

**Department of Business and Economics, Centre of Health Economics Research (COHERE).**

**PhD course: Insurance Economics (with emphasis on health insurance)**

**Aim and content:** The aim of the course is to provide an overview and a basic understanding of insurance economics. Special attention will be given to health insurance, and for three reasons. First, it needs to be modelled in a way different from e.g. property/liability insurance; second, it induces all three types of moral hazard, i.e. ex ante, ex post, and dynamic; third, it is suspected to be subject to particularly marked adverse selection effects. The course aims at enabling participants to understand not only the peculiarities of the demand for insurance but also of insurance markets and their regulation. Topics covered: Demand for insurance with and without diversification possibilities; the supply of insurance; insurance markets and asymmetric information; regulation of insurance markets.

**Participants:** Ph.d. students. In case of vacant places also other health researchers. Max. 25 participants.

**Prerequisites:** Intermediate microeconomics; basic econometrics helpful.

**Course materials:** P. Zweifel and R. Eisen: Insurance economics. Springer Verlag, 2012. Journal articles.

**Form:** 3 days with 2\*2 hour forum lectures, combined with exercises and reading.

**Evaluation:** Compulsory home exercise.

**Language:** English.

**ECTS-credits:** 3

**Course director:** Professor Jørgen T. Lauridsen

**Teacher:** Professor Emeritus and Visiting Professor Peter Zweifel

**Dates:** May 22-24, 2013

**Place:** University of Southern Denmark, Odense

**Total course fee:** We expect to run the course without a fee. Course materials are not included. Participants are expected to buy the book by Zweifel and Eisen.

**Course secretary:** Centre of Health Economics Research (COHERE), Department of Business and Economics, University of Southern Denmark, Campusvej 55, DK-5230 Odense M. Att.: Helle Møller Jensen, phone 6550 3081.

**Registration:** Please sign up with Helle Møller Jensen, hmj@sam.sdu.dk, with information about your name, position, ph.d. project title, disciplinary background, and work place. Registration is accepted on a first come, first served basis. Please register before May 1<sup>st</sup> 2013.

**Detailed program:**

<b>Time</b>	<b>Topic</b>	<b>Reference</b>
May 22, 10-12	Demand for insurance <i>without</i> diversification possibilities I: The basic contingent claims model	ZE 3.2
May 22, 14-16	Demand for insurance <i>without</i> diversification possibilities II: Price and wealth effects	ZE 3.3
May 23, 10-12	Demand for insurance <i>with</i> diversification possibilities I: Internal diversification and diversification through the capital market as alternatives	ZE 4.1
May 23, 14-16	Insurance pricing based on the theory of finance: the Insurance CAPM	ZE 6.2
May 24, 10-12	Asymmetric information I: Moral hazard	ZE 7.2
May 24, 14-16	Asymmetric information II: Risk selection	ZE 7.3
Supplemental Topics (self study)	Demand for insurance <i>with</i> diversification possibilities II: The CAPM, basics of option pricing, and corporate demand for insurance	ZE 4.2, 4.3
Supplemental Topics (self study)	Elements of conventional premium calculation	ZE 6.1

\*) ZE =P. Zweifel/R. Eisen (2012), Insurance Economics, Heidelberg: Springer