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Results of the survey on

"Italians' insurance knowledge and behaviour".

by Professor Riccardo Viale

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In 2018, as part of its activities on insurance education, IVASS decided to commission a project for the creation and administration of an insurance literacy test to a representative sample of the Italian population.

The project, funded by the Ministry of Economic Development, aims to define a methodology for measuring insurance knowledge and behaviour, the results of which can be used to guide the Institute's actions on insurance education and to measure their results over time, in close collaboration with the Committee for the planning and coordination of financial education activities.

In addition to the definition of the conceptual model of the research and the consequent elaboration of the questionnaire, the project envisaged the administration of the latter through in-person interviews, the analysis of the results and the drafting of the final report. The implementation was entrusted by public call at the end of 2019 to the Temporary Grouping of Companies formed by the University of Milan - Bicocca and the company DOXA.

The scientific head of the research is Prof. Riccardo Viale, Full Professor of Behavioural Sciences and Cognitive Economics at that University.

ITALIANS' INSURANCE KNOWLEDGE AND BEHAVIOUR: THE RESULTS OF THE 2021 SURVEY [1]

SURVEY RESULTS

Summary

The survey on the insurance knowledge and behaviour of Italians aims to fill the absence in the international panorama of a system to measure the level of insurance knowledge of the population as well as to predict - by virtue of the cognitive-behavioural and psychometric approach adopted - insurance behaviour and to provide the basis for the identification of the most effective strategies to promote insurance culture.

The questionnaire produced consists of 54 questions grouped into 5 areas:

- ✓ **Insurance self-profile**: 8 questions aimed at a self-assessment of skills possessed;
- ✓ **Insurance knowledge:** 15 questions aimed at capturing basic knowledge about insurance mechanisms and the coverage offered by various products;
- ✓ **Risk perception and risk propensity:** 2 questions;
- ✓ **Risk assessment, probability calculation, *decision making* in insurance:** 16 questions, of which 6 questions were designed to test probabilistic reasoning skills, 4 questions were designed to test risk assessment skills, and 6 questions were designed to test decision making factors;
- ✓ **Communication and relationship with companies/intermediaries**: 13 questions aimed at understanding essentially how the process of underwriting policies takes place and on what elements it is based (channel used, choices made autonomously or at the proposal of companies/intermediaries; level of trust placed in insurance

[1] The research was carried out by Prof. Riccardo Viale, Prof. Laura Macchi and Dr. Veronica Cucchiarini of the University of Milan - Bicocca, and Prof. Davide Pietroni of the University of Chieti - Pescara in collaboration with the Herbert Simon Society. Dr. Vilma Scarpino and Dr. Sara Galli from DOXA collaborated in the development of the questionnaire and the creation of the indices. DOXA handled the administration of the questionnaire and the processing of the primary data. We would like to thank Dr. Valeria Castoldi, Dr. Federico Perlino and Dr. Alessio Mazzullo for their contribution to this survey.

intermediaries; main information on policy conditions requested from distributors or deepened by reading the pre-contractual information set etc.).

The work carried out is based on the questionnaire responses of a sample of 2053 respondents aged 18-65 and over 65 and offers a representation of insurance knowledge, insurance behavioural propensity, risk literacy, trust and insurance communication.

The picture that emerges from the data is expressed by a number of synthetic indices on a scale of 0 to 100 (insurance knowledge, trust, risk aversion, insurance logic and effectiveness of insurance communication) on the basis of which a **General Insurance Index** was then elaborated, but it does not allow a comparison with other international realities since the IVASS Report is the first one to be produced at a national level. In the metrics used, the assessment of sufficiency is attributed to the achievement of a score of 60. The analysis was therefore conducted mainly in relation to national economic and socio-demographic variables. The survey shows that **insurance knowledge** differs in the population according to the level of education, gender, age and geographical location of the respondents.

In terms of **behaviour**:

- the importance given to **confidence** in the choice of insurance does not show particular differences by gender, age or educational qualification, while it decreases in the South and the Islands. It does not seem to be the only relevant element underlying the propensity to take out insurance;
- **risk aversion** is higher in relation to the level of education and is affected by differences between geographical areas. It is more pronounced in young people than in older people;
- **insurance logic**, understood as the ability to identify the correct logical connections between concepts in the insurance field, is higher for men and for the population in the 18-34 and 35-54 age groups and is positively correlated with the level of schooling. Scores differ by region;
- **effectiveness of insurance communication**, in terms of comprehensibility of the information set of insurance products and clarity in explaining the contractual clauses before taking out policies, shows no differences by gender, age and geographical area.

Concerning educational qualifications, those with lower education tend to score higher than more educated individuals.

Methodological note: sample and method of conducting the interview

The survey involved a sample of 2,053 individuals representative of a universe of about 50.7 million Italians of legal age (Source: ISTAT, 2020). The sample, which covered the entire national territory, was stratified by gender, geographical area and township dimension. The names of potential respondents were drawn from the lists of municipal electoral sections at random based on defined "extraction steps". All potential interviewees received in advance a letter, signed by the President of IVASS, presenting the survey and the information brochure. The interviews were all conducted *face-to-face* in suitable private areas, taking all necessary precautions in the pandemic context.

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1. RESULTS: INDICES

On the basis of the answers to the questions in the survey, a number of synthetic indices on insurance knowledge, confidence, risk aversion, insurance logic and communication effectiveness were developed. On the basis of these indices, a **General Insurance Index** was then elaborated.

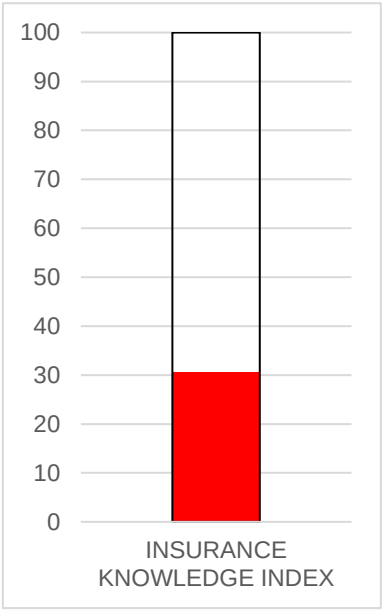
Within each index, the questions have the same weight. Each question was evaluated on a scale from -1 to +1. The score of each index was then constructed by averaging the scores obtained for each question and finally, each index was transformed on a 0-100 scale. The choice was made not to favour some items at the expense of others. The same was done for the general insurance index, where each component index has the same weight (1/5).

The components of each index were designed to cover the area of interest comprehensively. Some indices are composed of more questions than others, as especially in an evaluation context, more explication is needed (to avoid incurring in *overconfidence* or other cognitive *biases*).

The insurance knowledge index consists of two sub-indices, one on knowledge of basic terms (6 questions, with a range of 0 to 100 and an average rating of 40.6) and one on knowledge of insurance products (8 questions, with a range of 0 to 100 and an average rating of 20.1). The insurance knowledge index was calculated by averaging the two sub-indices.

The confidence index consists of 5 questions, while the risk aversion index consists of 7 questions. The number of questions that make up each index varies depending on whether the construct can be assessed more or less directly. In fact, the insurance logic index and the insurance communication effectiveness index, which are more directly observable, are each composed of 3 questions.

a. Insurance knowledge index



Based on the assessments of basic knowledge and product knowledge, an **insurance knowledge index** was created.

On average, insurance knowledge is **30.4** on a scale of 0 to 100. The low value of the index is influenced to varying degrees by the two sub-indices that contribute to it: the index of **basic knowledge** and the index of **knowledge of insurance products**, which show scores of 40.6 and 20.1 respectively (the latter being particularly discouraging).

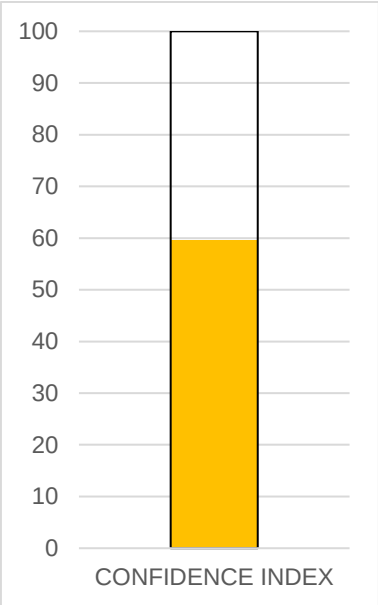
Insurance knowledge correlates positively with the number of insurance policies taken out in the household. There is an increase in insurance knowledge as the insurance profile evolves.

Analyses show that knowledge is better in men than in women; in the North West and North East, the average score is higher than in the South and Islands, while the Centre is in an intermediate position.

People living in medium-sized cities have more knowledge than those living in large cities or small towns.

Finally, as education increases, so does insurance knowledge.

b. Confidence index

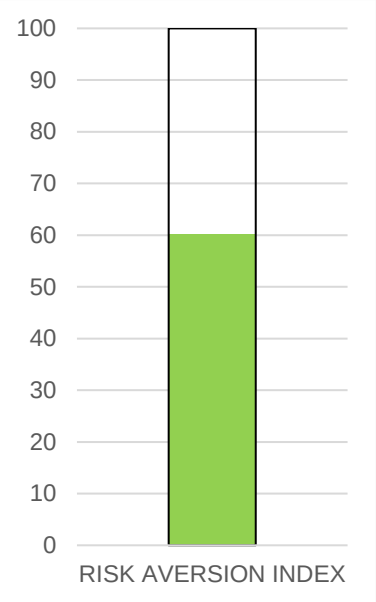


The confidence index is **59.5** and correlates with the number of insurance policies held. There is a significant difference in scores between those who only have compulsory policies (57.5) and those who also have non-compulsory policies (61.0).

There are no particular differences between men and women and between age groups (although the over 74s assign more importance to trust than others) and in relation to educational qualifications.

In relation to the geographical areas, the highest scores are expressed by the North East and the Centre, the lowest by the South and the Islands. The North West is in an intermediate position. In the large urban centres, trust is less important than in the medium and small cities.

c. Risk aversion index



The results show that Italians are cautiously risk-averse, with an **average risk aversion index** of **60.2.**

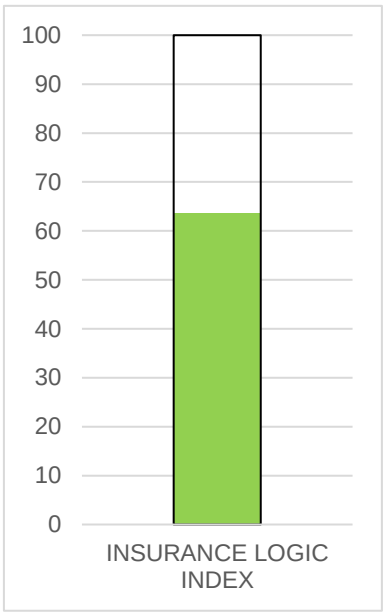
Those who are more risk-averse insure more, and it is evident that those who do not have insurance policies have a greater risk propensity.

No gender differences emerged. On the other hand, young people and, in general, the under-64s are more risk-averse than the elderly, with a greater propensity to take risks among the over 74s.

As far as geographical areas are concerned, the Islands have a greater propensity to take risks, while the North East is more risk-averse.

Finally, those with at least a high school diploma show higher levels of risk aversion.

d. Insurance logic index



Insurance logic refers to the ability to identify the correct logical connections between concepts in the insurance field. **Insurance logic** has an **overall average score of 63.7**. Once again, men score higher than women.

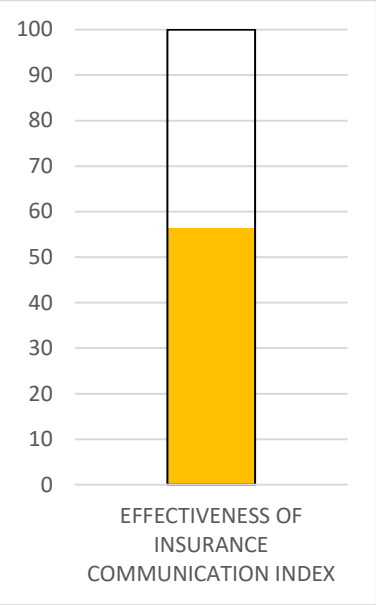
As far as age is concerned, the first two groups show the highest ratings (18-34-years-old and 35-54-years-old), the next two groups have lower ratings (55-64-years-old and 65-74-years-old). Finally, the over 74s score the lowest.

