22ND SEMINAR OF THE EUROPEAN GROUP OF RISK AND INSURANCE ECONOMISTS
University of Geneva
September 18-20, 1995

sponsored by The Geneva Association, The Geneva Financial Centre Foundation and the "Rentes Genevoises".

PROGRAMME

Monday, September 18, 1995

Session 1 (Plenary)
Chairman: **Harris Schlesinger**, University of Alabama.
- Welcome addresses: **Beat Bürgenmeier**, Dean of the Faculty
  Orio Giarini, Secretary General of the Geneva Association

- **Knut Aase**, Norwegian School of Economics and Business Administration, Bergen, on "*An Equilibrium Model of Catastrophe Insurance Futures Contracts*".
  Discussant: Hélyette Geman, ESSEC Paris.
- **Christian Gollier**, University of Toulouse, on "*Should Young People be Less Risk-Averse?*"
  Discussant: Michèle Cohen, University of Paris.

Geneva Risk Lecture

Chairman: **Henri Loubergé**, University of Geneva
- **Marti Subrahmanyam**, New York University, on "*The Term Structure of Interest Rates: Alternative Paradigms and Implications for Financial Risk Management*".
  Discussant: Günter Franke, University of Konstanz.

Session 2A (Concurrent): **Finance and Insurance**
Chairman: **Eric Briys**, Group HEC, Paris.
- **Mario J. Miranda** and **Joseph W. Glauber**, Ohio State University, on "*Uninsurable Systemic Risk and the Failure of Crop Insurance Markets: A Case for Area-Yield Options*".
  Discussant: Knut Aase
- **Auke Plantinga**, University of Groningen, on "*Performance Measurement of Liability Dedication Strategies*".
  Discussant: Per-Johan Horgby, Göteborg University.
- **Sebastian Schich**, Deutsche Bundesbank, Frankfurt, on "*An Option-Pricing Approach to the Costs of Export Credit Insurance*".
  Discussant: Yaffa Machnes, Bar-Ilan University.

Session 2B (Concurrent): **Insurance Economics I**
Chairman: **Christian Gollier**, University of Toulouse.
- **Bryan Ellickson** and **Jose Penalva**, UCLA, on "*Intertemporal Insurance*".
  Discussant: Richard Watt, Universidad Autonoma de Madrid.
- **Sandrine Spaeter** and **Patrick Roger**, University of Strasbourg, on "*Administrative Costs and Optimal Insurance Contracts*".
  Discussant: Jürgen Eichberger, University of Saarbrücken.
- **Richard Watt**, University of Madrid, on "*The Optimal Trading Partner for Reciprocal Insurance Treaties*".
  Discussant: W. Henry Chiu, University of Manchester.

Dinner address: Thierry Lombard, Chairman of the Geneva Financial Centre Foundation.

Tuesday, September 19, 1995

Session 3A (Concurrent): **Life Insurance**
Chairman: Knut Aase, Norwegian School of Economics & Business Adm. Bergen.
- **J. Aase Nielsen**, University of Aarhus, and **Klaus Sandmann**, University of Bonn, on "*Equity-Linked Life Insurance - A Model with Stochastic Interest Rates*".
  Discussant: Auke Plantinga
- **Steinar Ekern** and **Svein-Arne Persson**, Norwegian School of Economics & Business Administration, on "*Exotic Unit-Linked Life Insurance Contracts*".
  Discussant: Jörgen Aase Nielsen

Chairman: Jean-François Outreville, United Nations, Geneva.
- **Philip Hardwick**, Bournemouth University, on "*Measuring International Competitiveness and Cost Efficiency in Life Insurance*".
  Discussant: Stephen Diacon, University of Nottingham.
- **Luisa Tibiletti**, University of Torino, on "*Lost Potential Income: How to Evaluate the Legal Compensation?*".
  Discussant: Patrick Roger, University of Strasbourg.

Session 3B (Concurrent): **Insurance Economics II**
Chairman: Stephen Diacon, University of Nottingham.
- **J. David Cummins**, Wharton School, **Giuseppe Turchette**, University of Pisa, and **Mary Weill**, Temple University, on "*Productivity and Technical Efficiency in the Italian Insurance Industry*".
  Discussant: Jean-François Outreville
- **Jim Garven**, University of Texas, Austin, and **Montserrat Guillen**, University of Barcelona, on "*Ownership Structure and Distribution Systems in Property-Liability Insurance: A Bivariate Probit Approach*".
  Discussant: Roland Eisen, University of Frankfurt.

