European Group of
Risk and Insurance Economists

# 50th Annual EGRIE Seminar

September 17–20, 2023

Malaga, Spain

# Scientific Program

*Program Committee*:

*Nicolas Treich (Chair), Toulouse School of Economics*

*Alexander Braun, University of St. Gallen*

*Anita Mukherjee, University of Wisconsin-Madison*

## Sunday, September 17

19:30-21:00 WELCOME RECEPTION @ AC HOTEL MÁLAGA PALACIO

## Monday, September 18

8:15-9:00 REGISTRATION

9:00-9:15 **WELCOME SPEECHES**
[Salón de Actos]

9:15-10:30 **GENEVA RISK ECONOMICS LECTURE**
Chair: Wanda Mimra
[Salón de Actos]

**"The Role of Normative Analysis in Markets with Hidden Knowledge and Hidden Actions"**
*Keith J. Crocker*
Discussant: André Veiga

10:30-11:00 COFFEE BREAK [Terrace]

11:00-13:00

**Session A1: Frontiers in Experimental Research**
Chair: Christoph Heinzel
[Salón de Actos]

**Andreas J. Dambaur,** Keith Marzilli Ericson, Johannes G. Jaspersen and Sandra Zoller
*"Risk Management and the Autonomy of Labor"*
Discussant: Maximilian Voigt

Anne Corcos, **François Pannequin** and Claude Montmarquette
*"What if Compulsory Insurance Triggered Self-Insurance? An Experimental Evidence"*
Discussant: Franca Glenzer

Sebastian Ebert and **Maximilian Voigt**
*"Repeated Risk-Taking: Experimental Evidence"*
Discussant: Jiakun Zheng

**Session A2: Frontiers in Insurance Economics**
Chair: Alexander Mürmann
[Sala de Juntas, first floor]

Pierre Picard, Jennifer Wang and **Kili C. Wang**
*"Collusion between Retailers and Customers: The Case of Insurance Fraud in Taiwan"*
Discussant: Davide Benedetti

Knut K. Aase, Snorre Lindset and **Svein-Arne Persson**
*"Why Firms Should Buy Insurance"*
Discussant: Dingchen Ning

Yehuda John Levy and **André Veiga**
*"Optimal Contract Regulation in Selection Markets"*
Discussant: Pierre Fleckinger

13:00-14:00 LUNCH [Terrace]

14:00-16:00

**Session B1: Insurance in an Ageing World**
Chair: Anita Mukherjee
[Salón de Actos]

**Cheng Wan**, Hazel Bateman, Hanming Fang and Katja Hanewald
*"The Demand for Annuities, Critical Illness, and Long-Term Care Insurance: Evidence from an Online Survey"*
Discussant: Kili C. Wang

Bertrand Achou, Philippe De Donder, **Franca Glenzer**, Minjoon Lee and Marie-Louise Leroux
*"At Home versus in a Nursing Home: Long-term Care Settings and Marginal Utility"*
Discussant: Carole Bernard

Hessam Bavafa, **Anita Mukherjee**, Tyler Q. Welch
*"Inequities in the Golden Years: How Wealth Shapes Healthy and Work-Free Life"*
Discussant: Petra Steinorth

**Session B2: Self-Insurance and Self-Protection**
Chair: Pierre Picard
[Sala de Juntas, first floor]

Serge Macé and **Richard Peter**
*"Overreaction to Risks – The Impact of Loss Aversion on Prevention"*
Discussant: François Pannequin

**Christoph Heinzel**
*"Self-Protection and Self-Insurance with Multiplicative Foreground and Background Risks"*
Discussant: Niklas Haeusle

Jean-Marc Bourgeon and **Pierre Picard**
*"Self-Insurance and Market Insurance Substitutability: An Established Tenet Reconsidered"*
Discussant: Julia Holzapfel

16:00-16:30 COFFEE BREAK [Terrace]