Again, scores in the South and Islands are lower than in the rest of Italy.

It is possible to identify a *cut-off* in schooling, such that those with a high school diploma are able to show a good level of insurance logic; insufficient competence in those with less education.

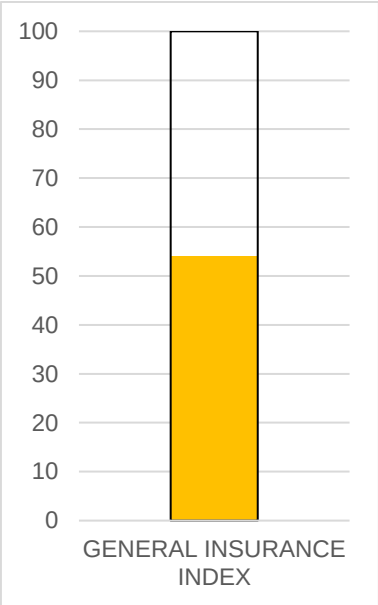
Finally, the difference in scores between the insurance profiles of respondents is significant. Those who also own non-mandatory policies have a much better level of insurance logic than those who only have mandatory policies. In the last position are those who do not have policies, confirming their extraneousness to the whole insurance world.

e. Effectiveness of insurance communication index



The average score for the assessment of the effectiveness of insurance communication is **56.3**. No differences emerged by gender, age or geographical area. Those who live in large cities give a lower rating to communication effectiveness than those who live in smaller towns. As far as education is concerned, there are differences between those with a university degree (Bachelor's or Master's degree) and those with a lower level of education (secondary school certificate). The latter, in fact, give a higher score to insurance communication effectiveness. Finally, those with non-compulsory policies rated the effectiveness of insurance communication more favourably than those with only compulsory policies.

f. General INSURANCE index



From the indices of insurance knowledge, confidence, risk aversion, insurance logic and effectiveness of insurance communication, a **general insurance index** was constructed, which amounts to **54.0**.

This index correlates positively with greater insurance coverage and more non-mandatory policies taken out: those who also have non-mandatory policies score significantly higher than those who only have mandatory policies. Women score lower than their male counterparts. Significant differences are also found in relation to age groups, with average scores tending to rise up to the age of 64 and then fall in the older age groups.

The North-East has the highest average rating, while the North-West and Centre are equal. The South and the Islands score the lowest. There are also differences according to the size of the cities. In large cities, the average score is lower than in smaller towns.

Finally, education proves to be correlated with the insurance index. A higher level of education ensures higher scores, with a particular leap determined by the possession of a high school diploma.

2. SUMMARY CONSIDERATIONS

a. *Insurance knowledge*

The **indices** on **basic knowledge** and **knowledge of insurance products** show poor scores: on a scale from 0 to 100, basic knowledge stands at 40.6 and knowledge of insurance products at 20.1.

Italians, therefore, seem to be far from sufficient in terms of insurance knowledge. The situation appears more critical for women than for men. Women achieve an average score of 32.5 (compared to 49.3 for men) on basic knowledge and a score of 18.5 (compared to 22.4 for men) on knowledge of insurance products. Within the various age groups, there is an increase in knowledge above the age of 35 and a subsequent decrease from the age of 65 onwards.

There are also significant differences between geographical areas, with a lower level of basic knowledge and knowledge of insurance products in the South and Islands than in the rest of Italy.

Knowledge also seems to be influenced by education. Higher education is associated with higher scores on both basic knowledge and product knowledge.

Finally, when analysing knowledge scores according to the insurance profile of respondents, it is clear that these variables are linked. Both knowledge scores increase from those who do not have policies to those who also have non-compulsory policies.

Basic insurance knowledge is based on knowing the correct and incorrect definitions of three fundamental concepts of insurance culture: maximum amount of cover, deductible and premium. A gap was found between the belief of knowing these concepts and the actual knowledge of them. Approximately half of the sample who said they knew these concepts answered all the questions correctly for each concept. Thus, about half of the sample is "*overconfident*" on every single concept. The percentage of those who answer the questions correctly on all three concepts together is 13.90%. That corresponds to a difference of 46.1% compared to the percentage of those who claim to know all three concepts well, which is about 60%. In general, the lowest basic knowledge corresponds to the socio-demographic categories of women, young people (with the exception of the concept of "maximum amount of cover"), people with a low level of education and inhabitants of the South and the Islands.

Knowledge of policies also shows a gap between those who claim to know them and actual knowledge. This is, as before, an "*overconfidence*" that manifests itself above all in the

difference between the percentage of those who claim to know them and those who correctly answer all the questions, both on the correct definition of the policy and identifying the incorrect ones. The policies examined were those relating to accidents, term life insurance, life and supplementary pension. The *overconfidence* varies from policy to policy, ranging from more than ten times for term life insurance, four times for accidents, three times for supplementary pension plans, and an average of two times for life policies. Only one person can answer all the questions correctly. On the other hand, an average of 38% claims to know them. The socio-demographic categories that seem to correlate with this lack of awareness of policies are the elderly, women, low education level and the geographical areas of the South and Islands.

The "*overconfidence" in* basic knowledge and policy knowledge is also to be assessed against the "autonomy *bias*". 68.7% of people, mainly men (72.3%), consider themselves to be very knowledgeable about insurance and rely neither on the advice of the insurer nor on external information sources. This result is worrying because of the "*overconfidence*" that stimulates an autonomy of choice with a low literacy rate and therefore tends to be inefficient and ineffective for the insured. A targeted action seems, therefore, necessary to act in the sense of "*debiasing" the "overconfidence*" precisely in order to reduce the "autonomy *bias*" and thus improve insurance effectiveness. Obviously, this action is particularly challenging in view of the particular nature of the target group, who are convinced that they do not need it. In any case, it could be more effective if coordinated with insurance companies and the media. In the medium term, schools could play an important role even if their contribution is not recognised even by those with children. This is probably due to the traditional exclusion of economic issues from the school curriculum, with the exception of vocational schools and some universities.

b. Trust

The **confidence index** is almost sufficient (59.5), highlighting the fact that the importance **trust** may not be the only relevant element underlying the propensity to take out insurance. More specifically, a comforting 67.6% of the sample declared their feelings of trust in their insurance intermediary to be satisfactory (fairly) and even high (very).

In the assessment of post-purchase peace of mind, there is a correlation with three phenomena:

- the perception that, in the event of a claim, the procedure for obtaining the benefit due from the insurer would be easy;

- trust in the proposals of their contact person/insurance intermediary;
- the feeling of having the insurance expertise to assess the risks to be insured and policy conditions.

In addition, there is a significant, albeit moderate, correlation between experiencing post-purchase peace of mind and the propensity to evaluate different offers before taking out a policy. 65.9% of the sample stated that they had a good propensity (much and enough) to evaluate different offers before choosing which policy to take out.

When asked which factors are the most important in choosing an insurance intermediary, the importance of trust decreases as schooling increases (with the exception of those with a postgraduate qualification). Once again, a *cut-off point* can be identified at the level of the high school diploma. There are no gender differences, while there is a significant increase in the importance of this aspect in the over 65s.

The fact that the older population chooses the insurance intermediary more on the basis of the trust he inspires could perhaps reveal a tendency to delegate with respect to a language and a product that they do not know or fear they do not understand sufficiently. This result is also associated with the greater importance of trust as the level of schooling decreases, starting with the secondary school degree. This trend is reversed with regard to the choice of experience and professionalism of the insurance intermediary, factors considered more important as the level of education increases.

There are also differences in terms of education: transparency and simplicity are the most chosen by graduates, who once again highlight the importance of the possibility of directly understanding the information, as opposed to trusting the intermediary, revealing a propensity for *boosting,* i.e., the possibility of directly knowing and understanding the information in order to foster one's decision-making autonomy, as opposed to a preference for *nudging, which in* this case consists of receiving more or less indirect guidance from the insurance intermediary.

c. Risk literacy

A significant finding that should indicate to government and educational institutions the need for targeted corrective action relates to '**risk literacy**'. Most people seem unaware of the risk involved in assessing changes in the probability of events on the basis of percentages and how much more informative it is to estimate risk using the natural frequency format. Often estimating change based on percentages may overestimate the risk when the percentage

is very high, or underestimate it when the percentage is very low. In contrast, a change in frequencies by sample gives us a more ecological representation of the risk and a realistic understanding of the quantities involved.

Strictly from the point of view of risk literacy, the data show that there is a large percentage of the sample who do not know how to distinguish risk from uncertainty.

People are often not aware of the difference between risk situations and uncertainty. As is well known in the tradition of Frank Knight (1921), a risk situation is defined when it is possible to identify the probability of its occurrence. In theory, a choice is rational when it can be based on an analysis of the available options and the probability of the consequences of the options. In reality, few choices can identify all possible options and assign a probability to them. In this case, decisions are made under conditions of uncertainty. Uncertainty can be epistemic, when it is possible through empirical analysis to make a statistical assessment of the phenomenon, and ontic, when this statistical attribution is not possible. In question 36 we tried to find out what concept the subjects have in mind that can influence insurance behaviour. To the question of how they would define the concept of uncertainty, 27% of the persons answered sharing a definition of ontic uncertainty that is "from the total impossibility of establishing the probability of the event", 28.7% shared the definition of epistemic type that is "from the difficulty of establishing the probability of the event that can be overcome through the collection of statistical data" and finally 35.4% confused uncertainty with risk, that is they chose "from the lack of certainty of the event for which it is only possible to estimate the probability of the event". This data presents us with a significant sample of the "*risk literacy*" of Italians. More than a third confuse risk and uncertainty.

Believing that it is possible to calculate the probability of all phenomena, even those that are unpredictable at first sight, such as financial crises, wars, natural catastrophes, pandemics, etc., is not only incorrect, but could also affect people's precautionary behaviour. In fact, it is well known that individuals tend to have an aversion to ambiguity and uncertainty about future events, which leads them to behave in a precautionary and protective manner, including insurance behaviour. If, on the other hand, they believe that the probability of the phenomenon is quantifiable (inevitably in a merely subjective way, since there are no statistics on the subject), their behaviour will be less precautionary, with all the dangers and risks involved. The references to distorted information and related reckless behaviour during the Covid-19 pandemic and earthquakes illustrate this point. We need to focus on this important concept of probability theory which has so many implications for risk behaviour.

d. Risk aversion

Insurance behaviour also seems to be related to the perceived risk and the relative precautionary attitude of the citizen. The **risk aversion index** is 60.2 (on a scale of 0 to 100). It is found that those who are more risk-averse are more likely to take out policies, even non-mandatory ones. With regard to schooling, those with a high school diploma and above score higher than those with lower education. Again, there are differences between geographical areas. The Islands are the most prone to risk, while the North East is more risk-averse. An aversion to risk is found in the youngest and, in general, in the under 64s, compared to the oldest, with a greater propensity to risk among those over 74.

As regards the most felt fears for the present or the future, health problems due to illness or accidents emerge (76.7%), followed by the fear of losing income due to retirement or job loss, and consequently the fear of not being able to provide for children and/or dependent loved ones. However, the fact that health is the greatest source of concern does not actually translate into taking out health insurance policies. In fact, we see that those who take out a health insurance policy account for only 10.6% of the total number of respondents, a percentage that rises to 20.2% for accident insurance, but which is still very low, compared to the fact that 76.7% of the sample indicate health (illness/accident) as the main source of concern. Also with regard to the fear of natural disasters, the greater perception of the salience of the item does not correlate with a consequent insurance behaviour: even if the fear related to disasters is greater in the South and Islands than in the North, it is precisely in the North that a greater percentage of these policies is found (about 20% vs. South in 10.4% and Islands in 4.1%). Finally, when the interviewees were asked to choose their attitude towards insurance behaviour, only 8.4% confirmed that insurance does not make sense, while 21.2% believed that it makes sense to take out insurance only against very probable risks and 70.4% believed that it makes sense to take out insurance also against risks that are not very probable. This attitudinal choice is influenced by gender (with men preferring insurance only for high-risk situations), age (with age there is a progressive tendency to perceive insurance as meaningless and with less emphasis on insuring against remote risks), geographical location (with the greatest tendency in the South to consider insurance as meaningless and in any case not very useful to insure against remote risks), and education (with perceptions of meaninglessness greater for those with lower education). Moreover, it is worth noting that Central Italy has the strongest tendency to consider it sensible to insure also against low risks.