Session 3C (Concurrent): **Background Risk**
Chairman: Louis Eeckhoudt, University of Mons.
- **Günter Franke**, University of Konstanz, **Richard Stapleton**, Lancaster University and **Marti Subrahmanyam**, New York University, on "*Who Buys and Who Sells Options: The Role and Pricing of Options in an Economy with Background Risk*".
  Discussant: Christian Gollier, University of Toulouse.
- **Pascale Viala**, University of Montréal, and **Eric Briys**, Group HEC, Paris, on "*Optimal Design of Insurance Contracts under Background Risk*".
  Discussant: Harris Schlesinger, University of Alabama.

Session 4A (Concurrent): **Financial Risk Management**
Chairwoman: Rajna Gibson, University of Lausanne.
- **Michel Crouhy**, Group HEC, Paris, and **Dan Galai**, Hebrew University of Jerusalem, on "*Hedging with a Volatility Term Stricture*".
  Discussant: Klaus Sandmann, University of Bonn.
- **Patrice Poncet**, ESSEC, Paris, and **Abraham Lioui**, University of Paris-Sorbonne, on "*Optimal Dynamic Hedging in Incomplete Futures Markets*".
  Discussant: Steinar Ekern, Norwegian School of Economics & Business Adm.

Session 4B (Concurrent): **Rank Dependent Expected Utility**
Chairwoman: Michèle Cohen, University of Paris.
- **W. Henry Chiu**, University of Manchester, on "*Risk Aversion with State-dependent Preferences in the Rank-Dependent Expected Utility Theory*".
  Discussant: Louis Eeckhoudt, University of Mons.

- **M. Abdellaoui**, ENS-Cachan, Paris, on "*Is The Estimated Probability Transformation Function in RDU Models Sensitive to Levels of Losses*".
  Discussant: Robert Kast, CNRS Marseille.

Wednesday, September 20, 1995

Session 5A (Concurrent): **Deposit Insurance and Banking**
Chairman: Jamel Eddine Chichti, University of Tunis.
- **Sumon C. Mazumdar**, McGill University, Montréal, and **Suk Heun Yoon**, Korea Institute of Finance, on "*Fairly Priced Deposit Insurance, Incentive Compatible Regulations and Bank Asset Choices*".
  Discussant: Eric Briys, Group HEC, Paris.
- **Henry N. Pontell** and **William K. Black**, University of California, Irvine, on "*Regulatory and Economic Incentives for White Collar Crime: The US Savings and Loan and Insurance Crises of the 1980s*".
  Discussant: Benton Gup, University of Alabama.

Chairman: Marti Subrahmanyam, New York University.
- **Jin-Chuan Duan**, McGill University, Montréal, and **Min-Teh Yu**, National Central University, Taiwan, on "*Multiperiod Deposit Insurance Coverage - A GARCH Pricing Approach*".
  Discussant: Philip Hardwick, Bournemouth University.

Session 5B (Concurrent): **Asymmetric Information**
Chairman: David Cummins, Wharton School, Philadelphia.
- **Jürgen Eichberger**, University of Saarbrücken, and **David Kelsey**, University of Birmingham, on "*Signalling Games with Uncertainty*".
  Discussant: Bryan Ellickson, University of California.
- **Göran Skogh** and **Fredrik Andersson**, Lund University, on "*Quality, Self-regulation and Competition in Insurance*".
  Discussant: Walter Karten, University of Hamburg.

Chairman: Roland Eisen, University of Frankfurt.
- **Franz Haslinger**, University of Hanover, and **Per-Johan Horgby**, University of Göteburg, on "*A Proposal for a Reorganisation of Health Insurances in Presence of Asymmetric Information*".
  Discussant: Bertrand Villeneuve, INSEE, Paris.
- **Bertrand Villeneuve,** INSEE, Paris, on "*A Geometric Approach to the Intensity of Adverse Selection in Insurance Economics*".
  Discussant: Franz Haslinger, University of Hanover.