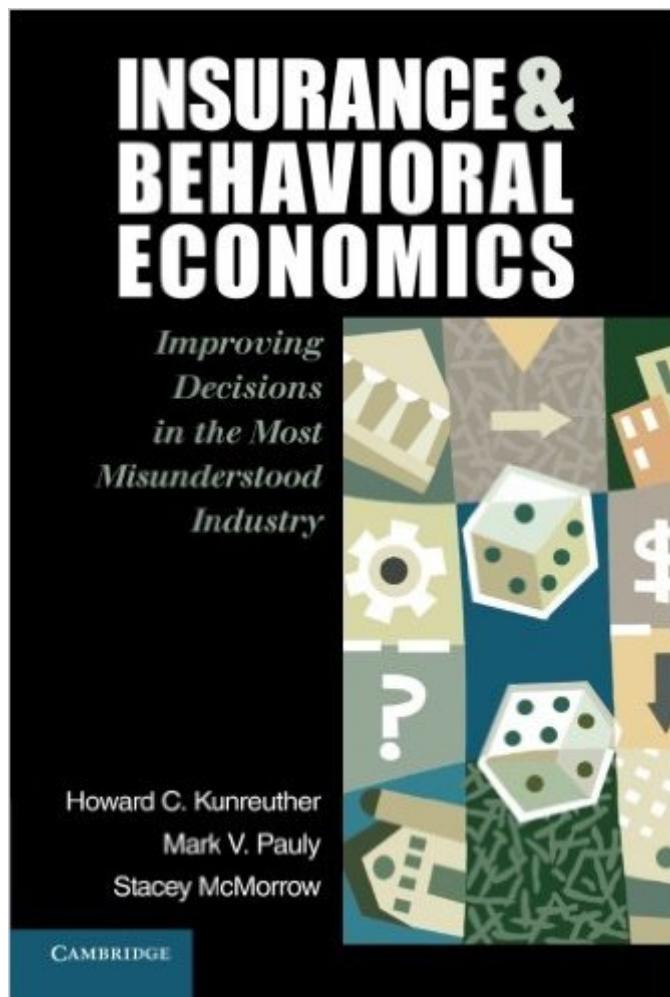


The book was found

# Insurance And Behavioral Economics: Improving Decisions In The Most Misunderstood Industry



## Synopsis

Insurance is an extraordinarily useful tool to manage risk. When it works as intended, it provides financial protection to individuals and a profitable business model for insurance firms and their investors. But it is broadly misunderstood by consumers, regulators, and insurance executives. This book looks at the behavior of individuals at risk, insurance industry decision makers, and policy makers at the local, state, and federal level involved in the selling, buying, and regulating of insurance. It compares their actions to those predicted by benchmark models of choice derived from classical economic theory. When actual choices stray from predictions, the behavior is considered to be anomalous. With considerable sums of money at stake, both in consumer premiums and insurance company payouts, it is important to understand the reasons for anomalous behavior. Howard Kunreuther, Mark Pauly, and Stacey McMorrow examine these anomalies through the lens of behavioral economics, which takes into account emotions, biases, and simplified decision rules. The authors then consider if and how such behavioral anomalies could be modified to improve individual and social welfare. This book is neither a defense of the insurance industry nor an attack on it. Neither is it a consumer guide to purchasing insurance, although the authors believe that consumers will benefit from the insights it contains. Rather, this book describes situations in which both public policy and the insurance industry's collective posture need to change. This may require incentives, rules, and institutions to help reduce both inefficient and anomalous behavior, thereby encouraging behavior that will improve individual and social welfare.

## Book Information

Paperback: 338 pages

Publisher: Cambridge University Press (January 28, 2013)

Language: English

ISBN-10: 0521608260

ISBN-13: 978-0521608268

Product Dimensions: 6 x 0.7 x 9 inches

Shipping Weight: 1 pounds (View shipping rates and policies)

Average Customer Review: 4.5 out of 5 starsÂ  See all reviewsÂ  (6 customer reviews)

Best Sellers Rank: #492,425 in Books (See Top 100 in Books) #90 inÂ  Books > Business & Money > Insurance > Business #200 inÂ  Books > Business & Money > Management & Leadership > Industrial #9116 inÂ  Books > Business & Money > Economics

## Customer Reviews

This book didn't dwell on the Behavioral Economics as much as I expected, but did present some thoughtful ideas on insurance and the management of insurance companies. A few to many times the authors thought of things as anomalies when a fine reason exists for things being done as they are.

A great read for those interested in Finance and the Insurance industry. Authors do a good job at allowing this to be read by all, including those outside of academia.

Very good book on behavioral economics for the insurance industry. I have read a lot of publications by Mr Kunreuther and really appreciated his contributions.

[Download to continue reading...](#)

Insurance and Behavioral Economics: Improving Decisions in the Most Misunderstood Industry  
INSURANCE: The Ultimate How-To Guide on Deciding What Insurance Is Right for You (Insurance, Insurance policies, AIG story, Risk Management, Coverage, Life insurance, Book 1) Car insurance book: A Complete Guide to Car insurance (Auto insurance book, Understanding your car insurance)  
Behavioral Risk Management: Managing the Psychology That Drives Decisions and Influences  
Operational Risk Nudge: Improving Decisions About Health, Wealth, and Happiness Nudge: Improving Decisions About Health, Wealth, and Happiness [Expanded Edition] Difficult Decisions in Colorectal Surgery (Difficult Decisions in Surgery: An Evidence-Based Approach) Impossible to Ignore: Creating Memorable Content to Influence Decisions: Creating Memorable Content to Influence Decisions The Natural Superiority of Mules: A Celebration of One of the Most Intelligent, Sure-Footed, and Misunderstood Animals in the World Among Wolves: Gordon Haber's Insights into Alaska's Most Misunderstood Animal The Secret Lives of Bats: My Adventures with the World's Most Misunderstood Mammals Social Media Explained: Untangling the World's Most Misunderstood Business Trend The Economics and Politics of Choice No-Fault Insurance (Huebner International Series on Risk, Insurance and Economic Security) Understanding the Insurance Industry: An overview for those working with and in one of the world's most interesting and vital industries. Life Insurance Made Easy: A Quick Guide - Whole Life Insurance Policy and Term Life Insurance Coverage Questions Answered 5 Things You Can Do Right Now to Lower Your Auto Insurance Premium: Making Sense of Insurance (Making Sense of Insurance Blog Post Book 3) Misbehaving: The Making of Behavioral Economics The Price of Fish: A New Approach to Wicked Economics and Better Decisions Levees and the National Flood Insurance Program: Improving Policies and Practices The E-Myth Insurance Store: Why Most Insurance Businesses Don't Work and What to

Do About It

[Dmca](#)