There is thus a clear mismatch between self-reporting of one's insurance behaviour in relation to risk aversion and the actual insurance choice. In the case of health and accidents the explanation may be the presence of a time discount, combined with the optimism *bias* whereby one thinks that, although health risk is a real concern, it is devalued because it is projected into the distant future and one hopes that it is more of a problem of others than one's own. On the other hand, the representation of the risk envisages that the public health system provides de facto protection in place of that offered by private insurance. As far as natural catastrophes are concerned, the South and the Islands, characterised, compared to the North, by numerous seismic and volcanic events, are the areas with the lowest insurance underwriting for catastrophic events. In addition to the time discount, the gambler's fallacy *bias*, which leads to an event being considered less likely when it has already occurred, may be active in this case.

e. Insurance logic

The **assessment of insurance logic,** which represents the deductive ability to derive correct conclusions from known conceptual premises, stands at a level of 63.7 (on a scale of 0 to 100). The assessment specifically detects the ability to identify the correct logical links between two fundamental concepts in insurance: the amount of risk assumed by the insurance company and the premium charged to the client. By reasoning about health policies, policies with deductible, third party motor liability policies, the interviewees had the opportunity to demonstrate whether they were able to grasp or not, in different contexts and in different formulations, that as the risk assumed by the insurance company increases, the premium requested from the client tends to increase. Therefore, even in situations of evaluation and purchase of an insurance product, the two concepts must be weighed together.

Data on insurance logic may suggest that the Italian citizen, if accompanied to acquire an adequate basic and product knowledge, has the ability to draw correct decision-making consequences. Therefore, financial and insurance education programmes should be able to attract the interest and attention of the citizens so that they improve their insurance knowledge and on the basis of this they are able to make more effective choices for their well-being.

These results seem to confirm how important it is to promote basic and product knowledge through appropriate insurance education in order to strengthen the citizen's autonomy of judgement; how crucial it is to simplify the presentation of insurance options so that the

subject is able to assess them; how useful it is to act so that when choosing an insurance intermediary, trust is accompanied by experience and professionalism, factors that are preferred when the level of insurance knowledge, schooling and simplification of the product range to be analysed increases.

f. Effectiveness of Insurance Communication

The index measuring the effectiveness of insurance communication, assessed as the comprehensibility of the information set of the insurance products and clarity in explaining the contract terms before signing the policies, is 56.3 (on a scale of 0 to 100). The lack of comprehensibility, opaqueness and complexity of policies is a factor that is more recognised as important for respondents with a high level of education. Generally speaking, it would seem possible to say that poor comprehensibility is detected more by those who are more aware, because they have greater interpretive/cultural tools (graduates and students), or because they are more used to taking out insurance, as they come from the private sector - employed or self-employed - and on average have more insurance cover than the employees.

The information set of insurance products is considered quite comprehensible by only 34% of the respondents, and aggregating the negative assessments (not at all, not very and so-so), it is found that more than 50% express dissatisfaction with comprehensibility.

In particular: those who have a bachelor’s degree (67.1%) or a master's degree (69.7%) report greater dissatisfaction with regard to comprehensibility, thus revealing a greater awareness of the difficulty of interpreting the information, the result of a greater capacity for in-depth study of the information itself. At the opposite pole are those who have no qualification at all (57.2%) and a secondary school diploma (53.4%).

The perception of clarity decreases in those who mainly subscribe to online policies, confirming the hypothesis that a lack of clarity is perceived and detected more by those who have greater decision-making autonomy, linked to the possession of cultural or experiential tools. Those who do not have such tools or lack confidence in their own insurance expertise are likely to rely on the intermediary, delegating to him or her the control of the policy conditions, mainly on a fiduciary basis.

Finally, when asked about the most important communicative features that an insurance contract should have, these features - in order of importance - are the general comprehensibility of the contract language (54.1%) followed by the need for greater clarity

on specific aspects, such as deductibles and excesses (53.2%), duration of the contract (44.1%) and clarity on cases covered/not covered (42.5%). In general, once again, the need for clarity on specific aspects and contract terms seems to be less felt by those with an elementary education or no education at all, revealing a lack of understanding of the contractual importance of these aspects.

Respondents under the age of 54 with a higher education (high school diploma and even more so a bachelor's or master's degree) also highlight the importance of having a concise outline (*less-is-more* heuristics), which allows direct access to information by eliminating those aspects that generally hinder comprehension: length of text and the use of self-referential terminology. The summary outline of the contract offered is also considered very important by those who have taken out all policies online (47%), perhaps suggesting that the online mode, beyond the cost, may be in line with the expectations of respondents regarding the format of the contract information note.

g. Insurance culture

Turning now, finally, to the assessment of insurance culture in Italy, the answers given by the interviewees show that the majority (over 70%) do not consider it adequate. This negative consideration is accentuated as the level of insurance expertise and education increases (bachelor's and master's degree). It is the opinion of those interviewed that this knowledge gap should be filled primarily by public institutions (60%) (IVASS, Consob, Bank of Italy, Ministry of Economic Development) and by insurance companies, banks and insurance brokers (45.5%). Only a much smaller percentage of respondents (mainly bachelor’s graduates) believe that the media and schools can also play this role. This general result could reveal a tendency to delegate the dissemination of knowledge considered technical and therefore elitist only to institutions that are considered the repositories of this specialised knowledge, to the detriment of the role of schools and the media.

3. RESULTS: ANSWERS TO THE QUESTIONS IN THE SURVEY

The analysis of the answers to the survey was carried out on the questions that have to do with insurance knowledge and behaviour, i.e., questions 4 to 54. For a detailed analysis of the construction of the individual indices and of the evidence relating to the questions, see Annex 1 and the Survey (Annex 2).

Question 4, on the **social way in which the insurance decision is taken,** shows that for most of the sample the insurance choice is confirmed as a family choice, either because it is actively discussed with another family member, or because it is completely delegated to a family member. Slightly more than 40% of the sample declares that they decide independently, and men are almost twice as likely as women to fall into this category of decision-makers. This trend is even stronger in the South and in the Islands than in the Centre-North, where the propensity for shared family choices is more marked. It is interesting to note that as the objective knowledge of the interviewees increases (see Index of Knowledge of Basic Terms), there is not a greater predisposition towards individual choice but a balanced propensity between autonomous and shared decision. In contrast to those who have the 'self-confidence' to call themselves the 'head of the household', those who are objectively more knowledgeable seem therefore to be inclined to patiently make their knowledge available to make concerted and shared insurance choices with their household.

Question 5, concerning the **most purchased insurance products**, shows that insurance choices, in addition to compulsory policies (motor third party liability), concern, in decreasing order of importance, home, household liability, accident, death and lastly supplementary pension plans, natural disasters, credit protection, illness, occupational risks and pets. Compared to the North, the condition of not having any policy except for compulsory ones has almost doubled in the Centre and tripled in the South/Islands. A contraction in insurance propensity that seems to affect in particular home, natural disasters and household liability policies. The relative propensity, in the various Italian regions, to take out credit protection policies appears more homogeneous. It is interesting to note that in the small cities there is a greater propensity to protect the home and to protect against natural disasters than in the big cities, probably due to the greater tendency to own individual houses in less intensely urbanised contexts, and perhaps to the higher risk of exposure to hydro-geological risks. Finally, it is important to note that household size influences insurance purchase choices. In particular, there is a greater propensity for coverage in large households, and specifically

increased purchases of life insurance policies for savings, death, health, credit protection and household liability. The employment status of the self-employed persons appears to be the one most associated with the propensity to take out policies.

Question 6 investigates the **incentives that led to the underwriting of policies** and reveals that the vast majority of the sample believe they were not influenced by either people or external events. This belief in independence may be an expression of the "autonomy bias" that mistakenly leads individuals to believe they are "more independent thinkers" than the rest of the individuals. This bias seems to affect men more than women, older individuals more than younger ones, people from the North rather than the South/Islands, and those who tend to describe themselves as competent in the field of insurance. It is comforting that more than 40% of the sample also consider themselves to be influenced by the advice and proposals of their contact person/insurance intermediary, a tendency that is amplified in those who prefer to consult their family members on insurance decisions, women, young people and people living in the South. It is interesting to note that in subscribing policies, in general, people believe that they are not influenced by statistical data on the probability of adverse events, by advertising (young people believe they are more influenced by advertising) and by past accidents to themselves and their acquaintances. The latter source of suggestion, however, is perceived more by women, young people and inhabitants of central Italy.

Question 7 probes the **decision-making style,** showing that men are more likely to evaluate different offers before choosing, while older people and those with a limited level of education are less likely to do so. A large majority of the sample also declares itself inclined to rely on the proposals of its contact person/insurance intermediary, a propensity that appears to be more dispositional or, presumably, due to the specific social skills and professionalism of its intermediary, since it is not influenced (as are most of the phenomena surveyed) by the age, geographical area, gender, schooling or even the occupation of the interviewees. There is only a correlation between an increase in trust in one's contact person/insurance intermediary and an increase in the propensity to take out policies. Finally, almost a third of the sample considered themselves competent to assess insurance products, a positive self-perception that mainly characterises men and that in turn is associated with a greater propensity to assess different products before making a choice.

Question 8 shows that the majority of the sample declares that taking out a policy has an important effect on increasing their **peace of mind** in facing life's unexpected events,

especially if they are young. Peace of mind seems to be fuelled by the perception that in the event of an accident, the compensation procedure will be easy, by trust in the proposals of one's intermediary and by the perception of being competent in the insurance field.

Specifically, question 9 highlights that, in relation to perceptions of the **ease of procedures to obtain compensation**, half of the sample considers the procedure fairly and even very easy. This perception increases among men, young people, those who declare themselves to be the "head of the household" and those who objectively are more knowledgeable about basic insurance terms.

Ease in **obtaining compensation,** which, as question 10 detected, almost 50% of the sample have actually obtained (and a third even in the last two years), having had an actual experience of using a policy for accidents or benefits. This experience was progressively more frequent, going from the South/Islands to the North and from the big cities to the small cities.

In general, however, as emerges from question 11, the experience with the use of the insurance cover was very (24.8%) and fairly (53.3%) satisfactory for the sample who obtained compensation in the last two years, with only a physiological 3.5% declaring themselves not satisfied at all.

It is interesting to observe how these **feelings of satisfaction** correlate with peace of mind about one's own insurance cover, perceptions of ease in obtaining compensation, and confidence in the proposals of one's own contact person/insurance intermediary.

In relation to the **focal elements in choosing** the most pervasive **insurance product**, the third party motor liability policy, question 12 reveals that only 61.5% consider it opportune to evaluate jointly the cost of the premium and the policy conditions. The rest of the sample is divided between those who consider it useful to evaluate only the cost of the Premium (4.8% even looking for the most expensive in search of a rough and approximate indicator of the quality of the insurance product) and those who focus only on the policy conditions regardless of the price. The balanced propensity for a joint assessment characterises women more than men, young people more than the elderly, the highly educated more than the poorly educated, the inhabitants of the North and of big cities more than those of the South and of small cities, and students, directors and teachers.

With regard to the beliefs that it **make sense or not to take out an insurance policy**, question 13 shows that almost one third of the sample believes that it does not make sense to take out insurance because it is money wasted in the event of no accidents, or that it does

not make sense to take out insurance against events that have a very low probability of occurring (a belief held by the elderly and housewives in particular). However, 81.2% of those who expressed these perplexities agreed, not without some inconsistency, that in some cases it may also make sense to insure against adverse events that have a low probability of occurrence. This wiser attitude prevails among younger people, in central Italy, in the "big cities", among students and among those employed in the private sector. It is interesting to note that men, to a greater extent than women, only consider it sensible to take out a policy that protects against events with a high probability of occurrence, in line with the well-known male tendency to be more prone to risk. In addition to men, those who think that it makes sense to buy insurance only against highly probable losses are older people, people in the South and people with a low level of education.

Question 14 asked the sample an **insurance reasoning question on sickness cover**: is it fair that sickness policies do not cover previous illnesses not declared at the time of taking out the policy? The sample was split down the middle between those who thought this was fair and those who thought it was unfair. Naïve feelings of unfairness prevail among women, the elderly, those living in the North and South/Islands and the poorly educated.

