

Appendix (Not for Publication)  
to  
The Nature of Risk Preferences:  
Evidence from Insurance Choices

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**Table A.1: Summary of Premium Menus - Auto Collision****Core Sample (4170 Households)**

	Deductible Choice					
	\$100	\$200	\$250	\$500	\$1000	All
Mean annual premium for coverage with \$500 deductible	110	129	146	189	255	180
Standard deviation	54	54	66	96	168	100
Mean cost of decreasing deductible from \$500 to \$250	33	38	44	57	77	54
Standard deviation	17	17	20	29	52	31
Mean savings from increasing deductible from \$500 to \$1000	24	29	33	43	58	41
Standard deviation	12	12	15	22	39	23
Number of households	42	559	467	2822	280	4170

Note: All values in dollars, except number of households.

**Table A.2: Summary of Premium Menus - Auto Comprehensive****Core Sample (4170 Households)**

	Deductible Choice					
	\$50	\$100	\$200	\$250	\$500	\$1000
Mean annual premium for coverage with \$500 deductible	61	70	92	98	136	258
Standard deviation	27	33	43	41	71	247
Mean cost of decreasing deductible from \$500 to \$250	16	18	24	26	36	68
Standard deviation	7	9	11	11	19	66
Mean savings from increasing deductible from \$500 to \$1000	12	14	18	19	27	51
Standard deviation	5	7	9	8	14	49
Number of households	216	171	1397	440	1795	151

Note: All values in dollars, except number of households.

**Table A.3: Summary of Premium Menus - Home****Core Sample (4170 Households)**

	Deductible Choice					
	\$100	\$250	\$500	\$1000	\$2500	\$5000
Mean annual premium for coverage with \$500 deductible	366	520	631	972	2218	3366
Standard deviation	113	218	308	593	2289	1808
Mean cost of decreasing deductible from \$500 to \$250	31	42	52	80	183	275
Standard deviation	6	18	26	48	201	140
Mean savings from increasing deductible from \$500 to \$1000	41	57	69	107	244	368
Standard deviation	8	23	34	64	268	188
Number of households	36	1239	2166	664	50	15

Note: All values in dollars, except number of households.

**Table A.4: Claim Rate Regressions - Auto**  
**Poisson Panel Regression Model with Random Effects**  
**Full Data Set (1,348,020 Household-Year Records )**

