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# Munich Behavioral Insurance Workshop 2011



In cooperation with:

**The Journal of Risk and Insurance**



*Carl Friedrich von Siemens Stiftung*

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# General Information

## Hotel Information:

Citadines Arnulfpark Munich  
Arnulfstrasse 51  
80636 München  
Phone: +49 (0)89 94008 00

## Meeting Location:

Carl Friedrich von Siemens Stiftung  
Südliches Schloßrondell 23  
80638 München  
Phone: +49 (0)89 178033 0

## Dinner Location:

Restaurant im Königlichen Hirschgarten  
Hirschgarten 1  
80639 München  
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# Munich Behavioral Insurance Workshop 2011

December 12/13

Schedule &  
Participants

**Monday, 12.12.2011**

## **Plenary**

09:00 Opening

Andreas Richter, *Ludwig-Maximilians-Universität (LMU) Munich*

09:15 Behavioral Insurance - A Survey

Glenn Harrison, *Georgia State University*

**10:15 Coffee Break**

## **Session I: Agricultural Risk Management**

Moderator: Richard Watt, *University of Canterbury*

10:30 The Ugandan Farmer and Weather-based Insurance Tools

Jennifer Helgeson, *London School of Economics and Political Science*

Simon Dietz, *London School of Economics and Political Science*

Discussant: Johannes Jaspersen, *LMU Munich*

11:15 Risk Management and Insurance Demand of Ethiopian Farmers from a Behavioral Perspective

Toman O. Mahmoud, *Kiel University*

Ulrich Schmidt, *Kiel University*

Ulrike Zirpel, *Kiel University*

Discussant: Justin Sydnor, *University of Wisconsin - Madison*

## **Session II: Regret Based Theories**

Moderator: Nadine Gatzert, *University of Erlangen-Nürnberg*

10:30 The Role of Price and Brand in Anticipated Regret Formation with Consumer Decisions

Steven A. Taylor, *Illinois State University*

Discussant: Simone Krummaker, *Leibniz Universität Hannover*

11:15 Hidden Regret in Insurance Markets: Adverse and Advantageous Selection

Rachel J. Huang, *National Taiwan University*  
Alexander Mürmann, *Vienna University of Economics and Business*

Larry Y. Tzeng, *National Taiwan University*  
Discussant: Wanda Mimra, *ETH Zurich*

12:00 **Lunch at Carl Friedrich von Siemens Stiftung**

### Session III: Consumer Behavior

Moderator: Justin Sydnor, *University of Wisconsin - Madison*

13:30 Framing Effects and Expected Social Security Claiming Behavior

Jeffrey R. Brown, *University of Illinois at Urbana-Champaign*

Arie Kapteyn, *RAND Corporation*

Olivia S. Mitchell, *University of Pennsylvania*

Discussant: Stefan T. Trautmann, *Tilburg University*

14:15 How Do Price Presentation Effects Influence Consumer Choice? The Case of Life Insurance Products

Carin Huber, *University of St. Gallen*

Nadine Gatzert, *University of Erlangen-Nürnberg*

Hato Schmeiser, *University of St. Gallen*

Discussant: Martin G. Kocher, *LMU Munich*

15:00 An Empirical Analysis of Consumer Financial Decisions and Risk Aversion

James M. Carson, *University of Georgia*

Randy E. Dumm, *Florida State University*

Martin Halek, *University of Wisconsin - Madison*

Andre P. Liebenberg, *The University of Mississippi*

Discussant: Ignacio Moreno Gabaldón, *Universidad Pablo de Olavide de Sevilla*

## Session IV: Ambiguity

Moderator: Louis Eeckhoudt, *Catholic University of Mons*

13:30 Prospect Theory and the Demand for Insurance

David L. Eckles, *University of Georgia*

Jacqueline Volkman Wise, *Temple University*

Discussant: Mark J. Browne, *University of Wisconsin - Madison*

14:15 Weighting Attitudes and the Demand for Flood Insurance: Understanding Probability Weighting for Low-Probability-High-Consequence-Risks

Ferdinand Zahn, *LMU Munich*

Stefan Neuß, *LMU Munich*

Discussant: Swenja Surminski, *London School of Economics and Political Science*

15:00 Insurance Demand under Ambiguity and Conflict for Extreme Risks: An Experimental Analysis