With respect to health insurance policies, the sample was asked in question 15 another **problem of insurance reasoning**: can an insurance product that also covers against previous illnesses be more expensive? As many as one-third of the sample stated that they believed that such a product could not be priced differently. This assessment prevails among women, older people, those living in the South/Islands, and those with only a primary school licence.

Questions 16, 17 and 18 specifically test **knowledge of insurance products**, with 23.2% believing they know what an accident policy covers, 13.7% what a Term Life Insurance covers and 23% knowing the purpose of taking out a supplementary pension policy.

In fact, when choosing whether to accept or reject several answer choices, only 24.1% of those who believe they know about accident insurance make no mistake. This percentage drops to 2.8% for the Term Life Insurance and rises to 28.9% for supplementary insurance.

Despite the fact that in all cases there is a good tendency to identify the correct answer, many respondents make the mistake of recognising even very incorrect answers as correct. For example, about half of those who thought they were familiar with accident policies believed that they could also cover illness. This error is more pronounced among men,

people living in the South and the poorly educated.
Furthermore, 64.5% of those who believe they are familiar with Term Life Insurance believe they can cover death at any time even beyond the period of validity of the policy.
Finally, one third of those who believe they know the purpose of supplementary insurance policies believe that it can be to protect against illness and accidents.

In general, the gap between the moderate tendency to consider oneself competent and the marginality of those who actually identify the correct answer and reject the misleading ones, is in line with the well-known phenomenon of 'overconfidence', i.e., the tendency to have optimistically unrealistic expectations about the accuracy and quality of one's knowledge, assessments, predictions and competences.

Some misconceptions can lead to expectations that can cause potential frustration with insurance products, as questions 18 bis and 18 ter highlight. For example, in relation to **specific knowledge about Life Insurance policies**, 20.5% of the sample believe that the capital paid out at maturity is always at least equal to the sum of the premiums paid, just as 8.3% believe that the capital paid out can be returned at any time and without penalty. As already noted above, the propensity to these unrealistic expectations tends to be greater in the inhabitants of the South and of the 'big cities', in those without a qualification, and in men.

Questions 19, 20 and 21 measure the accuracy of **knowledge on three basic terms of insurance policies**: Premium, Deductible and Maximum amount of cover.
Once again the phenomenon of "overconfidence" emerges: 63.3% believe they know what is meant by Premium when in reality only a little more than half of them know how to recognise, among the various response options, the right one to accept and the wrong ones to reject. Similarly, for the concept of the deductible, among the 59.9% who believe they know it, just over half pass the test, just as among the 56.5% who believe they know what is meant by maximum amount of cover, only 59.9% pass the test.
In all cases the propensity to recognise the correct answer option increases as age decreases, but only up to the age of 34, with the performance of the youngest returning to be as limited as that of the oldest, and it increases as schooling increases (with the propensity, however, of high school graduates to be more prepared than bachelor graduates), and finally it increases in the North compared to the South and the Islands.

Failure to recognise incorrect answers often highlights an insurance knowledge undermined by deep distortions. For example, a quarter of the sample of those who thought they knew

what was meant by Premium thought that it also meant the capital in the event of repayment. Similarly, almost a third of those who thought they knew the meaning of Deductible thought it could also indicate the amount over which the damage would not be compensated. Finally, 35.1% of those who believe they know what is meant by maximum amount of cover, believe that this also indicates the amount reimbursed by the insurer in the event of accident.

In addition to confirming the propensity to overconfidence, the data suggest that the basic conceptual preparation of younger people may be more lacking today than in the previous decade, with the educational value of the bachelor's degree not seeming able, on these topics, to contribute to the evolution of insurance literacy.

In question 22, respondents were asked **a further insurance reasoning question**: is a policy that includes deductibles on average more expensive or cheaper than one that does not? Only 61.8% identified the correct answer, while 22.9% affirmed that it should even be more expensive. Women, the elderly, people living on the Islands and, to a lesser extent, those living in the Centre and the South, the less educated and pensioners fall to a greater extent into this error of reasoning (while the self-employed people provide the most correct answers along with those who have a postgraduate qualification).

Question 23 reveals a further possible **indicator of an evolved insurance orientation,** namely the propensity to assess in a policy, in addition to the events covered, the exclusions (the contractual limitation clauses) rather than, more banally, the maximum amount of cover or the amount of the premium. In fact, 44.9% of the sample focus on the maximum amount of cover, 26.5% on the premium and 28.5% on the exclusions. The 65–74-year-olds and those seeking employment focus more on the maximum amount of cover. Older people, those living in the South and Islands, the less educated, housewives and pensioners are focused on the premium. Finally, the more sophisticated focus on exclusions characterises the 35–54-year-olds, those living in the North and the self-employed.

As far as the **most felt fears for the present or future are concerned** (question 24), health problems due to illness or accidents emerge (76.7%), followed by the fear of losing income due to retirement or job loss, and consequently the fear of not being able to provide for children and/or dependent loved ones. However, the fact that health is the source of greatest concern does not translate, in reality, into taking out health insurance policies (as emerges from the intersection with question 5). We see, in fact, that only 10.6% of the total number of those interviewed take out a health policy, a percentage that rises to 20.2% for accident insurance, but which is still very low compared to the fact that 77% of the sample indicate

health (illness/ accidents) as their main source of concern.
Even with regard to the fear of natural disasters, the greater perception of the salience of the item does not correlate with a consequent insurance behaviour: although the fear of disasters is greater in the South and Islands than in the North, it is in the North that a greater percentage of these policies are taken out (about 20% vs. the South at 4.1% and the Islands at 3.5%)[2].

Among the main **reasons for not taking out** a policy (question 25) we can highlight the cost (67.5%) together with the lack of comprehensibility of the policy (50.0%), followed by mistrust of insurance (42.4%) and previous negative experiences (28.7%). The importance attributed to the cost of the policy does not differ by geographical area (apart from a peak in the North East, 75.9%), but is directly proportional to education.
Poor comprehensibility is also a factor that is more widely recognised as important for respondents with a high level of education. In general, it would seem possible to affirm that lack of comprehensibility is detected more by those who are more aware, because they have greater interpretative/cultural tools (graduates and students), or because they are more used to taking out insurance coming from the private sector - employed or self-employed - which on average has more insurance coverage than the employee.
Finally, distrust is highest in the 35-54 age group, in large cities and in the South. This may perhaps be partly responsible for the lack of insurance for natural disasters observed in the South.

A **lack of statistical competence** is found (question 26) in more than 40% of the subjects who consider less probable or more probable (and not the same as before) the possible occurrence of a claim one year after they have already experienced one. The incorrect assessment of lower probability correlates with less basic insurance knowledge and with an attitude of delegating the choice of insurance to other family members. This incorrect response of more than 40%, known as the "gambler's fallacy", denotes a lack of knowledge of the laws of statistics. It has been found in many situations such as gambling or accident risk assessment, where one is not aware that on small numbers each repetition of an event keeps the average probability of the statistical series intact.

A moderate **framing effect** is manifested when one asks (question 27) about the propensity to take out insurance under two identical conditions for the probability of an accident, but

[2] The data about policy underwriting for natural catastrophe may be overestimated, because people may think that the coverage extensions of other policies are more comprehensive than they really are under this aspect.

with an opposite focus: one condition makes salient the probability of an accident (25 cases out of 100) while the other the probability of an accident not occurring (75 cases out of 100). The results show a framing effect, in that the probability of taking out the policy increases from 51.2% to 61.5% when moving from the positive to the negative frame.

The answer to question 28, which was intended to test whether the **representation of risk** in the form of a percentage versus frequency could change the perception of risk and the consequent propensity to take out insurance, did not yield any significant results. When asked whether they would take out insurance to protect themselves against the 1 in 1,000 annual risk of losing €50,000 due to damage caused by domestic accidents, 56.3% of the subjects indicated that they would take out insurance. 54.1% of the subjects do the same when the question is presented in percentages (0.1%). There is therefore no significant difference in the propensity to take out insurance in the two conditions, in the face of a large loss. Thus, the perception of risk and the response to it appear to be similar when percentages or natural frequencies are used to represent probability.

An interesting **emotional effect on the estimation of low probability** was found in the response to question 29. The responses to this question show a significant reversal of the weighting of low probabilities in the two conditions, that of experiencing a robbery at home and that of winning a lottery. When asked how they rate the probability of 1 in 1,000 of having their home stolen, 29.6% rated it as insignificant, extremely low and very low. In contrast, 60.4% rated it as low and not so low. That is, the majority gives a higher weighting to this low probability. The opposite happens when the question is about winning a lottery. 66.3% rate it as insignificant, extremely low and very low, while 33.7% rate it as low and not so low. Therefore, there is a lower weighting of this low probability compared to the previous condition. Contrary to the assumptions of classical expected utility theory and prospect theory, according to which utility (or values) and probability (or weighting) are independent, the results show that the subjective perception of probability depends on the sentimental value that the individual associates with expected outcomes. This makes an important distinction between the monetary and sentimental components of value. Going back to the question 29, on one hand, we have the probability of a monetary win without any sentimental value. On the other hand, the risk of a negative event with a strong emotional component such as theft. This explains the different weighting of the low probability.

The answer to question 30 on the preference to pay an insurance premium of €200 for 10 years or to pay out of pocket the cost of the damage once it occurs, in the presence of a

possible damage in the house quantifiable in €2,000, the majority of the subjects (54.8%) prefer to bet that nothing will happen in the future and in any case to postpone the cost of the damage in the future. This behaviour is called the "**time discount**" phenomenon and is present in many contexts of economic choice. There is a difference between geographical areas. While 55.9% of the North-West prefer to be protected by insurance, the opposite occurs in the South and the Islands where 62.8% prefer ad hoc payment at the time of the damage. The time discount in the South and Islands sample may be due to economic reasons, i.e., lower purchasing power, or less confidence in insurance, or to other contextual factors.

In answer to question 31 on how much more one would be willing to pay for annual theft insurance knowing that the risk of theft has doubled (100% similar representation) compared to knowing that it has gone from 1 in 1,000 to 2 in 1,000 one can see the overweighting effect of the **"double" representation** compared to the natural frequencies. The sample with the information as "double" is willing to pay on average €55.24 more compared to €43.74 more for the sample with the information in frequencies. It should be noted that 62% of the "double" subgroup would not pay anything like 68% of the "frequency" subgroup. The representation of the **probability as natural frequencies** allows a more truthful assessment of the information, while that formulated in terms of "doubling" sometimes leads to an overestimation of the risk of the phenomenon, which explains the greater propensity to pay.

Question 32A asked to **estimate the probability of experiencing theft of any kind outside the home**. The average response was 28.6%. In question 32B a different subgroup was asked to estimate the probability of six individual types of theft outside the home. The response, adding up all the probabilities, is 172.1%, so much greater than the average response in the **packaged** question. Paradoxically, the probability assigned to individual thefts such as that of a wallet (37.8), that of a mobile phone (32.1), that of a bicycle (32.3) and that of a motor vehicle (32.2) is higher than the average probability of all thefts together. The psychological causes of this phenomenon are two: unpacking makes it possible to judge several possibilities while the packaged one brings to mind only a typical example, a prototype of the category; unpacking increases the salience of the unpacked constituent elements and thus their degree of support.

In question 33A one subgroup is asked how much one would be willing to pay for the packaged theft outside the home and in question 33B another subgroup is asked how much one would be willing to pay for the six individual components of the theft outside the home

package. The answer to this question is related to how likely we consider the event to be, so it is linked to the package effect highlighted earlier. In addition, the answer is also derived from the value one places on the stolen items. The answer to the question packed theft outside the home averages €88.37, while the sum of the answers on the six individual thefts amounts to €130.34.

The answer to question 34 on whether they would be willing to take out a supplementary policy if they envisage a **deterioration in their standard of living in retirement** shows that 68.8% responded positively. There is no gender difference in the answer. There are, however, significant differences relating to educational qualifications and age. People over 65 years of age and those with only a secondary school diploma and a primary school diploma have a low propensity to take out this insurance. This could be explained by less basic insurance knowledge as well as the significant cost of supplementary policies taken out late in life. In general, what is surprising is that high amount of people who answers positively at this question contrasts with the actual possession of this type of policies (6%). The explanation could derive from an optimistic assessment of one's economic future once retired, combined with a time discount that leads the individual to give less importance and salience to the future than to the present.

