Abstract

This thesis presents the different kinds of market equilibria in a theoretical framework, based on the most used models in the context of quantitative insurance modelling. Starting from a basic model with perfect information, we extend it by allowing for asymmetric information between the insurer and the insurance seekers with respect to an individual's risk type (high risk or low risk). This makes insurance contracts more realistic and thus easier to study empirically. With the introduction of screening contracts, we further differentiate between low risks with high disutility from revealing private information and those with corresponding low disutility. The welfare in terms of an individual's utility buying this contract can be increased, while those not willing to share private information by choosing the screening contract are faced with a potential loss in utility, whose effect is based on the market situation. Since insurers have been starting to introduce and extend such screening contracts, they have also become relevant for real insurance markets in the last years. Thus, they are now of a likewise importance in theoretical insurance modelling.