Georg-August-Universität Göttingen **Module B.WIWI-VWL.0077: Risk and Insurance**	6 C 4 WLH

Learning outcome, core skills: Upon completion of the module, the students have acquired the following competencies: • students understand economic concepts of risk and uncertainty, different models of decision-making in risky environments, and the relevance of insurance solutions in an uncertain world, • they are familiar with how insurance markets work, in particular which role consumers and insurers play, and how their behavior sometimes deviates from classical models, • students are also aware of inherent incentive problems in insurance (in particular adverse selection and moral hazard), as well as potential solutions, and are competent to critically discuss policy-relevant issues in the field.	**Workload:** Attendance time: 56 h Self-study time: 124 h

Courses: **1. Risk and Insurance** (Lecture) *Contents*: 1. Introduction: Importance of Risk and Insurance for Individuals and the Economy 2. Risk and Uncertainty: The Economic Concept, Models and Measurement of Behavior 3. Insurance Demand: Understanding Consumer Behavior 4. Insurance Supply: Insurance Technology and Insurer Behavior 5. Information Asymmetries: Adverse Selection and Moral Hazard 6. Technology and New Insurance Models The lecture will also feature contributions by insurance practitioners.	2 WLH
2. Risk and Insurance (Exercise) *Contents*: In the exercise session, students increase and deepen the knowledge and skills gained during the lecture. There will be sufficient opportunity for group work and discussion.	2 WLH

Examination: Written examination (90 minutes) ! Risk and Insurance **Examination prerequisites:** Successfull participation in group work / exercises to be conducted as part of the course.	6 C

Examination requirements: • Students show that they understand both classical and more behavioral concepts of decision-making under risk and uncertainty, and what they imply for insurance demand, • besides demand, they prove their understanding of supply dynamics on insurance markets, how the two interact, which incentive problems exist, and how they can be solved in some cases, • students show that they are able to master basic economic models, explain market dynamics, and how behavioral "anomalies" might change these results,	

- based on empirical evidence, they can discuss the validity of models.

Admission requirements:	Recommended previous knowledge:
none	B.WIWI-OPH.0007 Microeconomics I,
	B.WIWI-VWL.0001 Microeconomics II,
	B.WIWI-OPH.0006 Statistics
Language:	**Person responsible for module:**
English	Jun.-Prof. Dr. Andreas Landmann
Course frequency:	**Duration:**
each summer semester	1 semester[s]
Number of repeat examinations permitted:	**Recommended semester:**
twice	3 - 6
Maximum number of students:	
not limited	