In question 35, the majority of the sample (65.6%), when asked whether it is possible to attribute a **probability estimate to uncertain phenomena** such as earthquakes, epidemics, financial crises and military conflicts, showed that they understand the concept of uncertainty and chose the answer that no attribution of probability is possible. However, 34.4% stated implicitly that it is possible to consider these phenomena as examples of risk, i.e., where a probabilistic evaluation of their future occurrence is possible.

Question 36 sought to understand what **concept of uncertainty** people have in mind and which can influence insurance behaviour. When asked how they would define the concept of uncertainty, 27.0% of people responded by agreeing with an ontic definition of uncertainty, i.e., "...the total impossibility of establishing the probability of the event"; 28.7% agreed with an epistemic definition, i.e., "...the difficulty of establishing the probability of the event which can be overcome by collecting statistical data"; and finally 35.4% exchanged uncertainty with risk, i.e., they chose "....from the lack of certainty of the event for which it is only possible to estimate the probability of the event". This data presents us with a significant sample of the "risk literacy" of Italians. More than a third confuse risk and uncertainty. Significantly, the elderly and those with low education have a lower tendency to make this confusion. This

would seem to support the view that there is a deficit in the direct or implicit teaching of risk literacy.

The objective of question 37 is to highlight the salience at the level of mental representation of the **probabilistic language based on natural frequencies with respect to that of percentages**. It has been found in the literature that the representation of probability as frequencies allows a more truthful assessment of the information, whereas the representation in percentages sometimes leads to an overestimation of the phenomenon. In fact, when asked which information about the risk of a contagious disease they would be most concerned about (question 37), 61.4% perceived the risk to be greater when the information was expressed in frequencies, i.e., 'out of 1,500 people infected, 15 developed the disease', than when it was expressed in percentages, i.e., 'there is a 1% chance of developing the disease after infection'. The flaw in percentages is that, by drawing attention to the numerical dimension of the percentage and not to the underlying quantitative reality, they end up generating a less realistic representation of the phenomenon than natural frequencies, which accurately describe the quantities involved.

Question 38 too aims to test **the psychological role of the language of percentages versus that of natural frequencies.** When asked which of the two descriptions of the effectiveness of medical therapy is more informative, 67.9% answered that it is the statement that it increases healing by 100% compared to previous therapies. While, only 32.1% preferred the information in frequencies ("in a sample of 10,000 patients the therapy cured 2 people compared to 1 in previous therapies"). The salience of the numerical dimension of the percentage 100% is greater than the natural frequency, which refers to small numbers. Despite the fact that the latter is actually the more informative formulation, the expression "increases healing by 100%" has a greater impact on attention processes and is therefore chosen to a much greater extent.

Question 39 investigates how much people would be willing to pay hypothetically, as a percentage, to insure a second child from accidents compared to what they already pay to insure the first child. The results show that, on average, they are willing to pay 47.24% more. 11.4% of the sample is unwilling to pay anything, while 20.3% would pay 100% more, that is the full price.

Question 40 aims to analyse some behavioural propensities such as **time discounting** which are active in other investment contexts such as home loans. When asked whether they prefer a health policy with high but constant premiums over time or alternatively with

low premiums that grow progressively over the life of the contract, 63.0% said they preferred the first option to the second. By answering in this way the subjects demonstrate, unlike the answer to question 30, that in prevalence they do not apply the time discount, i.e., they are willing to pay more now rather than postpone a higher cost into an uncertain future. The reason in this case seems to derive from the ambiguity of the question that does not specify what this increasing cost is and therefore generates the well-known phenomenon of "**ambiguity aversion**" or uncertainty that leads to more definite and clear choices. There is also a higher propensity for ambiguity aversion among the employees and a greater time discount among the unemployed and the self-employed. The employees have a higher propensity to choose constant premiums (66.8%), while the self-employed express a lower propensity (58.4%) along with the non-employed (52.8%).

Question 41 aims to **assess minimal calculation skills** applied to the insurance context. The vast majority of the subjects (85.2%) answered correctly by choosing the answer €200 when asked how much they would have to pay out of their own pocket in the event of a €1,000 loss with an insurance policy with a 20% excess. The difficulty in answering the question may be caused by a lack of basic knowledge of what an excess is. There is a positive correlation of this difficulty with having a primary school certificate, being over 74 years old, being from the Islands and being retired and a housewife.

The majority of respondents (75.0%) indicated the agent as the **main channel** through which they underwrote their current policies (question 42). This percentage rises as age increases, particularly in the South. For the categories online insurance company (16.9%) and bank/post office (17.3%) the percentage of choice is similar and much lower.

In particular, for the choice of the **online** insurance company the differences are in the age (higher under 54 years), city size (higher in the big city) and education (higher for a bachelor's or master's degree): the possession of resources and tools for the direct understanding of the conditions and costs of the policies seems to reveal a greater decision-making autonomy, which leads to avoid necessarily resorting to intermediation.

To subscribe to policies, 60.7% of the respondents usually go to their **insurance company/contact person/intermediary** (question 43). There are differences by gender, age and city size. First of all, women are slightly more likely to turn only to their own company than men. A similar phenomenon occurs with increasing age (55 and over). Otherwise in the big cities**,** one either searches for the best policy from time to time (21.9%) or mixes the type of subscription, depending on the type of policy (37.2%), revealing a sort of greater

decision-making autonomy and active search for information than in other types of cities (as also emerged from question 42).

In the majority of cases where a new insurance product or a new ancillary guarantee is taken out, the **initiative is usually taken by the underwriter who also asks the insurance intermediary for support** (62.1%) (question 44). The only differences are related to gender, with women subscribing to a greater extent only at the suggestion of the intermediary (42.6%) in contrast with men (only 32.8%), as well as the over-65 age group (about 42%).

Among the respondents who are **insured**, transparency (23.4%), experience/professionalism (17.4%) and trust (17.2%) are among the **factors considered most important** for the choice of insurance contact person (question 45). Slightly lower were the percentages of the selections of the items ability to understand needs (12.9%), simplicity (11.3%) and cost of policies (11.0%).

Transparency is homogeneous by age, and it is interesting to note that trust is instead mainly polarised among the over 65s: the fact that the older population chooses the insurance contact person on the basis of the trust they inspire could perhaps reveal a tendency to delegate to a language and a product that one does not know or is afraid of not understanding sufficiently. This data is also associated with the greater importance of trust as the level of schooling decreases, starting with the secondary school licence. This trend is reversed with regard to the choice of experience and professionalism of the insurance contact person; factors considered more important as the level of education increases.

If, finally, within the group of insured, we identify the group that has only compulsory policies, we find that cost is considered important. The group with only compulsory policies is predominantly in the South and Islands and is composed to a greater extent of employed persons, pensioners, students, unemployed persons, and housewives.

When asked the same question, **uninsured** respondents (only 141 out of the total number of respondents) also generally indicated transparency (29.4%) and trust (25.1%) as the main factors in choosing an insurance contact person (question 46). In particular, transparency is indicated to a greater extent under the age of 54 and in the North, while trust, on the contrary, is indicated in particular in the Centre, South and Islands, especially among the over 65s. Compared to the insured, experience and professionalism is less relevant (with the sole exception of the North-East which chooses this item in 30.9%).

Differences in education also emerge: transparency and simplicity are the most chosen by graduates, who once again indicate the importance of the possibility of directly understanding the information, compared to the delegation of trust to the contact person,

revealing a propensity for *boosting,* that is the possibility of directly knowing and understanding the information in order to favour one's own autonomy of decision, compared to the preference for *nudging,* which in this case consists in receiving more or less indirect guidance from the insurance contact person.

As far as **the area of communication** in particular is concerned, the interviewees, before signing an insurance contract, dwell on or request information mainly in relation to the following aspects (question 47): insurance premium to be paid (91.5%) and duration of the contracts (82.5%), followed by deductibles, excesses, exclusions (77.6%), other costs to be sustained (63.1%) and finally after-sales services (52.4%).
In particular, deductibles are chosen to a lesser extent as age increases (over 65). They are less chosen in the South and Islands, and as education decrease. This picture is also associated with the fact that those who do not have expertise on the concept of deductibles choose it to a lesser extent than those who do (similarly to what happens for the Premium category).

Most respondents indicate **trust** as a very (65.5%) or sufficiently (27.8%) important factor when taking out a policy (question 48). However, if we consider only those who answered 'very', we find a lower selection in the 18-34 age group (52.8%) and in the public employment sector (55.3%) than in the private sector (65.9%). Finally, it should be noted that the trust factor seems to take on less importance when compared with other factors (see questions 25 and 45) than when it is assessed in isolation, showing a focusing effect.

50.9% of respondents would follow the insurance contact person if he moved (question 49), revealing once again their loyalty to the intermediary, regardless of the company whose products he places. This aspect deserves attention as it reveals that the insured do not seem to consider that the rights and obligations deriving from the insurance contract exist with the company and not with the intermediary itself.
Furthermore, the question highlights the presence of the group of those who only take out **policies online**. This group represents 5.9% of the total, is aged between 18 and 54, lives mainly in large cities and has a high school diploma or degree (see question 42), with the consequent possibility of using cultural tools that favour autonomous decision-making.

The **information set** of insurance products is considered to be fairly understandable (question 50) by only 34.0% of respondents, and aggregating the negative evaluations (not at all, a little and so-so), we find that more than 50% express **dissatisfaction with its understandability.**

In particular, those who have a bachelor's degree (67.1%) or a master's degree (69.7%) report greater dissatisfaction with regard to comprehensibility, thus revealing a greater awareness of the difficulty of interpreting the information, the result of a greater capacity for in-depth study of the information itself. At the opposite pole are those who have no education (57.2%) and a secondary school diploma (53.4%).

Again, with regard to communication, it seems to be in contrast with the general perception of poor policy comprehensibility illustrated above that the majority of respondents (71.1%) stated that they had a **clear explanation** of the exclusions and limitations of cover or residual risk (question 51). However, this perceived lack of clarity decreases for those with a bachelor's degree, who live in a large city and who mainly take out policies online, confirming the hypothesis that lack of clarity is perceived and detected more by those with greater decision-making autonomy, linked to the possession of cultural or experiential tools. Those who do not have such tools or lack confidence in their own insurance expertise are likely to rely on the intermediary, delegating to him or her the control of the stipulation conditions, on a predominantly fiduciary basis.

When asked about the most important **communicative characteristics** that an insurance contract should have (question 52), the most important aspects are first of all the general comprehensibility of the contractual language (54.1%) followed by the request for greater clarity on specific aspects, such as deductibles and excesses (53.2%), duration of the contract (44.1%) and clarity on cases covered/not covered (42.5%). In general, once again, the need for clarity on specific aspects and contractual clauses seems to be less felt by those with an elementary education or no education at all, revealing a lack of understanding of the contractual importance of these aspects.

Respondents under the age of 54 and those with a higher education (high school diploma and even bachelor's or master's degree) also pointed out the importance of the presence of a summary outline (*less-is-more* heuristics), which allows direct access to information by eliminating the aspects that generally hinder comprehension: length of text and adoption of self-referential terminology. The summary outline of the contract offered is also considered very important by those who have taken out all policies online (47.0%), perhaps suggesting that the online mode, apart from the cost, may be in line with the expectations of respondents regarding the format of the information note.

Turning now, finally, to the **assessment of the insurance culture** in Italy (question 53), it emerges from the answers given by the interviewees that the majority (over 70%) do not

consider it adequate. This negative consideration is accentuated as the level of insurance expertise and the level of education (bachelor's and master's degree) increase. It is the opinion of the interviewees (question 54) that this knowledge gap should be **filled primarily by public institutions** (60.0%) (IVASS, Consob, Bank of Italy, Ministry of Economic Development) and by insurance companies, banks, and insurance intermediaries (45.5%). Only a much smaller percentage of respondents (mainly bachelor’s graduates) believe that the media and schools can also play this role. This general result could reveal a tendency to delegate the dissemination of knowledge that is considered technical and therefore elitist only to institutions that are considered the repositories and guarantors of this specialist knowledge, effectively marginalising the role of the media and schools. Even those who have children do not give schools a role in the process of insurance literacy. Although increasing skills in finance, insurance, pensions, and taxation should involve schools as well as the media, there seems to be a general lack of perception of the importance of this function.