	Collision		Comprehensive	
	Coef	Std Err	Coef	Std Err
Constant	-6.7646 **	0.0616	-7.9277 **	0.1057
Driver 2 Indicator	-0.0485	0.0593	-0.3542 **	0.1022
Driver 3+ Indicator	0.3215 **	0.0733	-0.1261	0.1201
Vehicle 2 Indicator	0.5991 **	0.0466	0.6502 **	0.0782
Vehicle 3+ Indicator	0.7312 **	0.0596	0.8766 **	0.0937
Young Driver	-0.0058	0.0296	0.0895 **	0.0453
Driver 1 Age	-0.0210 **	0.0015	0.0113 **	0.0029
Driver 1 Age Squared	0.0002 **	0.0000	-0.0002 **	0.0000
Driver 1 Female	0.1040 **	0.0093	-0.0672 **	0.0168
Driver 1 Married	0.0630 **	0.0111	0.0640 **	0.0201
Driver 1 Divorced	0.0186	0.0141	0.0914 **	0.0247
Driver 1 Separated	0.0392	0.0256	0.0791	0.0428
Driver 1 Single	.	.	.	.
Driver 1 Widowed	0.0031	0.0160	-0.0170	0.0335
Vehicle 1 Age	-0.0354 **	0.0019	-0.0286 **	0.0030
Vehicle 1 Age Squared	-0.0006 **	0.0001	0.0000	0.0002
Vehicle 1 Business	.	.	.	.
Vehicle 1 Farm	-0.2575 **	0.0872	0.0206	0.1194
Vehicle 1 Pleasure	-0.1094 **	0.0306	-0.1118 **	0.0526
Vehicle 1 Work	-0.0831 **	0.0304	-0.0620	0.0523
Vehicle 1 Passive Restraint	-0.1087 **	0.0239	-0.0858 **	0.0352
Vehicle 1 Anti-Theft	0.0754 **	0.0078	0.0735 **	0.0136
Vehicle 1 Anti-Lock	0.0581 **	0.0080	0.0729 **	0.0139
Driver 2 Age	0.0115 **	0.0024	0.0181 **	0.0042
Driver 2 Age Squared	-0.0001 **	0.0000	-0.0001 **	0.0000
Driver 2 Female	0.1204 **	0.0151	-0.0376	0.0257
Driver 2 Married	-0.0835 **	0.0191	-0.0408	0.0326
Driver 2 Divorced	-0.1579	0.1027	-0.1347	0.1636
Driver 2 Separated	0.0254	0.2130	0.1796	0.3226
Driver 2 Single	.	.	.	.
Driver 2 Widowed	-0.0802	0.1383	-1.1835 **	0.3864
Vehicle 2 Age	-0.0332 **	0.0016	-0.0229 **	0.0027
Vehicle 2 Age Squared	0.0004 **	0.0001	0.0002 **	0.0001
Vehicle 2 Business	.	.	.	.
Vehicle 2 Farm	-0.1703	0.1056	-0.1345	0.1500
Vehicle 2 Pleasure	-0.1805 **	0.0380	-0.0563	0.0663
Vehicle 2 Work	-0.1670 **	0.0381	0.0119	0.0664
Vehicle 2 Passive Restraint	-0.0428 **	0.0201	-0.0875 **	0.0294
Vehicle 2 Anti-Theft	0.0547 **	0.0103	0.0385 **	0.0171
Vehicle 2 Anti-Lock	0.0317 **	0.0105	0.0199	0.0170
Driver 1 Credit Score	-0.0017 **	0.0000	-0.0013 **	0.0001
Driver 1 Previous Accident	0.0913 **	0.0156	0.0756 **	0.0277
Driver 1 Previous Convictions	0.1476	0.0888	0.0648	0.1670
Driver 1 Previous Reinstated	0.0170	0.0558	0.0003	0.0996
Driver 1 Previous Revocation	-0.0218	0.1456	0.3156	0.1967
Driver 1 Previous Suspension	0.0463	0.0564	0.0125	0.1026
Driver 1 Previous Violation	0.0827 **	0.0093	0.0577 **	0.0161
Year Dummies		Yes		Yes
Territory Codes		Yes		Yes
Variance ( $\phi$ )	0.2242 **	0.0065	0.5661	0.0198
Loglikelihood		-399,318		-169,817

\*\* Significant at 5 percent level.

**Table A.5: Claim Rate Regression - Home**  
**Poisson Panel Regression Model with Random Effects**  
**Full Data Set (1,265,229 Household-Year Records )**

	Coef	Std Err
Constant	-7.3642 **	0.0978
Dwelling Value	0.0000 **	0.0000
Home Age	0.0016 **	0.0006
Home Age Squared	0.0000 **	0.0000
Number of Families	-0.0021	0.0023
Distance to Hydrant	0.0000	0.0000
Alarm Discount	0.2463 **	0.0195
Protection Devices	-0.1852 **	0.0239
Farm/Business	0.1044 **	0.0242
Primary Home	0.4832 **	0.0819
Owner Occupied	0.2674 **	0.0419
Construction: Fire Resist	0.1525	0.1342
Construction: Masonry	0.0751 **	0.0172
Construction: Masonry/Veneer	0.0755 **	0.0252
Construction: Frame	.	.
Credit Score	-0.0026 **	0.0000
Year Dummies		Yes
Protection Classes		Yes
Territory Codes		Yes
Variance ( $\phi$ )	0.4514 **	0.0086
Loglikelihood	-347,278	

\*\* Significant at 5 percent level.

