

**34th Seminar of the European Group of Risk and Insurance Economists (EGRIE)  
September 17-19, 2007  
University of Cologne**



**Monday, September 17, 2007**

Time

8:30-9:00	Registration
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9:00-9:15	Welcome Address (Auditory I)
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9.15-10:30	<p><i>19th Geneva Risk Economics Lecture: "On Optimal Insurance in the Presence of Moral Hazard" Professor Edi Karni (Johns Hopkins University) (Auditory I)</i></p>
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10:30-11.00	Coffee Break
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	AUDITORY I	AUDITORY II
11:00-12:30	<p><i>Theory of Insurance Demand I</i></p> <p>Chair: Ulrich Schmidt</p>	<p><i>Insurance Economics</i></p> <p>Chair: Miguel Santolino</p>
	<p><b>Risk apportionment and stochastic dominance</b></p> <p>Louis Eeckhoudt, <u>Harris Schlesinger</u> and Ilia Tsetlin</p> <p>Discussant: Kirsten Rohde</p>	<p><b>Insurance as a normal good: Empirical evidence for a puzzle</b></p> <p>Jérôme Foncel and <u>Nicolas Treich</u></p> <p>Discussant: Ray Rees</p>
	<p><b>Does the consciousness of the disposition effect increase the equity premium?</b></p> <p>Patrick Roger</p> <p>Discussant: Ulrich Schmidt</p>	<p><b>A new approximation for the risk premium with large risks</b></p> <p>Richard Watt</p> <p>Discussant: Miguel Santolino</p>

12:30-13:30	Lunch (Mensa)
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	AUDITORY I	AUDITORY II
13:30-15:00	<p><i>Theory of Insurance Demand II</i></p> <p>Chair: Alexander Muermann</p>	<p><i>Automobile insurance</i></p> <p>Chair: Chwen-Chi Liu</p>
	<p><b>Innovation and precaution under time inconsistency and uncertainty</b></p> <p><u>Sophie Chemarin</u> and Caroline Orset</p> <p>Discussant: Matthias Lang</p>	<p><b>Decomposing automobile insurance policy buying behaviour – evidence of adverse selection</b></p> <p>Chu-Shiu Li, <u>Chwen-Chi Liu</u> and Jia-Hsing Yeh</p> <p>Discussant: Arthur Snow</p>
	<p><b>Consumption externality and equilibrium under-insurance</b></p> <p><u>Rachel J. Huang</u> and Larry Y. Tzeng</p> <p>Discussant: Alexander Muermann</p>	<p><b>Individual prediction of automobile bodily injury claims liabilities</b></p> <p>Mercedes Ayuso, Montserrat Guillén and <u>Miguel Santolino</u></p> <p>Discussant: Chwen-Chi Liu</p>

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15:00-15:30	Coffee Break
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	AUDITORY I	AUDITORY II
15:30-17:30	<i>Theory of insurance demand III</i>  Chair: Christophe Courbage	<i>Behavior of insurers</i>  Chair: Simone Krummaker
	<b>On the willingness to pay to reduce risks of small losses</b>  <u>Christophe Courbage</u> and Béatrice Rey  Discussant: Nicolas Treich	<b>Efficiency of insurance firms with endogenous risk management and financial intermediation activities</b>  <u>J. David Cummins</u> , Georges Dionne, Robert Gagné and Abdelhakim Nouira  Discussant: Oliver Burkart
	<b>On the intensity of downside risk aversion</b>  <u>David Crainich</u> and Louis Eeckhoudt  Discussant: Patrick Roger	<b>Ownership and efficiency in the German life insurance market: A DEA bootstrap approach</b>  <u>Franz Diboky</u> and Eva Ubl  Discussant: Paolo Zanghieri
	<b>Optimal prevention and savings: How to deal with fatalism?</b>  Johanna Etner and <u>Meglana Jeleva</u>  Discussant: Christophe Courbage	<b>Proposing a conceptual framework to measure the performance of enterprise risk management from an empirical study of four major European insurers</b>  Madhusudan Acharyya  Discussant: Simone Krummaker

17:30	Bus transfer to Cologne Re (Departure: Albertus-Magnus-Platz)
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18:00	<i>“Challenges to the Reinsurance Industry”</i>  Peter Lütke-Bornefeld (Chairman of the Board of Executive Directors of Kölnische Rückversicherungs-Gesellschaft AG)
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19:00	Cocktails and Dinner Reception at Cologne Re
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**Tuesday, September 18, 2007**

