Newsletter

THE GENEVA GROUP OF
RISK AND INSURANCE ECONOMISTS

12

ASSOCIATION INTERNATIONALE POUR L'ETUDE DE L'ECONOMIE DE L'ASSURANCE « Association de Genève »
18, CHEMIN RIEU, 1208 GENÈVE · TEL. 022/47 09 38 · TELEX: 23358 · TELEGRAMME: ECOSUR GENÈVE

November 1980

CONTENT

pages

- Seventh Seminar of the European Group of Risk and Insurance Economists 1
- Seventh Seminar: List and Addresses of Participants 3
- Eighth Seminar, September 1981 in Cologne: Call for Papers 6
- Fourth Annual Lecture of the "Geneva Association" 7
- Research at the "Geneva Association" 8
- King Juan Carlos Prize in Insurance Economics 11
- The 1980 International Insurance Conference 11
- Risk Seminars at IIASA 12
- Personal Information 12
- New Publications in Risk and Insurance Economics 13

* * *

SEVENTH SEMINAR OF THE EUROPEAN GROUP OF RISK AND INSURANCE ECONOMISTS

The annual meeting of the European Group of Risk and Insurance Economists was held this year at Nottingham University on Wednesday, 10th, to Friday, 12th September. Thirty-two delegates from Universities in ten European countries attended the Seminar, together with a speaker from the United States.

The Seminar was opened by the Association's President, Dr. F. Padoa, who outlined the objectives and some of the achievements of the Association since its formation in 1973. Nine papers were then presented and discussed during the course of the Seminar.

Professor Wolfgang Muller's (University of Frankfurt) paper on "Some Theoretical Concepts of Insurance Production" addressed the problem "What is the product insurance companies sell, and how is this product generated?" After examining the conventional concepts of the insurance product (e.g. insurance as a risk transfer mechanism), the author put forward the hypothesis that what insurance companies sell to their customers is an important contribution to the information they need for their risk handling decisions, rather than simply loss compensation.

Mrs. Penny Stark (University of Nottingham) presented a resumé of the survey commissioned by the Association on the Teaching of Insurance Economics and Risk Management in Europe. The survey updated an earlier survey conducted by Dr. Henri Loubergé in 1976, and showed both the interdisciplinary nature of risk and insurance studies, and a significant development of courses throughout Europe since the mid-1970s.

A complementary review of the development of insurance and risk management teaching in the United States was provided by Professor Tuan (Temple University, USA), who was a pioneer in emphasising the need for insurance to be studied in the context of the economic, social and political environment.

Lawrence Galitz (University College, Bangor) and Gunter Kurble (University of Mannheim) presented details of two computer models of insurance operations. The Advanced Simulation Model of Insurance and Reinsurance Operations (ASIR) developed at Bangor is a highly versatile interactive model that can be used in a variety of ways to test the effects of changes in such variables as premium rates, claims distributions, inflation, exchange rates, reinsurance arrangements, etc. Whereas the Bangor model can handle up to nine companies the Mannheim model is an econometric forecasting model for a single company.

Dr. Gerry Dickinson and Dr. Leigh Roberts (City University, London) dealt with "Underinsurance on a Portfolio of Property Exposures in an Inflationary Environment". The authors clearly demonstrated the shortcomings of average as a means of adequately coping with underinsurance arising from the effects of inflation if the costs of partial losses are rising faster than total losses.

Dr. Roland Eisen (University of Munich) presented a paper on "Information and Observability - some notes on the Economics of Moral Hazard and Insurance" which dealt with the problem of imperfect exchange of information between the insured and insurer.

Dr. Richard Hemming's (Institute of Fiscal Studies, London) paper on "Actuarial Aspects of Private Pension Scheme Financing" considered the problems arising when private pension schemes are under-funded as a result of actuaries underestimating the rate of inflation.

Finally, Dr. Orio Giarini has presented to the Seminar the last Report to the Club of Rome, "Dialogue on Wealth and Welfare", which provides some grounds for an economics of the post-industrial society, where insurance is supposed to create value on the same basis as industry.

The Report has been published by Pergamon Press, Oxford, in October 1980.