, Fucam
Discussant: Stéphane Luchini, Greqam-Cnrs

Medical Decision Making with Imprecise Probabilities
Louis Eeckhoudt, Fucam and **Meglena Jeleva**, EUREqua, LEN-C3E, Université de Nantes
Discussant: Nathalie Fombaron, Thema-Université Paris X

8.00 p.m. Dinner

Tuesday September 21 st

8.30 - 10.30 a.m. > Parralllel sessions 7 (Amphi) and 8 (Assembly room)

Parallel session 7 **Financial Choice 2** – Chair Peter Zweifel, Socioeconomic Institute-University of Zurich,

Do More Aggressive Investors Demand Less Insurance?
Jerome Foncel, Gremaq-Université Lille3 Charles-de-Gaulle and Nicolas Treich, INRA, LEERNA
Discussant: Richard Watt, University of Autonoma de Madrid

The Value of Risk Management
Marcel Boyer, Cirano-University of Montreal, Martin Boyer, HEC-University of Montréal and René Garcia, Cireq-University of Montréal
Discussant: André Lapied, Greqam-University of Aix-Marseille 3

Parallel session 8 **Imperfect Information** – Chair Thomas Papon, EUREQua-University of Paris I

Multiline Insurance: Bundling Risks to Reduce Moral Hazard
Christian Laux, Goethe University-Frankfurt
Discussant: Achim Wambach, University of Erlangen-Nuernberg

Asymmetric Information in Insurance: General Testable Implications
Pierre-André Chiappori, Bruno Jullien, Gremaq-University of Toulouse, Bernard Salanié, Lei-Crest and **Francois Salanié**, Lerna Inra-University of Toulouse
Discussant: Mark Browne, University of Wisconsin-Madison

The Role of Patience in an Insurance Market
Michael Sonnenholzner and Achim Wambach, University of Erlangen-Nuernberg
Discussant: Christian Laux, Goethe University-Frankfurt

10.30 - 11.00 a.m. Coffee break

11.00 - 1.00 p.m. > Parralllel sessions 9 (Amphi) and 10 (Assembly room)

Parallel session 9 **Finance** – Chair Michael Haliassos, University of Cyprus

Pessimism, Riskiness, Risk Aversion and the Market Price of Risk
Elyès Jouini and Clotilde Napp, Ceremade-Université Paris XI
Discussant: Christian Gollier, University of Toulouse

Hedging Brevity and Longevity Risk with Mortality-Based Securities
Richard MacMinn and Andreas Richter, Illinois State University
Discussant: Svein-Arne Persson, Norwegian School of Economics & Business Admin.

Bundled Financial Claims - A Model of Hybrid Capital
Svein-Arne Persson, Norwegian School of Economics & Business Admin. (NHH)
Discussant:

Parallel session 10 **Experiments** – Chair Marc Willinger, LAMETA

How Much Internalization of Nuclear Risk Through Liability Insurance?
Yves Schneider and **Peter Zweifel**, Socioeconomic Institute-University of Zurich
Discussant: Itzhak Venezia, Yale School of Management

The Effect of Precommitment and Past-Experience on Insurance Choices: An Experimental Study
Thomas Papon, EUREQua-University of Paris I
Discussant: Jörg Schiller, Institute for Risk and Insurance-University of Hamburg

An Experimental Study of the Full-Coverage Puzzle
Zur Shapira, Stern School of Business-New York University and **Itzhak Venezia**, Yale School of Management
Discussant: Thomas Papon, EUREQua-University of Paris I

1.00 p.m. Lunch and Afternoon Free
2.30 – 4.00 p.m. EGRIE General Assembly

8.00 p.m. Gala dinner

Wednesday September 22nd

9.00 - 10.30 a.m. > Parralllel sessions 11 (Amphi) and 12 (Assembly room)

Parallel session 11 **Subjective Measures** – Chair Christophe Courbage, Geneva Association

Optimal Illusions and Decisions Under Risk
Christian Gollier, University of Toulouse
Discussant: Sandrine Spaeter, Beta-Louis Pasteur University

Insurees' Risk Perception and Corrective Subsidies
Michele Cohen, EUREqua-Université Paris I, **Johanna Etner**, Gains-University of Maine and Meglena Jeleva, EUREqua-Université Paris I
Discussant: Louis Eeckhoudt, Fucam

Parallel session 12 **Economic Models of Insurance** – Chair

When prices hardly matter: The interaction between insurance and markets for repair goods
Martin Nell, University of Hamburg, Andreas Richter, Illinois State University and **Jorg Schiller**, University of Hamburg
Discussant: Michael Sonnenholzner, University of Erlangen-Nuernberg

On the Demand for Budget Constrained Insurance
Henri Loubergé, University of Geneva & FAME and Richard Watt, Faculty of Economics & Commerce-University of Autonoma de Madrid
Discussant: Volker Meyer, University of Munich

10.30 - 11.00 a.m. Coffee break

11.00 - 1.00 p.m. > Parralllel sessions 13 (Amphi) and 14 (Assembly room)

Parallel session 13 **Health Insurance** – Chair Louis Eeckhoudt, Fucam

Endogenous Adverse Selection: Private Versus Public Insurance in a Health Insurance Market
Nathalie Fombaron, Thema-Université Paris X, and Carine Milcent, Delta-Ecole Normale Supérieure
Discussant: Jean-François Outreville, Unctad/Dite-Palais des Nations

Transferable Ageing Provisions in Individual Health Insurance Contracts
Florian Baumann, University of Mainz, **Volker Meier** and Martin Werding, University of Munich
Discussant: Dominique Henriet, Egim-Greqam-Idep

A Note on Adverse Selection, Health Insurance and Health Risk
Franck Bien, EURISCO-LEGOS Université Paris-Dauphine
Discussant: Roland Eisen, Johann Wolfgang Goethe-Universitaet

Parallel session 14 **Fraud and Litigation** – Chair José Antonio Ordaz, University Pablo de Olavide, Seville

Measuring the Performance of Some Alternative Insurance Fraud Fighting Strategies
Mercedes Ayuso, University of Barcelona, Montserrat Guillen, Autonomous University of Barcelona, Stijn Viaene and Dirk Van Gheel, Katholieke Universiteit Leuven
Discussant: Peter Zweifel, University of Zurich

Attourneys, Fraud, and Claims Abuse: Improving Contracts by Manipulating the Threat Points"
John Marshall, University of California, Santa Barbara
Discussant: Mercedes Ayuso, Autonomous University of Barcelona

Litigation Free-for-all: Fact or Fiction
Mark Browne and Joan Schmit, University of Wisconsin-Madison
Discussant: John Marshall, University of California, Santa Barbara

1.00 p.m. Farewell cocktail snack