The Economics Of Property Casualty Insurance National Bureau Of Economic Research Project Report

Written for advanced undergraduate and master?s level courses, this book builds from a base of asymmetric information issues to discuss a wide array of topics and is illustrated with some timely examples. Covers diverse issues such as risk aversion, expected utility, and moral hazard within the pure theory of insurance Provides a clear exposition of the necessary mathematics, a feature which cannot be found in readers on the topic Utilizes an undergraduate economics major level of math Uses the simplest economic models possible to keep the text intuitive Introduces more mathematically complex techniques such as basic optimization for students wishing to 'go further' in their analysis
This paper examines the role of the federal government in the market for terrorism reinsurance. We investigate the stock price response of affected industries to a sequence of thirteen events culminating in the enactment of the Terrorism Risk Insurance Act (TRIA) of 2002. In the industries most likely to be affected by TRIA banking, construction, insurance, real estate investment trusts, transportation, and public utilities the stock price effect was primarily negative. The Act was at best value-neutral for property-casualty insurers because it eliminated the option not to offer terrorism insurance. The negative response of the other industries may be attributable to the Act's impeding more efficient private market solutions,

failing to address nuclear, chemical, and biological hazards, and reducing market expectations of federal assistance following future terrorist attacks.

Skipper & Kwon's Risk Management & Insurance: Perspectives in a Global Economy provides an in-depth understanding of international risk management and insurance, their dynamics, and the economic, social, political, and regulatory environments surrounding global risk and insurance markets. Incorporates an international perspective from the outset, filling the need to address risk issues on a global scale Follows theory with practice, analyzing real-world case studies, and exploring sound risk management and insurance operations in the future Includes discussion questions and exercise modules to help students understand the issues and apply their learning PowerPoint slides and updates are available online at http://facpub.stjohns.edu/~kwonw

The Economics of Property-Casualty Insurance presents new research and findings on key aspects of the economics of the property-casualty insurance industry. The volume explores the industrial organization, regulation, financing, and taxation of this business. The first paper, on external financing and insurance cycles, contains a wealth of information on trends and patterns in the industry's financial structure. The last essay, which compares performance of stock and mutual insurance companies, takes a fresh look at the way a company's organizational structure affects its responses to different economic situations. Two papers focus on rate regulation in the auto insurance industry, and provide broad overviews of the structure and economics of the insurance industry as a whole. Also addressed are the system of regulating insurance companies in the United States, who insures the insurers, and the effects of tax law changes in the 1980s on the prices of insurance policies.

Price Discrimination in Property and Liability Insurance was first published in 1959. Minnesota Archive Editions uses digital technology to make long-unavailable books once again accessible, and are published unaltered from the original University of Minnesota Press editions.This booklet provides a detailed study of the factors which enter into price discrimination in property and liability insurance. The regulations which control these insurance prices rest with the state governments and vary, therefore, from one state to the next. After discussing the question of what constitutes price discrimination in this field, Professor Williams examines the regulatory statutes of various states and the administration of these statutes.This is number 19 in the series, University of Minnesota Studies in Economics and Business.
Over the past two decades, the United States has successfully deregulated prices and restrictions on most previously-regulated industries, including airlines, trucking, railroads, telecommunications, and banking. Only a few industries remain regulated, the largest being the property-liability insurance business. In light of recent sweeping financial modernization legislation in other sectors of the insurance industry, this timely volume examines the basis for continued regulation of rates and forms of the U.S. property-liability insurance market. The book focuses on private passenger automobile insurance—the most important personal line of property-liability coverage, with annual premiums of about $120 billion. The authors analyze five state case studies: California, Massachusetts, and New Jersey—three of the most heavily regulated states—as well as Illinois, which has been deregulated for about 30 years, and South Carolina, which began to deregulate in 1997. The study also includes an econometric analysis based on all fifty states over a 25-year period that gauges the impact of regulation on insurance price levels, price volatility, and the proportion of automobiles insured in residual