**Table A.6: Model 3 Estimates**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-8.61 **	0.21	-17.00 **	4.24	-0.34 **	0.01
Driver 1 age	-0.64 **	0.11	0.77	3.44	-0.07 **	0.01
Driver 1 age squared	0.02	0.07	-0.26	2.45	0.01	0.00
Driver 1 female	-0.11	0.07	0.79	1.03	-0.02 **	0.01
Driver 1 single	0.14	0.09	-0.81	1.59	0.01	0.01
Driver 1 married	-0.09	0.15	-0.50	1.07	0.00	0.01
Driver 1 credit score	0.03	0.07	-0.98	1.26	-0.06 **	0.01
Driver 2 indicator	0.41	0.28	5.71 **	1.15	0.03	0.02
Home value	-1.20 **	0.10	0.12	0.23	0.00	0.00
			<b>Coef</b>	<b>Std Err</b>		
σ			2.45 **	0.07		
<b>Parameter mean</b>	0.0003803		0.0000		0.730	
<b>Parameter median</b>	0.0002531		0.0000		0.723	

Note: Each variable z is normalized as  $(z - \text{mean}(z))/\text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.7: Model 4 Estimates**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-3.48	2.60	-14.97 **	2.24	-0.41 **	0.01
Driver 1 age	-6.76 **	3.21	-0.79	6.25	-0.05 **	0.01
Driver 1 age squared	-1.28	1.02	-1.12	5.79	0.01 **	0.00
Driver 1 female	-0.37 **	0.16	-1.24	1.80	-0.02 **	0.01
Driver 1 single	-0.12	0.21	-2.91	6.25	0.00	0.01
Driver 1 married	-0.44	0.32	2.60	4.99	0.00	0.01
Driver 1 credit score	0.10	0.17	0.89	3.67	-0.06 **	0.00
Driver 2 present	0.43	0.53	-0.54	3.54	0.03 *	0.01
			<b>Coef</b>	<b>Std Err</b>		
σ			2.89 **	0.05		
<b>Parameter mean</b>	0.000069		0.0000		0.687	
<b>Parameter median</b>	0.0000003		0.0000		0.678	

Note: Each variable z is normalized as  $(z - \text{mean}(z))/\text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.8: Model 5 Estimates**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-3.93 **	0.62	-19.65 **	3.01	-0.41 **	0.01
Driver 1 age	-7.09 **	0.58	-0.89	10.67	-0.05 **	0.01
Driver 1 age squared	-1.34 **	0.28	-9.95	7.02	0.01 **	0.00
Driver 1 female	-0.40 **	0.18	1.09	2.04	-0.02 **	0.01
Driver 1 single	-0.11	0.24	-0.47	1.09	0.00	0.01
Driver 1 married	-0.42	0.34	-3.96	4.78	0.00	0.01
Driver 1 credit score	0.07	0.17	0.30	1.44	-0.06 **	0.01
Driver 2 indicator	0.35	0.52	0.15	1.72	0.02 **	0.00
Home value	0.03	0.14	1.34 **	0.35	0.02	0.02
			<b>Coef</b>	<b>Std Err</b>		
σ			2.89 **	0.05		
<b>Parameter mean</b>	0.0000619		0.0001		0.684	
<b>Parameter median</b>	0.0000002		0.0000		0.675	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.9: Model 2u Estimates**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-7.37 **	0.17	-17.00 **	2.04	-0.23 **	0.01
Driver 1 age	-0.98 **	0.13	-4.42	4.49	-0.10 **	0.01
Driver 1 age squared	0.11	0.08	-9.87 **	1.56	0.01 *	0.01
Driver 1 female	0.16 *	0.10	-5.40 **	2.21	0.01	0.01
Driver 1 single	-0.02	0.11	0.31	1.56	0.00	0.01
Driver 1 married	0.19	0.15	4.75	2.97	0.01	0.01
Driver 1 credit score	-0.09	0.09	-0.85	3.24	-0.07 *	0.01
Driver 2 indicator	-0.32	0.22	1.07	1.67	0.01	0.02
			<b>Coef</b>	<b>Std Err</b>		
σ			3.14 **	0.08		
<b>Parameter mean</b>	0.001046		0.0001		0.817	
<b>Parameter median</b>	0.0005689		0.0000		0.086	

