European Group of
Risk and Insurance Economists

41st Seminar

September 15, 16 and 17, 2014

St. Gallen, Switzerland

Program Committee:

Carole Bernard, University of Waterloo

Mark J. Browne (Chair), St. John's University

Helmut Gründl, Goethe University Frankfurt

Sunday, September 14th

20:00 WELCOME COCKTAIL

Monday, September 15th

8:00-08:45 REGISTRATION AND WELCOME COFFEE

8:45-09:00 **WELCOME SPEECH**

9:00-10:30 **GENEVA RISK ECONOMICS LECTURE** (Chair: G. Dionne)
H. Schlesinger
Lattices and Lotteries in Apportioning Risk
(Discussant: G. Franke)

10:30-11:00 COFFEE BREAK

11:00-12:20

Session A1 (Chair: P. Picard)
Loss control conflicts
C. Courbage, H. Loubergé, R. Peter
"Optimal Prevention for Correlated Risks"
(Discussant: H. Schlesinger
hschlesi@cba.ua.edu)

D. Crainich, L. Eeckhoudt
"Average Willingness to Pay for Disease Prevention with Personalized Health Information"
(Discussant: K. Lee klee@mail.sdsu.edu)

Session A2 (Chair: H. Schmeiser)
Interest rates
E. Berdin, H. Gründl
"The Effects of a Low Interest Rate Environment on Life Insurers"
(Discussant: H. Schmeiser
hato.schmeiser@unisg.ch)

G. Millo, P. Millossovich
"Interest Rates and the Demand for Non-Life Insurance: Evidence from Italian Sub-Regions"
(Discussant: E. Berdin berdin@safe.uni-frankfurt.de)

12:20-14:00 LUNCH

14:00-16:00

Session B1 (Chair: C. Courbage)
Behavioral session
F. Pannequin, A. Corcos, C. Montmarquette
"*Insurance and Self-Insurance: Beyond Substitutability, the Mental Accounting of Losses?*"
(Discussant: N. Treich
nicolas.treich@toulouse.inra.fr)

S. Ebert, C. Hilpert
"*The Trend is Your (Imaginary) Friend - A Behavioral Perspective on Technical Analysis*"
(Discussant: J. Jaspersen jaspersen@bwl.lmu.de)

K. Werner
"*Insurance Demand and Heterogeneity in Risk Perception"*
(Discussant: A. Hoffman hofmann@econ.uni-hamburg.de)

Session B2 (Chair: P. Zweifel)
Moral hazard and adverse selection
K. Shaver
"Insurance Competition under Asymmetric Categorization: Evidence from the Washington Automobile Insurance Market"
(Discussant: K. Wang kili@mail.tku.edu.tw)

M. Eling, R. Jia, Y. Yao
"Between-Group *Adverse Selection: Evidence from Group Critical Illness Insurance"*
(Discussant: C. Schreckenberger
christopher.schreckenberger@uni-hohenheim.de])

C. Biener, M. Eling, A. Landmann, S. Pradhan
„*Ex-Ante Moral Hazard: Experimental Evidence from Low-Income Insurance"*
(Discussant: P. Zweifel
peter.zweifel@econ.uzh.ch)

16:00-16:30 COFFEE BREAK

16:30-17:50

Session C1 (Chair: H. Schlesinger)
Correlation aversion

H. Chiu
"Correlation-Increasing Marginal Risk Increase and Financial Risk Taking in the Presence of Non-Financial Background Risks"
(Discussant: D. Crainich d.crainich@ieseg.fr)

D. Crainich, L. Eeckhoudt, O. Le Courtois
"*Beyond Correlation Aversion: Theory and Some Implications"*
(Discussant: H. Loubergé Henri.Louberge@unige.ch)

Session C2 (Chair: F. Pannequin)
Adverse selection

Y. Yao, J. Schmit , J. Sydnor
"*Adverse Selection in Emerging Health Insurance Markets: Evidence from Microinsurance in Pakistan"*
(Discussant: G. Turner ginger.turner@gmail.com)

J. Bauer, J. Schiller, C. Schreckenberger
"Selection in the Market for Private Supplemental Dental Insurance in Germany"
(Discussant: S. Felder Stefan.Felder@uni-due.de)

19:30 GALA DINNER

Tuesday, September 16th

8:30-10:30

Session D1 (Chair: H. Loubergé)
Investment

D. Bauer, S. Kamiya, X. Ping, G. Zanjani
„Dynamic Capital Allocation with Irreversible Investments"
(Discussant: S. Ben Ammar semir.benammar@unisg.ch)

S. Ben Ammar, M. Eling, A. Milidonis
"*Asset Pricing of Financial Institutions: The Cross-Section of Expected Insurance Stock Returns"*
(Discussant: G. Zanjani gzanjani@gsu.edu)

K. Fu, Y.-C. Hsu, R. Huang, L. Tzeng
"Does Portfolio Insurance Outperform Stocks? Evidence via Almost Stochastic Dominance"
(Discussant: L. BERGER loic.berger@feem.it