markets. The authors conclude that regulation does not significantly reduce long-run prices for consumers, and generally limits availability of coverage, reduces the quality and variety of services available in the market, inhibits productivity growth, and increases price volatility. Contributors include Dwight Jaffee (University of California, Berkeley), Thomas Russell (Santa Clara University), Laureen Regan (Temple University), Sharon Tennyson (Cornell University), Mary Weiss (Temple University), John Worrall (Rutgers University), Stephen D'Arcy (University of Illinois, Urbana-Champaign), Martin Grace (Georgia State University), Robert Klein (Georgia State University), Richard Phillips (Georgia State University), Georges Dionne (University of Montreal), and Richard Butler (Brigham Young University).

Since the early 1980?s there has been a heightened academic interest in the field of commitment, particularly as it relates to business relationships. Knowledge of commitment continues to advance and has begun splintering and applied into specific and narrow fields. The particular field of interest in this study surrounds commitment levels in business relationships within property and casualty insurance distribution networks. The intent of understanding and enhancing commitment levels is to allow stakeholders to explore new ways to improve profitability. This can be achieved by deepening the level of understanding and knowledge of relationship partners with a view to anticipating and fulfilling their needs better than the competition. However, commitment is intangible and involves many factors including human emotion. This increases the difficulty in comprehending the whole phenomenon of commitment. To assist in furthering the knowledge in this area, transaction cost theory is examined and applied to insurance company and broker relationships. In seeking a greater understanding of the underlying drivers of commitment, this thesis investigates the theoretical contribution of transaction cost economics theory in assessing commitment levels. The purpose is to utilize the elements of transaction costs as a means to extend the awareness of how commitment is constructed, and to search for ways to improve and strengthen these relationships. The primary research method consists of three major case studies within the Canadian property and casualty insurance distribution sector. The first case study explores the perspectives of insurance brokers in Ontario. The second study reveals the perceptions of relationship managers employed with ING Canada, the country?s largest property and casualty insurance company. Lastly, the research incorporates a series of interviews with ING Canada senior executives to capture their perspectives and validate the research findings from the first two case studies. These investigations into the Canadian insurance industry have provided several outputs, chief among them is the development of a conceptual model referred to as the?Commitment Wheel.? This model has the advantages of seating affective and calculative commitment at the centre of a moving environment of commitment enablers.

This book presents OECD policy conclusions and leading academic analysis on the financial management of terrorism risk nearly four years after the World Trade Centre attacks.

The NAIC provided grants to research teams from the University of Pennsylavania, the University of South Carolina and Stewart Economics for a study of the causes and policy implications of the cycles and crises in property/casualty insurance. The results of this research are compiled here with additional explanation by the editors.

The need to understand the theories and applications of economic and finance risk has been clear to everyone since the financial crisis, and this collection of original essays proffers broad, high-level explanations of risk and uncertainty. The economics of risk and uncertainty is unlike most branches of economics in spanning from the individual decision-maker to the market (and indeed, social decisions), and ranging from purely theoretical analysis through individual experimentation, empirical analysis, and applied and policy decisions. It also has close and sometimes conflicting relationships with theoretical and applied statistics, and psychology. The aim of this volume is to provide an overview of diverse aspects of this field, ranging from classical and foundational work through current developments. Presents coherent summaries of risk and uncertainty that inform major areas in economics and finance Divides coverage between theoretical, empirical, and experimental findings Makes the economics of risk and uncertainty accessible to scholars in fields outside economics

