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17-19 September 2012
Palma de Mallorca

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39th Seminar of the European Group of Risk and Insurance Economists

17-19 September 2012, Palma de Mallorca

24th Geneva Risk Economics lecture by Neil Doherty on "Risk and the Endogenous Observer: Some Comparisons of the Treatment of Risk in Physics and Economics"

Scientific Committee: Hato Schmeiser, Larry Tzeng, Henry Chiu
Local Organizer: Richard Watt

Programme

16 September

18:30	Welcome Reception at Mirador Hotel

17 September

08:00-08:45	Registration and Welcome Coffee
08:45-09:00	Welcome Speech
08:45-09:00	**GENEVA RISK ECONOMICS LECTURE** **Risk and the Endogenous Economist: Some Comparisons of the Treatment of Risk in Quantum Physics and Economics** N. Doherty *Discussant: H. Schlesinger*
10:30-11:00	Coffee Break
11:00-12:20	
Session A1 *Chair: Peter Zweifel*	**How Much Risk is Mitigated by LTC Protection Schemes?** M. Guillén, A. Comas-Herrera *Discussant: R. Huang* **Double Crowding-out Effects of Means-tested Public Provision for Long-term Care** C. Courbage, P. Zweifel *Discussant: M. Guillén*
Session A2 *Chair: L. Eeckhoudt*	**Management of Pension Funds under Market Jump Risk** O. Le Courtois, F. Menoncin *Discussant: K. Hanewald*

	On Risk Charges and Shadow Account Options in Pension Funds P. Jorgensen, N. Gatzert *Discussant: O. Le Courtois*
12:20-13:30	Lunch
13:30-14:50	
Session B1 *Chair: J. Wagner*	**The Influence of Interest Rate Guarantees and Solvency Requirements on the Asset Allocation of Life Insurance Companies** H. Schmeiser, J. Wagner *Discussant: H. loubergé*
	Asset and Liability Composition in Participating Life Insurance: The Impact on Shortfall Risk and Shareholder Value A. Bohnert, N. Gatzert, P. Jørgensen *Discussant: M. Sherris*
Session B2 *Chair: L. Tzeng*	**Policyholder Behavior in Private Health Insurance - Empirical Evidende on Lapse and Tarif Switch** M. Christiansen, M. Eling, J. Schmidt, L. Zirkelbach *Discussant: L. Tzeng*
	The Dual Theory of the Smooth Ambiguity Model H. Iwaki, Y. Osaki *Discussant: K. Romaniuk*
16:50-15:20	Coffee Break
16:30-18:00	
Session C1 *Chair: N. Gatzert*	**Comparing Life Insurer Longevity Risk Management Strategies in a Firm Value Maximizing Framework** C. Blackburn, K. Hanewald, A. Olivieri, M. Sherris *Discussant: M. Dong*
	Term Structure of Discount Rates under Multivariate s-Ordered Consumption Growth C. Heinzel *Discussant: U. Schmidt*
Session C2 *Chair: Q. Zeng*	**Portfolio Restriction to Impose on Defined Benefit Pension Plans** K. Romaniuk *Discussant: M. Ayuso*
	The Social Value of Mortality Risk Reduction: VSL vs. the Social Welfare Function Approach M. Adler, J. Hammit, N. Treich *Discussant: : H. Schlesinger*

16:40-17:10	Coffee Break
17:10-18:30	
Session D1 *Chair: A. Wambach*	**Stock vs. Mutual Insurers: Who Should and Who Does Charge More** A. Braun, P. Rymaszewski, H. Schmeiser *Discussant: P. Jørgensen*
	Variable Annuities with Guaranteed Living Benefits: A Capital Structure Impact for Life Insurers? E. Baranoff, T. Sager, B. Shi *Discussant: A. Wambach*
Session D2 *Chair: Q. Zeng*	**Downside Risk Aversion and the Downside Risk Premium** R. Stapleton, Q. Zeng *Discussant: L. Tibiletti*
	The Comparative Statics of Changes in Risk for Most Decision Makers R. Huang, P. Shih, L. Tzeng *Discussant: : Q. Zeng*
20:00	Gala Dinner at Bahia Mediterranea