Session D2 (Chair: J.F. Outreville)
Pension funds and life insurance

T. Boonen, A. De Waegenaere, H. Norde
"Intergenerational Solidarity within a Closing Pension Fund"
(Discussant: E. Biffis e.biffis@imperial.ac.uk)

R. Inderst, A. S. Sirak
"*Income and Unemployment Effects on Life Insurance Lapse"*
(Discussant: J.-F. Outreville jf.outreville@laposte.net)

A. Braun, H. Schmeiser, F. Schreiber
„*On Consumer Preferences and Willingness to Pay for Term Life Insurance*"
(Discussant: C. Hilpert chilpert@uni-bonn.de)

10:30-11:00 COFFEE BREAK

11:00-12:20	**Session E1** (Chair:L. Eeckhoudt) **Decision** C. Heinzel, R. Peter *"Precautionary Motives under Multiple Instruments*" (Discussant: R. Rees ray.rees@lrz.uni-muenchen.de) M. Adler, N. Treich *"Consumption, Risk and Prioritarianism"* (Discussant: W. Hu weihu@ethz.ch)	**Session E2** (Chair: M. Eling) **Market discipline** M. Grace, S. Kamiya, R. Klein, G. Zanjani *"Market Discipline and Guaranty Funds in Life Insurance"* (Discussant: M. Dong dong@finance.uni-frankfurt.de) M. Dong *"The Impact of Firm-Level Transparency on the Ex Ante Risk Decisions of Insurers: Evidence from an Empirical Study"* (Discussant: A. Braun alexander.braun@unisg.ch)
12:20-13:30	LUNCH	
13:30-15:30	**Session F1** (Chair: R. Eisen) **Regulation** P. Zweifel *"Solvency Regulation of Banks and Insurers: A Two-pronged Critique"* (Discussant: D. Laas daniela.laas@unisg.ch) J. Jaspersen, A. Richter, S. Soika "*On the Demand Effects of Rate Regulation – Evidence from a Natural Experiment"* (Discussant: R. Eisen rolandeisen@gmail.com) M. Altuntas, T. Berry-Stölze, S. Wende *„Does One Size Fit All? Determinants of Insurer Capital Structure around the Globe"* (Discussant: D. Pankoke david.pankoke@unisg.ch)	**Session F2** (Chair: G. Dionne) **Organizations** C. Biener, M. Eling, J. Wirfs "*The Determinants of Efficiency and Productivity in the Swiss Insurance Industry"* (Discussant: M. Giovanni giovanni.millo@generali.com) S. Kamiya, A. Milidonis *"Actuarial Independence and Managerial Discretion"* (Discussant: K. Shaver shaverk@duq.edu) K. Wang "*Private Information and the Incentive to Engage in Fraud"* (Discussant: Sirak A. Adjmal.Sirak@finance.uni-frankfurt.de)
15:30-16:00	COFFEE BREAK	
16:00-17:00	GENERAL ASSEMBLY	
19:00	CONFERENCE DINNER	

Wednesday, September 17th

8:30-9:40	**Session G1** (Chair: S. Ben Ammar) **Pricing insurance** C. Cheng, J. Li *"Early Default Risk and Surrender Risk: Impacts on Participating Life Insurance Policies"* (Discussant: C. Bernard c3bernar@uwaterloo.ca)	**Session G2** – (Chair: R. Peter) **Ambiguity** Y. Fujii, H. Iwaki, Y. Osaki "*An Economic Premium Principle under the Smooth Ambiguity Aversion"* (Discussant: L. Tiblietti luisa.tibiletti@unito.it)
	N. Gatzert, S. Pokutta, N. Vogl *"Convergence of Capital and Insurance Markets: Consistent Pricing of Index-Linked Catastrophic Loss Instruments"* (Discussant: S. Kou matsteve@nus.edu.sg)	L. Berger "*The Impact of Ambiguity Prudence on Insurance and Prevention*" (Discussant: R. Peter peter@bwl.lmu.de)
9:40-10:10	COFFEE BREAK	
10:10-11:30	**Session H1** (Chair: L. Tiblietti) **Risk measures** S. Kou, X. Peng "*On the Measurement of Economic Tail Risk*" (Discussant: A. Madhusudan Madhusudan.Acharyya@gcu.ac.uk)	**Session H2** (Chair:S. Kamiya) **Flood insurance** M. Browne, C. Dehring, D. Eckles, W. Lastrapes "*Does National Flood Insurance Program Participation Induce Housing Development"* (Discussant: P. Picard pierre.picard@polytechnique.edu)
	D. Pankoke "*Sophisticated vs. Simple Systemic Risk Measures*" (Discussant: F. Schreiber florian.schreiber@unisg.ch)	G. Turner "*Insurance Demand After a Rare Flood Event: Evidence from a Field Experiment in Pakistan"* (Discussant: M. Altuntas muhammed.altuntas@uni-koeln.de)