The Geneva Association and Risk Economics The Geneva Association The Geneva Association (International Association for the Study of Insurance Economics) commenced its activities in June 1973, on the initiative of twenty-two members in eight European countries. It now has fifty-four members in sixteen countries in Europe and in the United States. The members of the association are insurance companies which provide financial support for its activities. The aims and strategy of the Geneva Association were clearly defined in 1971 by the founding committee. They were set forth in the first report to the Assembly of Members in 1974: "To make an original contribution to the progress of insurance by objective studies on the interdependence between economics and insurance." In pursuit of this objective, the Association strives to place insurance problems in the context of the modern economy and to overcome the antagonism between different groups and institutions by showing that they all have a common interest in tackling the problem of risk in a changing world. In consequence, the studies made by the Association had to move away from the subjects familiar to insurance professionals and explore related fields, dealing with opinions and behavior falling outside the profession's vii FOREWORD viii traditional framework of analysis. It is in this direction that the Association's preoccupations have been directed from the beginning, towards areas in which insurance activities come into contact with those of other economic sectors such as government, banking, manufacturing, and households.

This unique volume takes a primarily empirical perspective on the law and economics of federalism. Using cross jurisdiction variation, the specially commissioned chapters examine the effects of various state experiments in areas such as crime, welfare, consumer protection, and a host of other areas. Although legal scholars have talked about states as laboratories for decades, rarely has the law and economics literature treated the topic of federalism empirically in such a systematic and useful way.

This is the first comprehensive study of the history, politics, and economics of the insurance industry in the United States. It is designed as a theoretical challenge to the conventional wisdom in political economy which says that regulation benefits the regulated. In fact, Meier shows that because the insurance industry is far too divided to impose its will on the regulatory system, the political economy of regulation is actually the product of a complex interaction of industry interests, consumer groups, insurance regulations, and political elites. Using both historical and quantitative approaches, the author examines a variety of insurance issues including the development of insurance regulation; the impact of regulation on the availability and price of insurance; the stringency of state regulation; and the product liability insurance crisis of 1985-86. The book concludes with a series of recommendations for reforming the regulation of insurance.

The services industries—which include jobs ranging from flipping hamburgers to providing investment advice—can no longer be characterized, as they have in the past, as a stagnant sector marked by low productivity growth. They have emerged as one of the most dynamic and innovative segments of the U.S. economy, now accounting for more than three-quarters of gross domestic product. During the 1990s, 19 million additional jobs were created in this sector, while growth was stagnant in the goods-producing sector. Here, Jack Triplett and Barry Bosworth analyze services sector productivity, demonstrating that fundamental changes have taken place in this sector of the U.S. economy. They show that growth in the services industries fueled the post-1995 expansion in the U.S. productivity and assess the role of information technology in transforming and accelerating services productivity. In addition to their findings for the services sector as a whole, they include separate chapters for a diverse range of industries within the sector, including transportation and communications, wholesale and retail trade, and finance and insurance. The authors also examine productivity measurement issues, chiefly statistical methods for measuring services industry output. They highlight the importance of making improvements within the U.S. statistical system to provide the more accurate and relevant measures essential for analyzing productivity and economic growth.

For a number of years, I have been teaching and doing research in the economics of uncertainty, information, and insurance. Although it is now possible to find textbooks and books of essays on uncertainty and in formation in economics and finance for graduate students and researchers, there is no equivalent material that covers advanced research in insurance. The purpose of this book is to fill this gap in literature. It provides original surveys and essays in the field of insurance economics. The contributions offer basic reference, new material, and teaching supple ments to graduate students and researchers in economics, finance, and insurance. It represents a complement to the book of readings entitled Foundations of Insurance Economics - Readings in Economics and Finance, recently published by the S.S. Huebner Foundation of Insurance Education. In that book, the editors (G. Dionne and S. Harrington) disseminate key papers in the literature and publish an original survey of major contributions in the field.