18 September

08:30-10:30	
Session E1 *Chair: R. Derrig*	**Insurance Claims Fraud: Optimal Auditing Strategies in Insurance Companies** K. Müller, H. Schmeiser, J. Wagner *Discussant: P. Picard*
	Do Multiple Damages Awards Succeed in Relieving Strain on the Legal System? Evidence from Tort Law in the Auto Insurance Industry D. Asmat, S. Tennyson *Discussant: K. Müller*
	Fraudulent Claims and Nitpicky Insurers J. Bourgeon, P. Picard *Discussant: R. Derrig*
Session E2 *Chair: C. Bernard*	**Behavioral Bias, Market Intermediaries and the Demand for Bicycle and Flood Insurance** M. Browne, C. Knoller, A. Richter *Discussant: R. Eisen*
	Prospect Theory and the Demand for Insurance D. Eckles, J. Wise *Discussant: C. Bernard*

	Optimism Bias and the Demand for Health Insurance J. Garven, J. Hilliard *Discussant: M. Browne*
10:30-11:00	Coffee Break
11:00-12:20	
Session F1 *Chair: K. Hanewald*	**Capital Requirement and Optimal Default in Insurance** K. Miltersen, S. Persson *Discussant: K. Hanewald*
	The Risk-Shifting Behavior of Insurers under Different Guarantee Schemes M. Dong, H. Gründl, S. Schlütter *Discussant: H. Schmeiser*
Session F2 *Chair: K. Crocker*	**Asymmetric Information in Automobile Insurance: New Evidence from Driving Behavior** A. Muermann, D. Kremslehner *Discussant: H. Loubergé*
	Risk Classification, Rating Innovation, and Self Selection in Automobile Insurance Market C. Li, C. Liu, S. Peng *Discussant: K. Crocker*
12:20-13:30	Lunch
14:30-16:00	
Session G1 *Chair: R. Peter*	**Intertemporal Self-Insurance-cum-Protection: Saving, Imperfection, and Background Risk** A. Hofmann, R. Peter *Discussant: R. Eisen*
	Leprechauns, Werewolves, Zombies and Underwriting Cycles are (Statistical) Figments of Our Imagination M. Boyer *Discussant: R. Peter*
Session G2 *Chair: : N. Treich*	**Correlated Risks and Insurance Demand: An Experimental Analysis** U. Schmidt *Discussant: : N. Treich*
	Economic Consequences of Nth-Degree Risk Increases and Nth-Degree Risk Attitudes E. Jouini, C. Napp, D. Nocetti *Discussant: : L. Eeckhoudt*
14:50-15:00	Coffee break
15:00-16:00	General Assembly
16:30	Boat Trip

19 September

09:00-10:30

Session H1
Chair: J. Garven

Endogenous Information and Adverse Selection under Loss Prevention
R. Peter, A. Richter, P. Thistle
Discussant: J. Mühlnickel

Active Screening in Insurance Markets
S. Kamiya, M. Browne
Discussant: J. Garven

Asymmetric Information in Insurance Markets with Ambiguity
R. Huang, A. Snow, L. Tzeng
Discussant: D. Asmat

Session H2
Chair: D. Eckles

Compensation Incentives of Credit Ratings Agencies and Predictability of Changes in Bond Ratings and Financial Strength Ratings
A. Milidonis
Discussant: D. Eckles

Is the U.S. Life Insurance Industry in Danger of Systemic Risk by Using Derivative Hedging?
E. Baranoff, P. Brocket, T. Sager, B. Shi
Discussant: G. Weiss

Optimal Portfolios under Worst-Case Scenarios
C. Bernard, J. Chen, S. Vanduffel
Discussant: L. Tibiletti

10:30-11:00 Coffee Break

11:00-12:20

Session I1
Chair: M. Sherris

Solvency Capital, Pricing, and Capitalization Strategies of Life Annuity Providers
M. Nirmalendran, M. Sherris, K. Hanewald
Discussant: J. Wagner

Session I2
Chair: R. Rees

Consolidation in the International Insurance Industry and Financial Stability
G. Weiß, J. Mühlnickel
Discussant: A. Snow

Limited Liability Provisions and Directors' and Officers' Insurance
R. Kremslehner
Discussant: R. Rees