

ADVERSE SELECTION

ASSIGNMENT 1.

- No vehicle may travel on Italian roads without being covered by **third party liability insurance**. It is mandatory for a vehicle owner to take out insurance against personal injury and material damage caused by their vehicle.

AUTOMOBILE INSURANCE IS



MANDATORY FOR ALL ITALIAN
CAR OWNERS

ADVERSE SELECTION

ASSIGNMENT 1.

- In Italy the risk of earthquake of high intensity is not the same for the different regions. The highest seismicity is documented in the central-southern peninsula.

Quakes of higher intensity have never struck the Piemonte, a portion of Lombardia and Alto Adige, the Tyrrhenian coast from Versilia to the Volturno River the Adriatic coast south of Ancona (excluding Gargano) and Salento.

Sardinia has never been struck by an earthquake.

 THE EARTHQUAKE INSURANCE SHOULD BE
MANDATORY FOR ALL ITALIAN CITIZENS

ADVERSE SELECTION

ASSIGNMENT 1.

WHY?

Try to explain and remember that we are talking about ADVERSE SELECTION

ADVERSE SELECTION

ASSIGNMENT 2.

- Why **brand names goods** deserve so much consideration?

PERONI BEER: When it was bought by the south African corporation SabMiller, it was supplied as Peroni. Now Peroni has been sold to the Japanese corporation ASAHI, and it is still supplied on the national and international markets as Peroni

ADVERSE SELECTION

ASSIGNMENT 2.

- **Chains (hotel chains or restaurant chains):**

These restaurants most often appear on interurban highways. The costumers are very seldom local but are drivers who often stop just once (or twice, or in any case very seldom)

ADVERSE SELECTION

ASSIGNMENT 2.

WHY?

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ADVERSE SELECTION AND CREDIT RATIONING

ASSIGNMENT 3

- **Environmental Innovations (EIs)** = all those innovations that reduce the environmental impact of consumption and production activities

EIs are less known and less widespread than traditional dirty innovations

EIs are still perceived by investors as an immature sector with unknown markets and business models, compared to other sectors deemed as more mature

ADVERSE SELECTION AND CREDIT RATIONING

ASSIGNMENT 3

- Some studies show that, even in presence of high demand from the market, banks and credit institutions are reluctant to give credit to firms for their investments in EI, even at higher interest rate.

WHY?

Try to explain and remember that we are talking about ADVERSE SELECTION AND CREDIT RATIONING