Time	AUDITORY I	AUDITORY II
8:30-10:30	<i>Reinsurance and capital markets</i>	<i>Equilibrium in insurance markets</i>
	Chair: Thomas Post	Chair: Giovanni Millo
	<p style="text-align: center;"><b>Optimal reinsurance arrangements under tail risk measures</b></p> <p style="text-align: center;"><u>Carole Bernard</u> and Weidong Tian Discussant: Larry Y. Tzeng</p>	<p style="text-align: center;"><b>Mutual versus stock insurers: Fair premium, capital, and solvency</b></p> <p style="text-align: center;">Christian Laux and <u>Alexander Muermann</u> Discussant: Mahito Okura</p>
	<p style="text-align: center;"><b>Cat bonds and reinsurance: the competitive effect of information-insensitive triggers</b></p> <p style="text-align: center;">Silke Brandts and <u>Christian Laux</u> Discussant: Robert Kast</p>	<p style="text-align: center;"><b>An equilibrium analysis of an insurance market with horizontal differentiation</b></p> <p style="text-align: center;">Mahito Okura Discussant: Rachel J. Huang</p>
<p style="text-align: center;"><b>Insuring catastrophe risk using participating and financial contracts: Implications for crop risk management</b></p> <p style="text-align: center;"><u>Geoffroy Enjolras</u> and Robert Kast Discussant: Thomas Post</p>	<p style="text-align: center;"><b>Nonlinear cointegration relationships between non life insurance premiums and financial markets</b></p> <p style="text-align: center;">Catherine Bruneau, Fredj Jawadi and Nadia Sghaier Discussant: Giovanni Millo</p>	

10:30-11:00	Coffee Break
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	AUDITORY I	AUDITORY II
11:00-12:30	<i>Pricing I</i>	<i>Structure of insurance markets</i>
	Chair: Nikolaos Chasiotis	Chair: Christian Laux
	<p style="text-align: center;"><b>Quasi risk-neutral pricing in insurance</b></p> <p style="text-align: center;"><u>Harry Niederau</u> and Peter Zweifel Discussant: Carole Bernard</p>	<p style="text-align: center;"><b>Intermediation, compensation and collusion in insurance markets</b></p> <p style="text-align: center;">Uwe Focht, Andreas Richter and <u>Jörg Schiller</u> Discussant: Geoffroy Enjolras</p>
<p style="text-align: center;"><b>Perturbation approximations to the price of default risk</b></p> <p style="text-align: center;"><u>Emilio C.Venezian</u> and Luisa Tibiletti Discussant: Nikolaos Chasiotis</p>	<p style="text-align: center;"><b>Does social capital reduce moral hazard? A network model for non-life insurance demand</b></p> <p style="text-align: center;"><u>Giovanni Millo</u> and Giacomo Pasini Discussant: Christian Laux</p>	

12:30-14:00	Lunch (Mensa)
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14:00-15:00	<i>Ernst Meyer Prize: Laureate Wenan Fei (Auditory I)</i>
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15:00-16:15	<i>EGRIE General Assembly (Auditory I)</i>
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17:00-18:30	Guided Tour through Cologne
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19:00	Dinner at Peters Brauhaus
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**Wednesday, September 19, 2007**

Time	AUDITORY I	AUDITORY II
9:00-10:30	<i>Long-term contracts</i>	<i>Empirical analysis of insurance demand</i>
	Chair: Nadine Gatzert	Chair: Emilio C. Venezian
	<b>Anomalies in intertemporal choice?</b>  Anke Gerber and <u>Kirsten I.M. Rohde</u>  Discussant: Sophie Chemarin	<b>Direct reimbursement schemes in compulsory motor liability insurance</b>  Giampaolo Galli and <u>Carlo Savino</u>  Discussant: Jörg Schiller
	<b>Transferring the sticky: Individual annuity demand and demographic risk</b>  <u>Roman N. Schulze and Thomas Post</u>  Discussant: Nadine Gatzert	<b>Corporate demand for insurance: Empirical evidence from Germany</b>  <u>Simone Krummaker</u> and J.-Matthias Graf von der Schulenburg  Discussant: Emilio C. Venezian
10:30-11:00	Coffee Break	
	<b>AUDITORY I</b>	<b>AUDITORY II</b>
11:00-12:30	<i>Theory of Insurance Demand IV</i>	<i>Pricing II</i>
	Chair: Roland Eisen	Chair: Franz Diboky
	<b>Ambiguity aversion in a principal agent framework</b>  Matthias Lang  Discussant: David Crainich	<b>Does competition improve ratings?</b>  Neil A. Doherty, Anastasia Kartasheva and <u>Richard D. Phillips</u>  Discussant: Madhusudan Acharyya
	<b>Hidden Regret and Advantageous Selection in Insurance Market</b>  Rachel J. Huang, <u>Alexander Muermann</u> and Larry Y. Tzeng  Discussant: Roland Eisen	<b>Management strategies in life insurance: An examination with respect to risk pricing and risk measurement</b>  Nadine Gatzert  Discussant: Franz Diboky
12:30-13:30	Lunch and farewell	