16:30-18:30 **SPECIAL ANNIVERSARY SESSION**
[Salón de Actos]
Chair: Wanda Mimra

**"50 EGRIE Seminars in Retrospect"**
*Henri Loubergé*

**"The Economics of Self-Protection"**
*Richard Peter*

**"Welfare Evaluation in Insurance Markets with Adverse Selection"**
*Casey Rothschild*

**"Big Data, Risk Classification, and Privacy in Insurance Markets"**
*Martin Eling*

**"Evaluating Sustainability Actions under Uncertainty: The Role of Improbable Extreme Scenarios"**
*Christian Gollier*

20:00-23:00 GALA DINNER @ LA PÉRGOLA RESTAURANT REAL CLUB MEDITERRANEO

## Tuesday, September 19

8:30-10:30

**Session C1: Risk Sharing Schemes**
Chair: Carole Bernard
[Salón de Actos]

**Michiko Ogaku**
*"Group Formation in Risk Sharing Arrangement: A Simple Analysis of the Effect of Stop-Loss Protection"*
Discussant: Esther Redmount

**Carole Bernard**, Marco Feliciangeli and Steven Vanduffel
*"Can an Actuarially Unfair Tontine Be Optimal?"*
Discussant: Enrico Biffis

**Davide Benedetti** and Enrico Biffis
*"Insurance Contract Design and Endogenous Frailty"*
Discussant: George Zanjani

**Session C2: Risk Taking and Portfolio Choice**
Chair: Sebastian Ebert
[Sala de Juntas, first floor]

Sebastian Krull, Matthias Pelster and **Petra Steinorth**
*"Skill, Effort, Luck: The Impact of Rankings on Risk-Taking in a Social Setting"*
Discussant: Marcel Beyer

**Marcel Beyer**
*"Gambling for Recovery? Exploring the Riskiness of European Insurers' Assets during the Covid-19 Crisis 2020"*
Discussant: Selim Mankaï

**Servaas van Bilsen**, Roger J. A. Laeven and Theo E. Nijman
*"Optimal Savings and Portfolio Choice with Risky Labor Income and Reference-Dependent Preferences"*
Discussant: Richard Peter

10:30-11:00 COFFEE BREAK [Terrace]

11:00-13:00

**Session D1: Current Topics in Life Insurance**
Chair: Christophe Courbage
[Salón de Actos]

Nadine Gatzert and **Anna Kraus**
*"Do Sustainability Attributes Play a Role for Individuals' Decisions Regarding Unit-Linked Life Insurance?"*
Discussant: Svein-Arne Persson

Daniel Bauer, Lawrence Powell, Boheng Su and **George Zanjani**
*"Life Insurance and Annuity Pricing during the Financial Crisis, Revisited"*
Discussant: Hangsuck Lee

**Nicolaus Grochola**
*"The Influence of Negative Interest Rates on Life Insurance Companies"*
Discussant: Olga Pakulyak

**Session D2: Catastrophe Risk**
Chair: Henri Loubergé
[Sala de Juntas, first floor]

**Sophia Bock**, Petra Steinorth, Mark J. Browne and Xiao (Joyce) Lin
*"Flood Insurance, Government Relief Programs, and Economic Recovery in Europe"*
Discussant: Mirko Kraft

Alexander Braun, **Julia Braun** and Florian Weigert
*"Extreme Weather Risk and the Cost of Equity"*
Discussant: Cameron Ellis

Ruo Jia, **Jieyu Lin**, Michael R. Powers and Hanyang Wang
*"Catastrophe Risk Sharing among Individuals, Private Insurance, and Government Reinsurance"*
Discussant: Joan Schmit

13:00-14:00 LUNCH [Terrace]