Théodora Dupont-Courtade, *University of Paris 1 Panthéon-Sorbonne*

Discussant: Ferdinand Zahn, *LMU Munich*

15:45 **Coffee Break**

## Plenary

16:00 Investors Care about Risk, but Can't Cope with Volatility

Martin Weber, *University of Mannheim*

Moderator: Jörg Schiller, *University of Hohenheim*

18:30 **Dinner at Restaurant im Königlichen Hirschgarten**

**Tuesday, 13.12.2011**

**Session V: Intermediation**

Moderator: Mark J. Browne, *University of Wisconsin - Madison*

09:00 The Willingness to Follow Financial Advice - Evidence from Consumer Center Data

Sina Borgsen, *University of Mannheim*

Markus Glaser, *LMU Munich*

Martin Weber, *University of Mannheim*

Discussant: Gilberto Montibeller, *London School of Economics and Political Science*

09:45 Tournaments for Insurance Sales Agents

Michaela Wedel, *University of Erlangen-Nürnberg*

Martina Steul-Fischer, *University of Erlangen-Nürnberg*

Discussant: Florian Englmaier, *University of Konstanz*

10:30 Risk Perception, Risk Awareness and the Demand for Flood Insurance

Mark J. Browne, *University of Wisconsin - Madison*

Christian Knoller, *LMU Munich*

Andreas Richter, *LMU Munich*

Discussant: Jennifer Helgeson, *London School of Economics and Political Science*

**Session VI: Industry Behavior**

Moderator: Swenja Surminski, *London School of Economics and Political Science*

09:00 Underwriting Cycles and Underwriter Sentiment

M. Martin Boyer, *HEC Montréal*

Julia Eisenman, *National Bank of Canada*

J. François Outreville, *HEC Montréal*

Discussant: Robert E. Hoyt, *University of Georgia*

09:45 Price-Default Risk-Demand-Curves and the Optimal Corporate Risk Strategy of Insurers: A Behavioral Approach

Anja Zimmer, *Humboldt-Universität zu Berlin*  
Helmut Gründl, *Goethe University Frankfurt*  
Christian Schade, *Humboldt-Universität zu Berlin*  
Discussant: J. François Outreville, *HEC Montréal*

10:30 Skewness Seeking and Underdiversification of Individual Investors' Portfolios

Patrick Roger, *University of Strasbourg*  
Marie-Hélène Broihanne, *University of Strasbourg*  
Maxime Merli, *University of Strasbourg*  
Discussant: Gregory Nini, *University of Pennsylvania*

**11:15 Coffee Break**

## Plenary

11:30 Can Behavioral Economics Help Solve the Annuity Puzzle?

Jeffrey R. Brown, *University of Illinois at Urbana-Champaign*

Moderator: Alexander Mürmann, *Vienna University of Economics and Business*

**12:30 Lunch at Carl Friedrich von Siemens Stiftung**

## Session VII: Risk Aversion

Moderator: Robert E. Hoyt, *University of Georgia*

14:00 Measuring Risk Aversion Model-Independently

Johannes Maier, *LMU Munich*  
Maximilian Rüger, *University of Augsburg*  
Discussant: Ulrich Schmidt, *Kiel University*



14:45 An Experimental Test of Precautionary Bidding

Martin G. Kocher, *LMU Munich*

Julius Pahlke, *LMU Munich*

Stefan T. Trautmann, *Tilburg University*

Discussant: Louis Eeckhoudt, *Catholic University of Mons*

**Session VIII: Insurance Fraud**

Moderator: Gregory Nini, *University of Pennsylvania*

14:00 Contract Design and Insurance Fraud: An Experimental Investigation

Frauke Lammers, *University of Bern*

Jörg Schiller, *University of Hohenheim*

Discussant: Sebastian Ebert, *University of Bonn*

14:45 The Effect of Contract Type on Insurance Fraud

Ignacio Moreno Gabaldón, *Universidad Pablo de Olavide de Sevilla*

Francisco José Vázquez Hernández, *Universidad Autónoma de Madrid*

Richard Watt, *University of Canterbury*

Discussant: Jimmy Martínez-Correa, *Georgia State University*



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