Note: Each variable z is normalized as  $(z - \text{mean}(z))/\text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.10: Model 5u Estimates**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	3.87 **	0.25	-22.52 **	3.12	-0.27 **	0.01
Driver 1 age	-1.55 **	0.18	8.70 **	1.84	-0.10 **	0.01
Driver 1 age squared	0.00	0.11	-12.80 **	4.44	0.02 **	0.01
Driver 1 female	-0.22 **	0.10	0.24	2.12	-0.02 **	0.01
Driver 1 single	-0.09	0.11	-0.90	2.85	-0.01	0.01
Driver 1 married	0.20	0.16	-2.91	3.12	0.00	0.01
Driver 1 credit score	0.06	0.09	1.87	2.86	-0.06 **	0.01
Driver 2 indicator	-0.64 **	0.30	-1.15	1.34	0.00	0.02
Home value	-0.02	0.06	-1.99 **	0.74	-0.01 **	0.00
			<b>Coef</b>	<b>Std Err</b>		
σ			3.34 **	0.10		
<b>Parameter mean</b>	0.0007313		0.0000		0.785	
<b>Parameter median</b>	0.0002334		0.0000		0.767	

Note: Each variable z is normalized as  $(z - \text{mean}(z))/\text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.11: Model 2 with Cumulative Form of Rank Dependence**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-13.99 **	1.98	-11.67 **	4.14	-0.37 **	0.01
Driver 1 age	-3.97 **	0.87	1.43	1.33	-0.04 **	0.00
Driver 1 age squared	-0.76 **	0.38	-5.03 **	2.09	0.00	0.00
Driver 1 female	0.22	0.19	-0.08	1.06	-0.01 **	0.00
Driver 1 single	0.01	0.17	-1.33	1.05	0.00	0.01
Driver 1 married	-1.71	1.97	0.69	1.04	-0.01	0.01
Driver 1 credit score	0.49 **	0.22	1.61	1.81	-0.04 **	0.00
Driver 2 indicator	-5.05	4.69	-2.07	1.24	0.02	0.01
			<b>Coef</b>	<b>Std Err</b>		
σ			3.25 **	0.06		
<b>Parameter mean</b>	0.0000298		0.0000		0.698	
<b>Parameter median</b>	0.0000000		0.0000		0.695	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.12: Model 5 with Cumulative Form of Rank Dependence**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-8.06 *	4.70	-12.45 **	1.32	-0.38 **	0.01
Driver 1 age	-4.91 **	2.02	0.27	1.00	-0.04 **	0.00
Driver 1 age squared	-0.86	0.74	-1.35	1.12	0.00	0.00
Driver 1 female	-0.12	0.27	-0.43	1.03	-0.01 **	0.01
Driver 1 single	-0.12	0.23	-0.29	1.01	0.00	0.01
Driver 1 married	-6.45 **	3.19	0.40	3.71	-0.01	0.01
Driver 1 credit score	0.34	0.34	0.14	1.04	-0.04 **	0.00
Driver 2 indicator	-7.67 **	2.34	0.38	1.01	0.02	0.01
Home value	0.46 **	0.13	-0.12	1.02	0.01 **	0.00
			<b>Coef</b>	<b>Std Err</b>		
σ			3.26 **	0.05		
<b>Parameter mean</b>	0.0000242		0.0000		0.695	
<b>Parameter median</b>	0.0000000		0.0000		0.693	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.13: Model 2 with Tversky and Kahneman (1992) Probability Weighting Function and Cumulative Form of Rank Dependence**