This is a reproduction of a book published before 1923. This book may have occasional imperfections such as missing or blurred pages, poor pictures, errant marks, etc. that were either part of the original artifact, or were introduced by the scanning process. We believe this work is culturally important, and despite the imperfections, have elected to bring it back into print as part of our continuing commitment to the preservation of printed works worldwide. We appreciate your understanding of the imperfections in the preservation process, and hope you enjoy this valuable book. ++++ The below data was compiled from various identification fields in the bibliographic record of this title. This data is provided as an additional tool in helping to ensure edition identification: ++++ Hand-book Of Adjustments Of Loss Or Damage By Fire: For The Use Of Fire Underwriters 2 Jeremiah Griswold Insurance Monitor Office, 1877 Business & Economics; Insurance; General; Business & Economics / Insurance / Casualty; Business & Economics / Insurance / General; Business & Economics / Insurance / Property In the 1970's, the research agenda in insurance was dominated by optimal insurance coverage, security design, and equilibrium under conditions of imperfect information. The 1980's saw a growth of theoretical developments including non-expected utility, price volatility, retention capacity, the pricing and design of insurance contracts in the presence of multiple risks, and the liability insurance crisis. The empirical study of information problems, financial derivatives, and large losses due to catastrophic events dominated the research agenda in the 1990's. The Handbook of Insurance provides a single reference source on insurance for professors, researchers, graduate students, regulators, consultants, and practitioners, that reviews the research developments in insurance and its related fields that have occurred over the last thirty years. The book starts with the history and foundations of insurance theory and moves on to review asymmetric information, risk management and insurance pricing, and the industrial organization of insurance markets. The book ends with life insurance, pensions, and economic security. Each chapter has been written by a leading authority in insurance, all contributions have been peer reviewed, and each chapter can be read independently of the others.

Written by leading academics, researchers and insurance industry experts, this book offers a diversified perspective on how the regulatory and supervisory framework for the insurance sector will develop over the coming years. It is supported by The Geneva Association , the world-leading insurance think-tank of the private industry.

The fields of insurance law and insurance economics have long and distinguished scholarly histories, but participants in the two disciplines have not always communicated well across academic silos. This Handbook encourages more policy-relevant insurance e

This book integrates legal, economic, and administrative materials about value added tax. Its principal purpose is to provide comprehensive teaching tools - laws, cases, analytical exercises, and questions drawn from the experience of countries and organizations from all areas of the world. It also serves as a resource for tax practitioners and government officials that must grapple with issues under their VAT or their prospective VAT. The comparative presentation of this volume offers an analysis of policy issues relating to tax structure and tax base as well as insights into how cases arising out of VAT disputes have been resolved. The authors have expanded the coverage to include new VAT related developments in Europe, Asia, Africa and Australia. A chapter on financial services has been added as well as an analysis of significant new cases.

In recent years, choice no-fault has emerged as a popular but controversial proposal for addressing the problem of high automobile insurance rates. Choice plans offer consumers the option of a lower-cost insurance policy with restrictions on filing lawsuits or a higher-cost policy with full tort rights. Some American states have implemented choice programs, and major federal choice legislation is now pending in the United States Congress. Choice no-fault has caught the attention of policy makers, the insurance industry, and academics. Until now, however, no single book has pulled together the available research on the topic. The Economics and Politics of Choice No-Fault Insurance fills that gap. Edited by scholars from different disciplines, each of whom has written extensively on automobile insurance issues, the book includes some of the best work in the area. Former Massachusetts Governor and presidential candidate Michael S. Dukakis wrote the foreword. Contributors include University of Virginia Law Professor Jeffrey O'Connell, widely considered the `father of no-fault,' as well as authors of the influential RAND study of the potential effects of choice no-fault on insurance rates. The book chapters, most of which were written especially for this volume, cover topics ranging from the impact of choice no-fault on accidents and driving behavior, to the effects of choice on medical care usage, to alternative approaches for resolving accidents involving both `no-fault' and `tort' electors, to the political feasibility of choice legislative proposals. Emphasis on the potential advantages of choice no-fault is balanced by consideration of possible ill effects.