Appendix 1 - Sample Demographic Statistics

Gender	n
Male	989
Female	1,064
Tot	2,053

Age	n
18 - 34	432
35 - 54	712
55 - 64	344
65 - 74	277
+74	288
Tot	2,053
Mean	52.6

Geographical area	n
NORTH WEST (Aosta Valley, Piedmont, Lombardy, Liguria)	578
NORTH EAST (Veneto, Friuli, Trentino, Emilia Romagna)	403
CENTRE (Tuscany, Umbria, Lazio, Marche)	356
SOUTH (Campania, Abruzzo, Molise, Puglia, Calabria, Basilicata)	479
ISLANDS (Sicily, Sardinia)	237
Tot	2,053

Regions	n
Aosta Valley + Piedmont	296
Lombardy	193
Liguria	90
Veneto	142
Friuli	49
Trentino	55
Emilia Romagna	157
Tuscany	159
Umbria	9
Lazio	99
Marche	89
Abruzzo	68
Molise	0
Campania	187
Puglia	85
Basilicata	37
Calabria	102
Sicily	183
Sardinia	54
Tot	2,053

City	n
Big (Milan, Turin, Genoa, Rome, Naples, Palermo)	270
Medium (County Seats)	442
Small	1,341
Tot	2,053

Degree	n
Postgraduate specialisation	24
Master’s	167
Bachelor's	68
High school	934
Secondary school	646
Primary school	193
None	21
Tot	2,053

Role in the family	n
Head of the household	1,159
Partner of the head of the household	557
Son/daughter of the head of the household	306
Other family member	31
Tot	2,053

Employment	n
Employee	791
Self occupied	284
Pensioner	531
Student	93
Housewife	166
Seeking employment	72
Unemployed	95
Other	22
Tot	2,053

Employees	n
Director/officer/manager	38
Employee/teacher	400
Factory worker/saleswoman/agriculturalist	310
Military	10
Other employee	33
Tot	791

Self-employed	n
Entrepreneur	36
Freelancer	100
Craftsman	57
Trader/shopkeeper	59
Other self-employed person	32
Tot	284

Work sector	n
Public	184
Private	607
Tot	791

Profession of head of household	n
Entrepreneur	29
Freelancer	68
Craftsman	46
Trader/shopkeeper	49
Other self-employed person	28
Director/officer/manager	18
Employee/teacher	171
Military	10
Factory worker/saleswoman/agriculturalist	161
Housewife	9
Student	4
Pensioner	274
Unemployed	27
Tot	894

Civil status	n
Single	537
Married	1,035
Cohabitant	161
Entered in the register of unmarried couples	2
Widower/widow	184
Separated/divorced	134
Tot	2,053

Family unit	n
1 person	388
2 people	633
3 people	460
4 people	428
More than 4 people	144
Tot	2,053

Children in the family	n
Yes	819
No	1,234
Tot	2,053

Housing situation	n
Home ownership	1,622
Rented accommodation	343
Other	88
Tot	2,053

Country of birth	n
In Italy	1,977
In Europe	38
In a non-European country	38
Tot	2,053

Appendix 2 - Rating scale scores and indices

KNOWLEDGE OF BASIC TERMS

Average between:

- Q19x. The PREMIUM is...
- Q20x. The DEDUCTIBLE is...
- Q21x. The MAXIMUM AMOUNT OF COVER is....

Each question was scored as follows:

- Answers all items correctly = +1
- Responds correctly to the exact item, but gets at least one of the others wrong = 0
- Identifies the correct item as incorrect = -1
- Declares that he/she does not know the previous question (Q19-Q20-Q21) = -1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

KNOWLEDGE OF INSURANCE PRODUCTS

Average between

- Q16x. I'll now read through the possible guarantees and for each one tell me whether, in your opinion, they are offered by the ACCIDENT POLICY
- Q17x. I am now going to read through the possible guarantees, and for each one tell me whether, in your opinion, they are offered by the TERM LIFE INSURANCE POLICY
- Q18x. Tell me whether, in your opinion, a SUPPLEMENTARY PENSION policy allows...
- Q18bis. Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?
- Q18ter. In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?

Each question was scored as follows:

- For question Q16x
    - Answers all items correctly= +1

    - Responds correctly to the exact items, but gets at least one of the others wrong (or states "don't know") = +0.50
    - Correctly answers one exact item but fails to answer the other, identifies wrong items as correct = 0
    - Answers only one of the items correctly and gets at least one of the others wrong = -0.50
    - Identifies correct answers as incorrect, or states "don't know" = -1
    - Declares that he/she does not know the previous question (Q16) = -1
- For questions Q17x-Q18x
    - Answers all items correctly = +1
    - Responds correctly to the exact item, but gets at least one of the others wrong (or states "don't know") = 0
    - Identifies the correct answer as incorrect, or states "don't know" to the correct item = -1
    - Declares that he/she does not know the previous question (Q16-Q17-Q18) = -1
- For Q18bis and Q18ter
    - Answers correctly = +1
    - Answers incorrectly= -1
    - Answers "Don't know" = -1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

INSURANCE KNOWLEDGE INDEX

Average between: Assessment Knowledge of BASIC TERMS and Assessment Knowledge of INSURANCE PRODUCTS.

The scores of the two assessments were given equal weight. The insurance knowledge index score is on a scale of 0-100.

CONFIDENCE INDEX

Average between:

- Q8: How comfortable do you feel about facing life's unexpected events after taking out an insurance product?
- Q9: In case of claim, do you think that the procedure for obtaining the benefit due from the insurer would be...?
- Q45 (option 3): Please, indicate which of the following you consider to be the most important factor in choosing an insurance contact person.
- Q45 (option 4): Please, indicate which of the following you consider to be the most important factor in choosing an insurance contact person.
- Q48. How important do you consider the element of trust to be when taking out a policy?

Each question was scored as follows:

- For questions Q8-Q9-Q48
    - Very = +1
    - Fairly = +0.5
    - So-so = 0
    - Little = -0.5
    - Not at all/very little = -1
- For questions Q45 option 3 and Q45 option 4
    - Option chosen = +1
    - Option not chosen = -1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

RISK AVERSION INDEX

Average between:

- Q13.2: Insurance does not make sense because the probability of damage occurring is very low. This question was scored as follows
    - Yes = -1
    - No = +1

- Q13.3: Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high. This question was scored as follows
    - Yes = -1
    - No = +1

- Q13.4: Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring even if this probability is very low. This question was scored as follows
    - Yes = +1
    - No = -1

- Q26. In your opinion, after an accident, what is the average probability of having a similar accident in the following year? This question was scored as follows
    - More likely than average = +1
    - Less likely than average = -1
    - Same probability as average = 0

- Q27. An accident will occur 25 times out of 100/ no accident will occur 75 times out of 100. Would you subscribe to an insurance policy to protect yourself against the risk of that accident? This question was scored as follows
    - Yes = +1
    - No = -1

- Q28. Given the annual probability of 1 in 1,000/ the 0.1% of losing €50,000 due to domestic accidents would you prefer... This question was scored as follows
    - paying a policy of €100 per year = +1
    - risking and not paying for a policy = -1

- Q30. In the case of possible damage to the house (burst pipes, mould, infiltration, etc.) quantifiable at €2,000 would you prefer... This question was scored as follows
    - having paid an insurance premium of €200 per year which covers you for 10 years = +1
    - pay €2,000 out of your own pocket when the event occurs = -1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

INDEX OF INSURANCE LOGIC

Average between:

- Q12. We are talking about motor liability policy in general (even if you have not taken out any). In your opinion, when choosing between proposals from different insurance companies, is it more important to evaluate...? This question was scored as follows
    - only the cost you have to pay: the lower the better because it is cheaper = -1
    - only the cost you have to pay: the higher the better because it is of higher quality = -1
    - only the policy conditions, irrespective of the cost to be paid = -1
    - both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one = +1

- Q15. If the company insures you against previous illnesses, do you think that this could increase the cost of the policy?
- This question was scored as follows
    - Yes, it may increase the cost of the policy = +1
    - No, it cannot increase the cost of the policy = -1

- Q22. In your opinion, is a policy that provides for a DEDUCTIBLE, i.e., that a part of the loss is borne by the insured, more expensive or less expensive on average than one that does not?

  This question was scored as follows
    - More expensive = -1
    - Equal = -1
    - Less expensive = +1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

EFFECTIVENESS OF INSURANCE COMMUNICATION INDEX

Average between:

- Q50. Do you think that the information set of insurance products is generally understandable?

  This question was scored as follows

  - Very = +1
  - Fairly= +0.5
  - So-so = 0
  - Little = -0.5
  - Not at all = -1
- Q51. Thinking about the policies you did subscribe to: were you generally clearly informed of the exclusions and limitations of cover, or of the residual risk you had to bear, before subscribing the policy?

  This question was scored as follows

  - Yes = +1
  - No = -1
- Q53. Do you think the insurance culture in Italy is adequate?

  This question was scored as follows

  - Very = +1
  - Fairly = +0.5
  - So-so = 0
  - Little = -0.5
  - Not at all = -1

The same weight was set for each question.

The score was finally transformed on a 0-100 scale.

GENERAL INSURANCE INDEX

Average of: insurance knowledge index, confidence index, risk aversion index, insurance logic index and insurance communication effectiveness index.

The scores of the indices used were assigned the same weight. The score for the general INSURANCE index is on a scale of 0-100.

Annex 1 - Analytical Report on indices, ratings and questionnaire responses

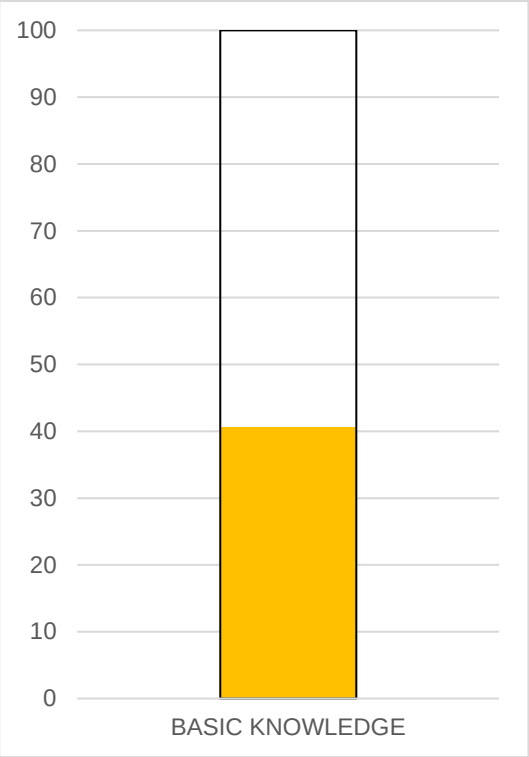
Section I: indices and evaluations

In this section some indices will be presented showing, in a synthetic way, the Italian situation in relation to the following factors: insurance knowledge, trust, risk aversion, insurance logic and effectiveness of insurance communication. These indices will be used to construct a general insurance index.

An assessment of knowledge of basic terms and an assessment of insurance products, converging in the insurance knowledge index, will also be described.

The development of the indices and ratings was based on data from some answers to the 54 questions in the survey (see Appendix 2).

The Insurance Knowledge Index - Assessment of basic knowledge



The basic knowledge scores have been created on the basis of the questions on knowledge of the terms "insurance premium" (questions 19 and 19x), "deductible" (questions 20 and 20x) and "maximum amount of cover" (questions 21 and 21x). Specific guidance on scoring can be found in Appendix 2.

On a scale of 0 to 100, the basic knowledge of Italians is on average 40.6.