Core Sample (4170 Households)						
	r		λ		δ	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-15.63 **	1.42	-21.00 **	4.13	-0.45 **	0.01
Driver 1 age	-2.16 **	0.25	15.17 **	4.80	-0.03 **	0.01
Driver 1 age squared	-1.40	0.52	-5.13 **	1.85	-0.03 **	0.01
Driver 1 female	-0.80	0.52	-0.21	0.42	-0.03 **	0.01
Driver 1 single	-0.27	0.30	-0.83	0.97	0.00	0.01
Driver 1 married	-3.08 **	1.19	-1.99 **	0.42	-0.01	0.01
Driver 1 credit score	2.57 **	0.61	0.17	0.19	-0.04 **	0.01
Driver 2 indicator	-0.93	2.35	10.01 **	3.91	-1.12 **	0.02
			Coef	Std Err		
σ			3.09 **	0.05		
<b>Parameter mean</b>	0.0000830		0.0212		0.438	
<b>Parameter median</b>	0.0000000		0.0000		0.556	

Note: Each variable  $z$  is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.14: Model 2 with Linear Probability Weighting Function**

Core Sample (4170 Households)						
	r		λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-12.03 **	0.51	-11.11 **	2.81	-0.31 **	0.01
Driver 1 age	-0.56 **	0.16	3.90	4.19	-0.03 **	0.00
Driver 1 age squared	0.97 **	0.09	-6.49 **	2.85	0.01 **	0.00
Driver 1 female	-0.16	0.17	1.66	1.60	-0.01 **	0.00
Driver 1 single	0.00	0.23	0.32	6.30	0.00	0.00
Driver 1 married	-0.47 **	0.42	0.80	3.70	0.00	0.01
Driver 1 credit score	0.05 **	0.18	0.81	3.72	-0.04 **	0.00
Driver 2 indicator	-6.67 **	1.10	-2.20	2.80	0.01	0.01
			Coef	Std Err		
σ			2.91 **	0.05		
<b>Parameter mean</b>	0.0000352		0.0000		0.740	
<b>Parameter median</b>	0.0000075		0.0000		0.736	

Note: Each variable  $z$  is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.15: Model 2 with Lattimore et al. (1992) Probability Weighting Function  
Core Sample (4170 Households)**

	r		$\Lambda$		a		$\delta$	
	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-18.91 **	2.18	-12.73 **	1.00	1.42 **	0.08	-1.39 **	0.07
Driver 1 age	-1.87 *	1.07	0.04	0.99	-0.17 **	0.04	0.08 *	0.04
Driver 1 age squared	-0.20	0.42	-0.01	1.00	0.11 **	0.03	-0.09 **	0.03
Driver 1 female	0.26 **	0.10	-0.03	1.00	0.03	0.05	-0.07	0.05
Driver 1 single	0.16	0.10	0.02	1.00	0.07	0.05	-0.06	0.06
Driver 1 married	-8.70 **	2.08	-0.01	1.00	-0.12 *	0.07	0.08	0.07
Driver 1 credit score	0.03	0.09	-0.01	1.00	-0.12 **	0.03	0.08 **	0.03
Driver 2 indicator	-0.40	1.03	0.01	1.00	0.03	0.11	0.01	0.11
			<b>Coef</b>	<b>Std Err</b>				
$\sigma$			3.55	**	0.06			
<b>Parameter mean</b>	0.0000864		0.0000		4.996		0.235	
<b>Parameter median</b>	0.0000000		0.0000		4.954		0.230	