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| 14:00-16:00 | **Session E1: Cyber Risk and Technology**<br>Chair: Niklas Haeusle<br>[Salón de Actos] | **Session E2: Financial Implications of Health Risk**<br>Chair: Chunli Cheng<br>[Sala de Juntas, first floor] |
| | **Alina Salzberger**<br>*"The Optimistic Bias in Cyber Risk Perception of German Enterprises: An Empirical Study on Organizational and Personal Moderating Effects"*<br>Discussant: Andreas J. Dambaur | **Christophe Courbage**, Cornel Oros and Peter Zweifel<br>*"Long-term Care Insurance: The Importance of Distinguishing Between Severe and Mild Dependency"*<br>Discussant: Cheng Wan |
| | Martin Eling, Anastasia Kartasheva and **Dingchen Ning**<br>*"Cyber Insurance Supply"*<br>Discussant: Alina Salzberger | Martin Eling and **Marcel Freyschmidt**<br>*"Preferences and Culture: Before and during Covid-19"*<br>Discussant: Chunli Cheng |
| | **Niklas Haeusle**<br>*"The Interplay of Quality and Proprietary Data in Insurance Markets"*<br>Discussant: Michiko Ogaku | **Chunli Cheng**, Christian Hilpert, Alexander Szimayer and Peter Zweifel<br>*"Reference Health and Investment Decisions"*<br>Discussant: Marcel Freyschmidt |
| 16:00-17:00 | GENERAL ASSEMBLY INCL. AWARD CEREMONY<br>[Sala de Juntas, first floor] | |
| 19:00-19:30 | BUS TRANSFER TO CANDADO BEACH RESTAURANT | |
| 19:30-22:30 | CONFERENCE DINNER @ CANDADO BEACH RESTAURANT | |
| 22:30-23:00 | BUS TRANSFER TO CITY HALL | |

## Wednesday, September 20

8:30-10:30 **Session F: Financial Economics of Insurance**
Chair: Georges Dionne
[Salón de Actos]

Philipp Aigner and **Sebastian Schlütter**
*"Scenarios of Systemic Risk"*
Discussant: Stefan Veith

**Stefan Veith** and Takefumi Ueno
*"Effects of the Solvency II Framework on Firm Risk and Stock Liquidity"*
Discussant: Nicolaus Grochola

**Georges Dionne,** Akouété Fenou and Mohamed Mnasri
*"Consolidation of the US Property and Casualty Insurance Industry: Is Climate Risk a Causal Factor for Mergers and Acquisitions?"*
Discussant: Sebastian Schlütter

10:30-11:00 COFFEE BREAK [Terrace]

11:00-13:00 **Session G: Exploring Risk Preferences**
Chair: Jiakun Zheng
[Salón de Actos]

Joost Driessen, **Sebastian Ebert** and Joren Koëter
*"Π-CAPM: The Classical CAPM with Probability Weighting and Skewed Assets"*
Discussant: Christian Hilpert

Carry Deck, **Rachel J. Huang,** Larry Y. Tzeng and Lin Zhao
*"A Simple Approach for Measuring Higher-Order Risk Attitudes"*
Discussant: Johannes Maier

Moritz Loewenfeld and **Jiakun Zheng**
*"Uncovering Correlation Sensitivity in Decision Making Under Risk"*
Discussant: Rachel J. Huang

13:00 LUNCH [Terrace]

## Conference Venue

Rectorado of the University of Malaga
Avenida de Cervantes 2, 29016 Málaga

## Other Venues

**Welcome Reception on Sunday, September 17**

AC Hotel Málaga Palacio
Calle Cortina del Muelle 1, 29015 Málaga

**Gala Dinner on Monday, September 18**

La Pérgola del Mediterraneo
Real Club Mediterraneo
Paseo de la Farola 18, 29016 Málaga

**Conference Dinner on Tuesday, September 19**

Bus transfer from City Hall to Candado Beach Restaurant at 7 pm:
City Hall
Calle Guillén Sotelo, 29016 Málaga

Conference Dinner at 7:30 pm:
Candado Beach Restaurant
Candado Beach Club Nautico
Carretera de Almería La Araña s/n, 29018 Málaga

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