

Long-Term Care Insurance: Information Frictions and Selection

by Dr. Pierre-Carl Michaud

Thursday, January 16, 2020 | 4 PM to 6 PM EST

Armstrong Building, Room 370, McGill - 3420 rue McTavish , Montreal

For Remote Participation, please click [here](#)

Seminar Abstract: We conduct a stated-choice experiment where respondents are asked to rate various insurance products aimed to protect against financial risks associated with long-term care needs. Using exogenous variation in prices from the survey design and individual cost estimates, these stated choice probabilities are used to predict market equilibrium for long-term care insurance. We find that information frictions are pervasive. We measure the welfare losses associated with these three causes in a framework that also allows for selection. We show that information frictions reduce equilibrium take-up and lead to large welfare loss while selection plays little role.

Panel Discussion: Following the seminar, there will be a panel of disciplinary scientists from neuroscience, management, economics, and computational sciences.



Presenter: Pierre-Carl Michaud is a Professor in the Applied Economics Department of HEC Montréal. He holds the Research Chair in Intergenerational Economics, is the director of the Retirement and Savings Institute at HEC Montréal and a Research Associate of the NBER's Aging Program. His research aims to understand life-cycle behaviour along a number of dimensions including savings, insurance and pensions, as well as health investments and the economic consequences of demographic change. He has received funding from numerous organizations for this work and his research has been published in top journals in economics, demography and public health. In 2018, he received the Marcel-Dagenais Award from the Société canadienne de science économique (SCSE) for his research.



Panelist: Bassem Monla has over 34 years of professional experience in IT Business & Consultancy; he is now an Artificial Intelligence (AI) Subject Matter Expert at IBM and a Business Developer engaging regularly with companies who want to implement AI and Advanced Analytics solutions. Bassem constantly maintained a high level of scientific knowledge especially in the Information Technology, as well as in the different branches of Applied Mathematics. This same Applied Mathematics is coming to an age where in fusing with IT is bringing the new promise of Artificial Intelligence. Bassem had 25 years of rich experience as a serial entrepreneur from 1991 till 2015. Bassem is putting new technologies to work and he believes that applications in Advanced Analytics, Artificial Intelligence, Deep Learning, Internet of Things (IoT), Blockchain & Cloud are countless and will ultimately transform all business sectors and will have major societal impacts.

Panelist: Dilip Soman (@dilipsoman) is a Canada Research Chair in Behavioural Sciences and Economics at the University of Toronto's Rotman School of Management. He serves as the director of the university's Behavioural Economics in Action [BEAR] research centre, and the project director of the SSHRC funded partnership "Behaviourally Informed Organizations." He has degrees in engineering, business and behavioural science. His research is in the area of behavioural science and its applications to wellbeing. His other interests include travel, cricket, Star Trek and procrastination.



Panelist: Joanna Castellano is an international business and behavioural insights leader who does work for leading Fortune 500 companies in North America, UK, Europe and Asia. Joanna is the founder and President of Q:Quest Inc., an organization whose primary focus is to offer innovative solutions to critical business issues, through the use of a unique combination of leading edge innovation and neuro-linguistic modelling, cognitive behavioural methodologies and AI.



Joanna holds a B.Sc. in Microbiology and Immunology, and an MBA in Finance and Marketing (behavioral model building) from McGill University. She holds a CMRP (Certified Marketing Research Professional) designation and is a certified Master Practitioner of NLP (Neuro-Linguistic Programming) and Executive NLP (with Neuroscience) Coach and has mastered the LAB (Language and Behavior) profile. She sits on the advisory board of the McGill Center for Convergence of Health and Economics and is an active advisor to start ups across several sectors such as

healthcare, pharma, food and beverages.

Panelist: Jean Charles Dupuis joined IBM Services as an Associate Partner and specialist of the Insurance sector for Quebec. Jean Charles has more than 25 years of experience in the field of Insurance technologies and call centres. He contributed to the growth and transformation of MelocheMonnex into a direct insurer model, today called TD Insurance.



He defined the technology strategy and roadmap as CIO of Dale Parizeau Morris Mackenzie and implemented the client's CRM 360 vision, bringing together customer view from Personal Insurance, Commercial Insurance and Life & Health Insurance under a unified Customer experience.

He is also gained experience in automobile claims management as CIO of Lebeau vitres d'autos, and in the collision repair industry as COO Fix Auto Canada. He has carried out several mandates integrating insurance systems, conversions and migrate to new technologies in a franchised network operation.

Jean Charles is a senior business and technology consultant with a strong approach to customer service and excellent business acumen. He has carried out numerous projects for the implementation of new customer service models and best practices in large contact centres including change management, systems architecture and business processes automation.

Well connected to the business needs of his clients, Jean Charles completed P & C insurance certification from the AMF and also completed his certification in Wealth management planning and securities.