Note: Each variable  $z$  is normalized as  $(z - \text{mean}(z))/\text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.16: Model 3 with CARA Utility  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-7.34 **	0.05	-11.40	17.94	-0.21 **	0.03
Driver 1 age	-0.07 **	0.02	-0.55	1.00	-0.09 **	0.01
Driver 1 age squared	0.18 **	0.02	-0.20	1.01	0.06 **	0.01
Driver 1 female	0.09 **	0.02	0.00	1.02	0.00	0.01
Driver 1 single	0.05 **	0.02	0.25	1.00	0.03 **	0.01
Driver 1 married	0.07	0.04	-0.68	1.00	0.04	0.02
Driver 1 credit score	-0.04	0.03	0.17	1.01	-0.09 **	0.01
Driver 2 indicator	-0.35 **	0.07	0.61	1.00	-0.10 **	0.04
Home value	-0.06 **	0.00	-0.04	1.00	0.21 **	0.01
			<b>Coef</b>	<b>Std Err</b>		
σ			6.57 **	0.24		
<b>Parameter mean</b>	0.0007058		0.0000		0.884	
<b>Parameter median</b>	0.0006769		0.0000		0.794	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.17: Model 2 - At Most One Claim  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-13.80 **	2.30	-19.72 **	2.49	-0.47 **	0.01
Driver 1 age	-4.62 **	1.25	-0.56	1.66	-0.06 **	0.01
Driver 1 age squared	-1.00 **	0.49	-7.03 *	3.73	0.00	0.01
Driver 1 female	0.24	0.20	-1.41	2.14	-0.02 **	0.01
Driver 1 single	-0.02	0.18	-0.02	1.03	0.00	0.01
Driver 1 married	-1.54	2.21	4.12 **	1.54	-0.01	0.01
Driver 1 credit score	0.39	0.24	-0.86	1.12	-0.05 **	0.01
Driver 2 indicator	-6.12	6.10	-3.13	2.74	0.02	0.02
			<b>Coef</b>	<b>Std Err</b>		
σ			3.16 **	0.05		
<b>Parameter mean</b>	0.0000461		0.0000		0.637	
<b>Parameter median</b>	0.0000000		0.0000		0.633	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.18: Model 5 - At Most One Claim  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-3.87	3.60	-27.16 **	2.80	-0.48 **	0.01
Driver 1 age	-7.29 *	4.42	-11.04 **	1.88	-0.06 **	0.01
Driver 1 age squared	-1.44	1.38	-6.41 **	1.96	0.01 **	0.01
Driver 1 female	-0.37 **	0.18	9.11 **	1.19	-0.02 **	0.01
Driver 1 single	-0.19	0.24	6.32 **	2.11	0.00	0.01
Driver 1 married	-0.45	0.37	11.60 **	2.13	0.00	0.01
Driver 1 credit score	0.10	0.18	1.94 **	0.88	-0.05 **	0.01
Driver 2 indicator	0.30	0.56	-12.63 **	1.71	0.02 **	0.02
Home value	0.02	0.14	2.43 **	0.41	0.01	0.00
			<b>Coef</b>	<b>Std Err</b>		
σ			3.15 **	0.06		
<b>Parameter mean</b>	0.0000644		0.0014		0.637	
<b>Parameter median</b>	0.0000002		0.0000		0.630	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.19: Model 2 Without Extreme Deductibles  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-11.85 **	1.47	-21.49	14.72	-0.45 **	0.01
Driver 1 age	-3.59 *	1.85	0.53	8.25	-0.09 **	0.01
Driver 1 age squared	-0.57	0.60	-15.34	12.03	0.02 **	0.01
Driver 1 female	-0.08	0.13	1.67	9.88	-0.01 *	0.01
Driver 1 single	0.24	0.22	1.95	14.84	0.01	0.01
Driver 1 married	-0.14	0.30	-0.94	24.75	-0.01	0.01
Driver 1 credit score	0.02	0.13	1.58	2.77	-0.06 **	0.01
Driver 2 indicator	0.21	0.46	10.42	12.90	0.02	0.02
			<b>Coef</b>	<b>Std Err</b>		
σ			2.46 **	0.07		
<b>Parameter mean</b>	0.0001114		0.0001		0.668	
<b>Parameter median</b>	0.0000094		0.0000		0.653	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.20: Model 2 - Auto Collision Only**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-6.82 **	0.14	-11.72	39.66	-0.20 **	0.02
Driver 1 age	-0.43 **	0.08	1.83	2.89	-0.01	0.01
Driver 1 age squared	0.01	0.06	-5.92 **	2.73	0.01	0.01
Driver 1 female	0.15 **	0.07	0.94	5.40	0.02 *	0.01
Driver 1 single	-0.08	0.07	-0.39	7.81	-0.01	0.01
Driver 1 married	0.10	0.09	1.48	1.84	0.00	0.01
Driver 1 credit score	0.15 *	0.08	0.93	8.39	-0.03 **	0.01
Driver 2 indicator	0.16	0.17	-1.73	3.33	0.10 **	0.02
			<b>Coef</b>	<b>Std Err</b>		
σ			3.26 **	0.12		
<b>Parameter mean</b>	0.0012839		0.0000		0.869	
<b>Parameter median</b>	0.0011647		0.0000		0.867	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.21: Model 2 - Auto Comprehensive Only**  
**Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-6.70 **	0.20	-10.39 **	2.82	-0.37 **	0.02
Driver 1 age	-0.21 **	0.08	1.44	2.54	-0.09 **	0.01
Driver 1 age squared	0.18 **	0.06	-2.17	12.66	-0.01	0.01
Driver 1 female	0.28	0.07	0.11	2.16	0.02 **	0.01
Driver 1 single	0.02	0.09	1.16	3.52	-0.02 *	0.01
Driver 1 married	-0.09 **	0.14	0.02	1.12	-0.02	0.02
Driver 1 credit score	-0.01	0.09	0.07	12.33	-0.03 **	0.01
Driver 2 indicator	0.06	0.26	-0.93	1.18	0.03	0.03
			<b>Coef</b>	<b>Std Err</b>		
σ			4.23 **	0.20		
<b>Parameter mean</b>	0.0016726		0.0000		0.692	
<b>Parameter median</b>	0.0014480		0.0000		0.696	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.