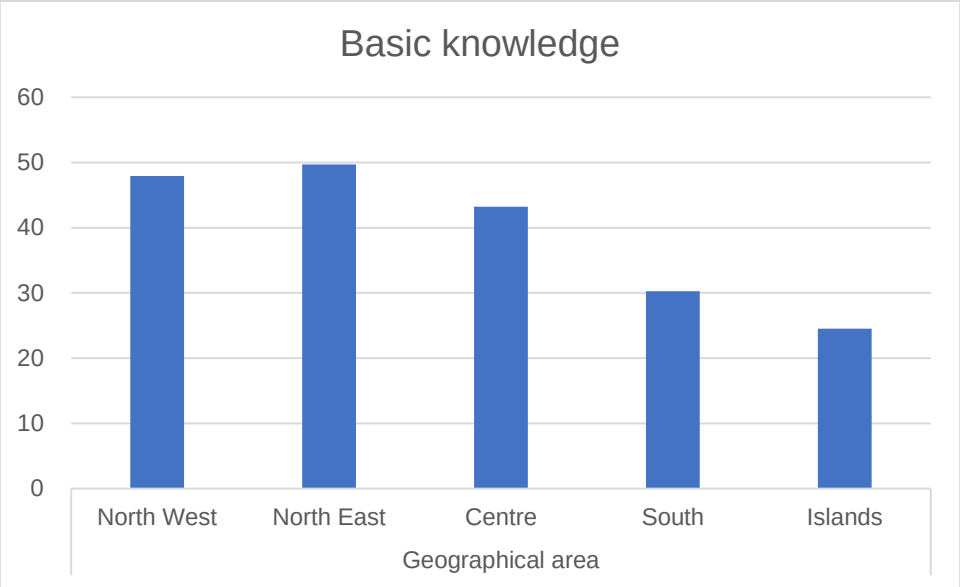
13.9% of the participants answered all the questions correctly, thus showing full knowledge of the basic terms. However, 29.9% did not know them at all, achieving a rating of 0 out of 100 points.

Differences emerged in relation to gender, with women obtaining lower scores (on average 32.5) than men (49.3).

Within the various age groups, there is an increase in knowledge up to the age of 64, and a subsequent decrease from the age of 65 onwards.

	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Basic knowledge	33.9	45.0	47.5	41.9	30.5

There are also significant differences between the geographical areas, where we find a deterioration in basic knowledge as we go down the boot. The North East, North West and Centre score fairly similarly, but there is a wide gap between these areas and the South and Islands. The North proves to be above average, with the North West having an average score of 47.9 and the North East 49.7. The Centre follows them (but the difference is not significant) with a score of 43.2. The South closes with 30.3 and the Islands with 24.5.

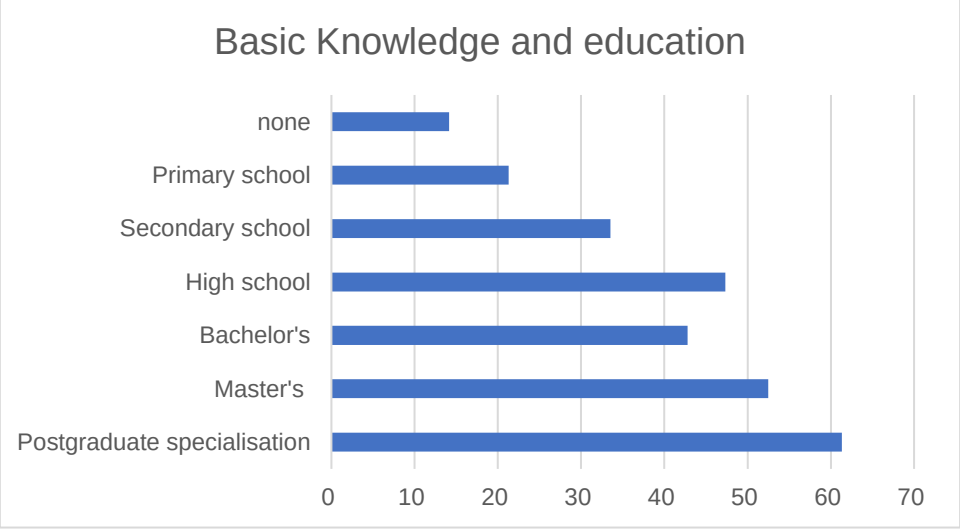


In big cities, the basic knowledge is lower than in smaller cities, as shown in the table below.

	City		
	Big	Medium	Small
Basic knowledge	36.8	44.4	40.2

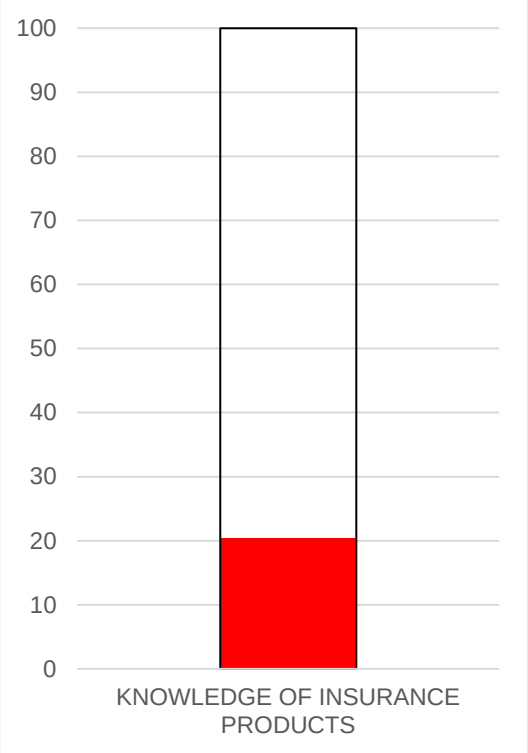
Finally, there are significant differences according to education. Basic knowledge increases as schooling increases, and possession of a high school diploma seems to lead to a particular increase in basic knowledge.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Basic knowledge	61.3	52.5	42.8	47.3	33.5	21.3	14.1



The Insurance Knowledge Index - Assessment of insurance product knowledge

The insurance product knowledge scores are based on the answers to the questions on accident policy (questions 16 and 16x), term life insurance (questions 17 and 17x), supplementary pension policy (questions 18 and 18x) and life insurance (questions 18bis and 18ter).



Specific guidance on scoring can be found in Appendix 2.

On a scale of 0 to 100, Italians' knowledge of insurance products is rather poor, with an average of 20.1.

35% of respondents show a 0 knowledge of insurance products, while only one individual scores the highest rating (< 0.5%).

The situation is more critical for women, with an average score of 18.5 compared to 22.4 for men. As in the case of basic knowledge, knowledge increases with age and then decreases after the age of 65.

	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Knowledge of insurance products	17.7	23.2	23.6	19.5	14.4

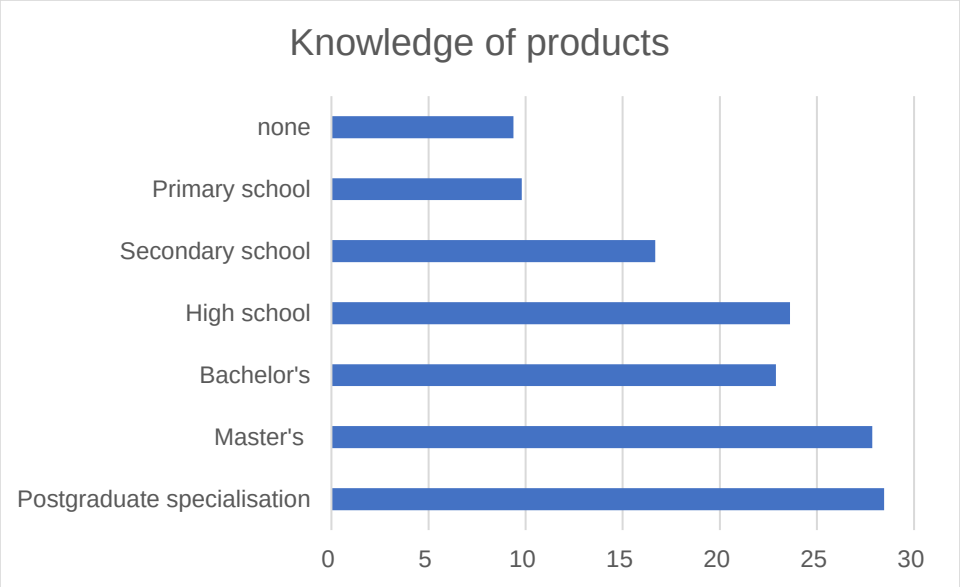
Among the geographical areas, the North West and North East are above average. These areas score higher than the South and the Islands. The Centre is in the middle.

	Geographical area				
	North West	North East	Centre	South	Islands
Knowledge of insurance products	22.5	22.7	20.2	17.8	16.4

Those living in the medium cities express a higher knowledge of insurance products (on average 22.7), compared to those living in larger cities (19.2) and smaller ones (19.8).

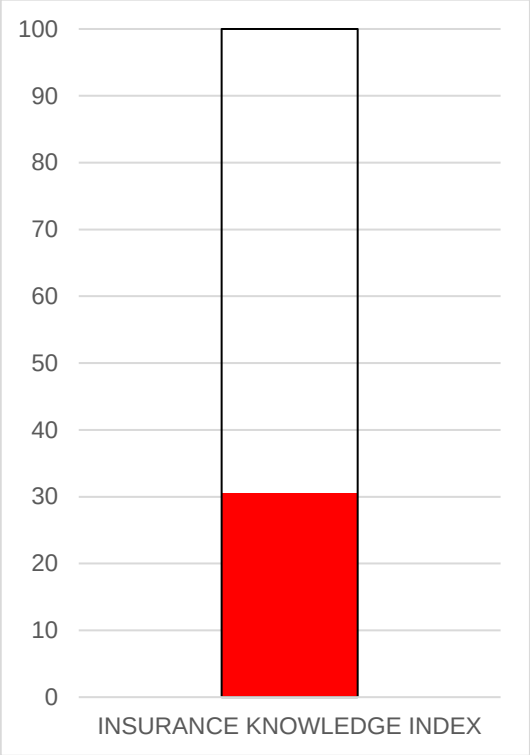
Finally, differences emerge with regard to education. Again, it is the high school diploma that determines a significant cut-off.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Knowledge of insurance products	28.5	27.9	22.9	23.6	16.7	9.8	9.4



The Insurance Knowledge Index

Based on the assessments of basic knowledge and product knowledge, a total insurance knowledge index was created. Specific information on the weighting can be found in Appendix 2.



On average, insurance knowledge is 30.4. Insurance knowledge correlates with the number of insurance policies taken out in the household ($r=0.332$, $p<0.001$). There is an increase in insurance knowledge as the insurance profile changes, as shown in the table below.

Insurance profile	INSURANCE KNOWLEDGE
does not have policies	13.7
only has mandatory policies	24.1
also has non-mandatory policies	37.5

The differences seen for basic knowledge and knowledge of insurance products remain unchanged concerning insurance knowledge.

Analyses show that knowledge is better in men (35.9) than in women (25.5); knowledge increases with age, reaching its peak in the 55-64 age group, and then decreases; in the North West and North East the average score is higher than in the South and the Islands, while the Centre is in an intermediate position. Those who live in medium-sized cities have more knowledge (33.5) than those who live in big cities (28.0) or small towns (30.0). Finally, as education increases, so does insurance knowledge.

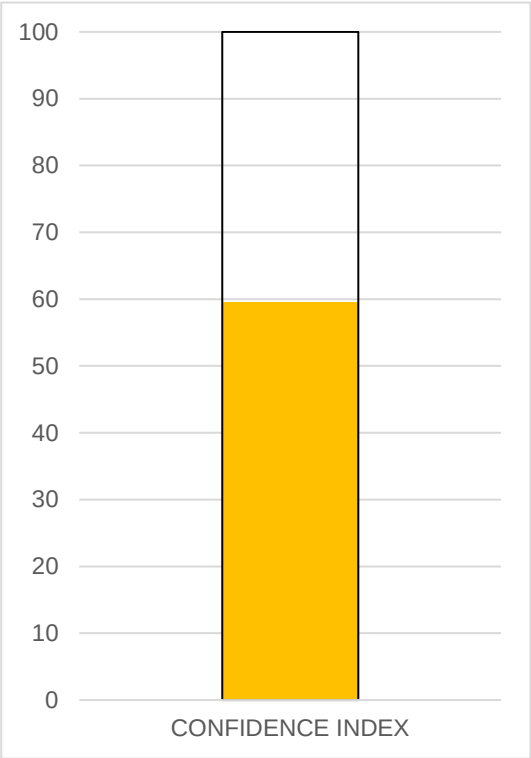
	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
INSURANCE KNOWLEDGE	25.8	34.1	35.5	30.7	22.4

	Geographical area				
	North West	North East	Centre	South	Islands
INSURANCE KNOWLEDGE	35.2	36.2	31.7	24.0	20.5

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
INSURANCE KNOWLEDGE	44.9	40.2	32.8	35.5	25.1	15.6	11.8

The Confidence Index

Scores of the importance attributed to confidence in the insurance industry have been created from the questions:



- Q8: How comfortable do you feel about facing life's unexpected events after taking out an insurance product?
- Q9: In the event of a claim, do you think the procedure for obtaining the benefit due from the insurer would be...?
- Q45 (option 3). Which of the following do you consider to be the most important factor in choosing an insurance contact person? Confidence that the person inspires.
- Q45 (option 4). Which of the following do you consider to be the most important factor in choosing an insurance contact person? Referral from acquaintances I trust
- Q48. How important do you consider the element of trust to be when taking out a policy?