The Economics of Property-Casualty InsuranceUniversity of Chicago Press

The U.S. life and property/casualty (P/C) insurance industries wrote over $1 trillion in total premiums in 2011 and play an important role in ensuring the smooth functioning of the economy. Concerns about the oversight of the insurance industry arose during the 2007-2009 financial crisis, when one of the largest U.S. holding companies that had substantial insurance operations, American International Group, Inc. (AIG), suffered large losses. These losses were driven in large part by activities conducted by a non-insurance affiliate, AIG Financial Products, but also included securities lending activity undertaken by some of its life insurance companies which created liquidity issues for some insurers. The losses threatened to bankrupt the company, and AIG was one of the largest recipients of assistance by the Federal Reserve Bank of New York and the federal government under the Troubled Asset Relief Program (TARP) set up during the crisis. This book examines any effects of the financial crisis on the insurance industry and policyholders, and addresses what is known about how the financial crisis affected the insurance industry and policyholders, and the types of actions that have been taken since the crisis to help prevent or mitigate potential negative effects of future economic downturns on insurance companies and their policyholders.

Statistics published by the U. S. Department of Commerce (1980) indicate that in 1977 we spent 8. 1% of our gross national product (GNP) on life, health, property-casualty, and other forms of insurance. An additional 5. 7% was used to pay the Social Security tax, which is another form of insurance premium, for a total of 14. 8% of the GNP. \ Although insurance had its historical origin in marine insurance, it has now developed into one of the major industries of the American economy and extends into many areas of economic activity. One area where growth has been particularly strong is the medical sector. Health insurance is a major institution in all industrialized countries. It became a government responsibility in 1883 when Bismarck intro duced a compulsory program of health insurance for industrial workers in Germany. Programs for workers in various industrial and income categories soon followed in other European countries-Austria (1888), Hungary (1891), Norway (1909), Servia (1910), Great Britain (1911), and

Russia and Romania (1912) (Rubinow, 1913:250). Programs in these countries were extended in subsequent years, and other countries in Europe followed with their own programs. Consequently, today most industrial countries have universal or near-universal health insurance coverage. In the United States the issue of national health insurance has been seriously debated since just prior to World War I, and polling data since the 1930s show that a substantial majority of the public has been supportive of such a program (Erskine, 1975).

Covering over one-hundred topics on issues ranging from Law and Neuroeconomics to European Union Law and Economics to Feminist Theory and Law and Economics, The Oxford Handbook of Law and Economics is the definitive work in the field of law and economics. The book gathers together scholars and experts in law and economics to create the most inclusive and current work on law and economics. Edited by Francisco Parisi, the Handbook looks at the origins of the field of law and economics, tracks its progression and increased importance to both law and economics, and looks to the future of the field and its continued development by examining a cornucopia of fields touched by work in law and economics. The uniqueness of its breadth, depth, and convenience make the volume essential to scholars, students, and contributors in the field of law and economics.

Economic and financial research on insurance markets has undergone dramatic growth since its infancy in the early 1960s. Our main objective in compiling this volume was to achieve a wider dissemination of key papers in this literature. Their significance is highlighted in the introduction, which surveys major areas in insurance economics. While it was not possible to provide comprehensive coverage of insurance economics in this book, these readings provide an essential foundation to those who desire to conduct research and teach in the field. In particular, we hope that this compilation and our introduction will be useful to graduate students and to researchers in economics, finance, and insurance. Our criteria for selecting articles included significance, representativeness, pedagogical value, and our desire to include theoretical and empirical work. While the focus of the applied papers is on property-liability insurance, they illustrate issues, concepts, and methods that are applicable in many areas of insurance. The S. S. Huebner Foundation for Insurance Education at the University of Pennsylvania's Wharton School made this book possible by financing publication costs. We are grateful for this assistance and to J. David Cummins, Executive Director of the Foundation, for his efforts and helpful advice on the contents. We also wish to thank all of the authors and editors who provided permission to reprint articles and our respective institutions for technical and financial support.

Examines the growing role of services in the world economy