**Table A.22: Model 2 - Home All Perils Only  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-11.29 **	0.53	-22.00 **	5.92	-0.40 **	0.02
Driver 1 age	-0.51 **	0.18	14.98 **	5.79	-0.07 **	0.01
Driver 1 age squared	0.96 **	0.17	-6.08 **	2.82	0.02 **	0.01
Driver 1 female	0.26	0.19	4.08	2.86	-0.02 **	0.01
Driver 1 single	-0.05	0.20	-2.22	1.70	0.01	0.01
Driver 1 married	-0.49	0.39	1.41 **	0.70	0.00	0.02
Driver 1 credit score	0.17	0.23	-5.67 **	1.65	-0.08 **	0.01
Driver 2 indicator	-10.29	26.66	-6.15	4.72	-0.02	0.03
			<b>Coef</b>	<b>Std Err</b>		
σ			1.83 **	0.05		
<b>Parameter mean</b>	0.0000749		0.0064		0.684	
<b>Parameter median</b>	0.0000174		0.0000		0.668	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

**Table A.23: Model 2 with Coverage-Specific Choice Noise  
Core Sample (4170 Households)**

	r		Λ		α	
	Coef	Std Err	Coef	Std Err	Coef	Std Err
Constant	-9.21 **	0.26	-18.51	29.42	-0.40 **	0.01
Driver 1 age	-0.72 **	0.15	0.01	0.99	-0.04 **	0.01
Driver 1 age squared	0.19 *	0.11	-6.22	21.34	0.00	0.00
Driver 1 female	0.23 **	0.11	-0.06	1.01	0.00	0.01
Driver 1 single	-0.02	0.11	0.53	2.21	0.00	0.01
Driver 1 married	-0.24	0.22	1.33	4.99	-0.01	0.01
Driver 1 credit score	0.37 **	0.10	1.18	4.26	-0.04 **	0.00
Driver 2 indicator	-9.01	11.93	-3.53	12.45	0.00	0.02
σ	1.64 **	0.05	3.98 **	0.11	4.79 **	0.16
<b>Parameter mean</b>	0.0001132		0.0000		0.678	
<b>Parameter median</b>	0.0000699		0.0000		0.676	

Note: Each variable z is normalized as  $(z - \text{mean}(z)) / \text{stdev}(z)$ .

\*\* Significant at 5 percent level.

\* Significant at 10 percent level.