Specific guidance on scoring can be found in Appendix 2.

The confidence index is 59.5 and correlates with the number of insurance policies held ($r=0.117$, $p<0.001$) and there is a significant difference in scores between those who only have compulsory policies (57.5) and those who also have non-compulsory policies (61.0).

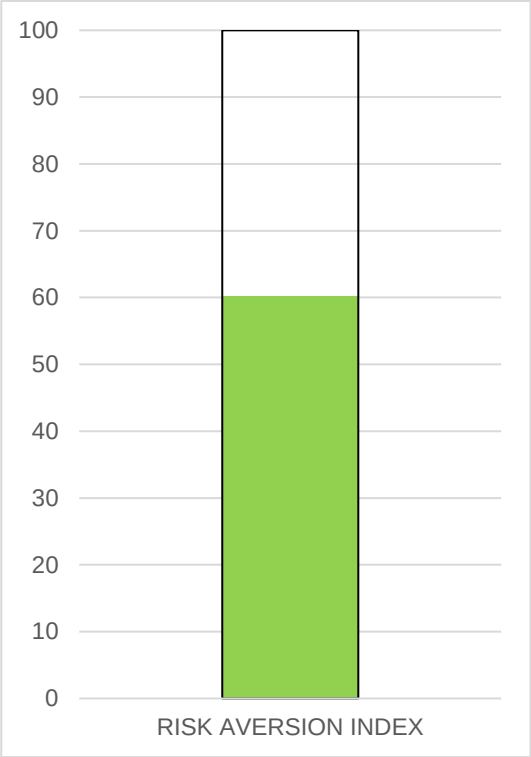
There are no differences between men and women, between age groups (although the over 74s give more importance to trust than the others, with an average of 61.9) and between education. Regarding geographical areas, the highest scores are expressed by the North East and the Centre, the lowest by the South and the Islands. The North West is in an intermediate position.

	Geographical area				
	North West	North East	Centre	South	Islands
CONFIDENCE INDEX	59.4	60.9	61.1	58.9	55.8

In big cities, trust is less important, with an average rating of 56.9, compared to medium cities (59.3) and small cities (60.1).

The Risk Aversion Index

The risk aversion scores were created from the questions:



- Q13.2: insurance does not make sense because the probability of damage occurring is very low.
- Q13.3: insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.
- Q13.4: Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring even if this probability is very low.
- Q26. In your opinion, after an accident, what is the average probability of having a similar accident in the following year?
- Q27. An accident will occur 25 times out of 100/no accident will occur 75 times out of 100. Would you subscribe to an insurance policy to protect yourself against the risk of that accident?
- Q28. Given the annual probability of 1 in 1,000/ 0.1% of losing €50,000 due to damages from domestic accidents would you prefer…
- Q30. In the case of possible damage to the house (burst pipes, mould, infiltration etc.) quantifiable at €2,000 would you prefer…

Specific guidance on scoring can be found in Appendix 2.

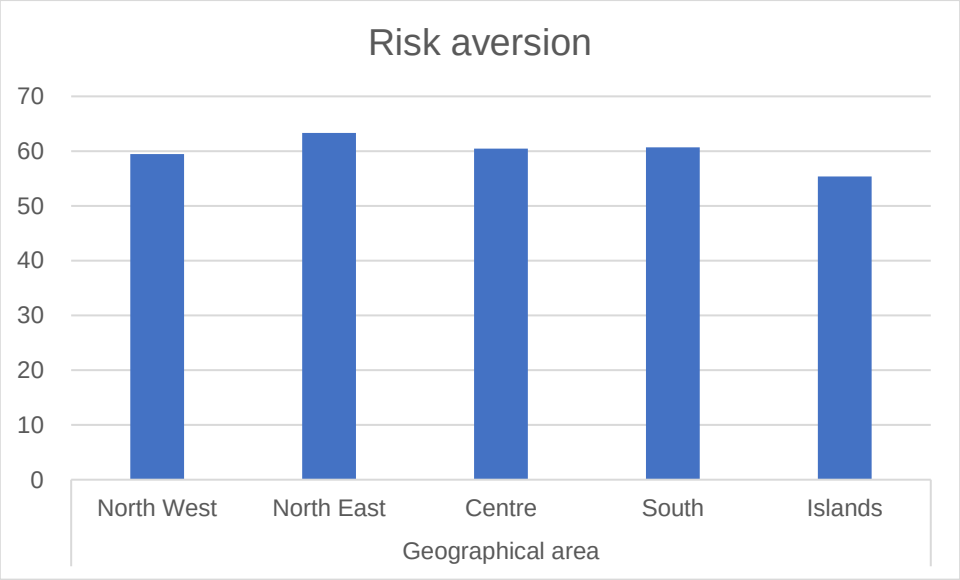
The results show that Italians are cautiously risk-averse, with a mean score of 60.2. Those who are more risk-averse take out more insurance ($r=0.213$, $p<0.001$) and there is evidence of a higher risk propensity among those who do not have insurance policies.

Insurance profile	RISK AVERSION
Does not have policies	48.0
only has mandatory policies	56.7
also has non-mandatory policies	64.3

No gender differences emerged. On the other hand, young people and in general the under-64s are more risk-averse than the elderly, with a greater propensity to take risks among the over 74s.

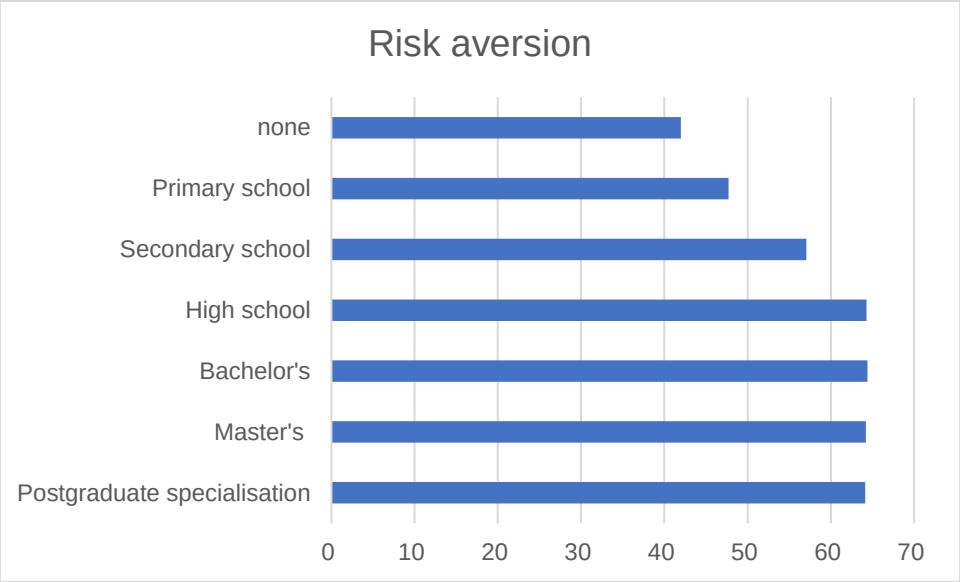
	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
RISK AVERSION	64.4	62.4	62.9	55.9	49.6

As far as geographical areas are concerned, the Islands show a greater propensity to take risks (55.4), while the North East is the most risk-averse (63.3).

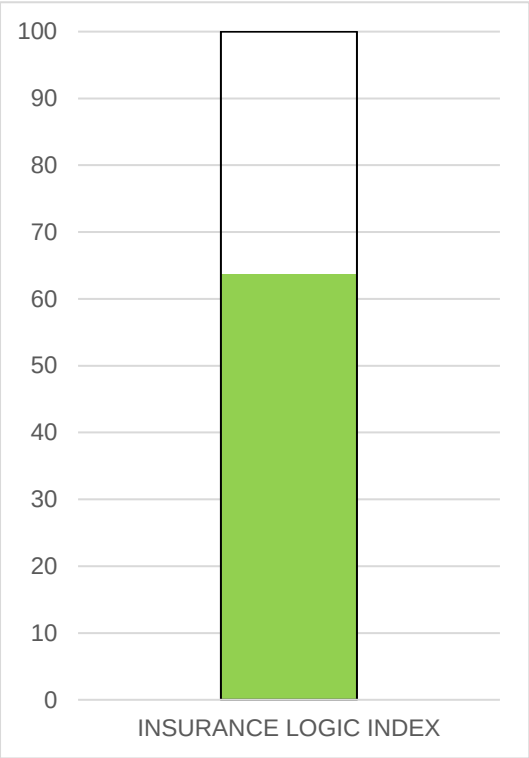


Finally, those with a high school diploma or higher show higher levels of risk aversion.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
RISK AVERSION	64.1	64.2	64.4	64.3	57.0	47.7	42.0


Risk aversion
none
Primary school
Secondary school
High school
Bachelor's
Master's
Postgraduate specialisation
0
10
20
30
40
50
60
70

The Insurance Logic Index



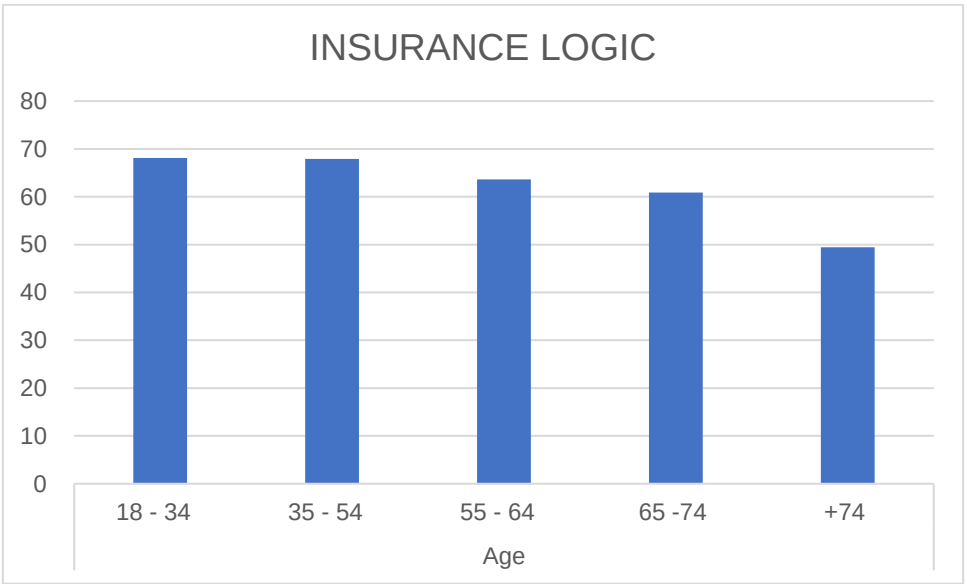
The assessment of the insurance logic was based on the following questions:

- Q12. Let's talk about motor liability insurance in general (even if you have not taken out any). In your opinion, when choosing between proposals from different insurance companies, is it more important to assess…?
- Q15. If the company insures you against previous illnesses, do you think that this will increase the cost of the policy?
- Q22. In your opinion, is a policy that provides for a DEDUCTIBLE, i.e., that a part of the loss is borne by the insured, more expensive or less expensive on average than one that does not?

Specific guidance on scoring can be found in Appendix 2.

The insurance logic stands at an overall mean score of 63.7 and correlates with the insurance index (r=0.344, p<0.001).

Men score higher than women (66.0 vs. 61.6). With regard to age, those under 54 show the highest ratings (18-34-years-old: 58.1; 35-54-years-old: 67.9), the two following age groups have lower scores (55-64-years-old: 63.6; 65-74-years-old: 60.9), and finally the over 74s, get the lowest rating (49.2).



The average scores for insurance logic increase proportionally with educational attainment. The difference is particularly significant between the two extremes.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
INSURANCE LOGIC	77.7	75.2	69.8	69.1	58.5	43.7	37.3

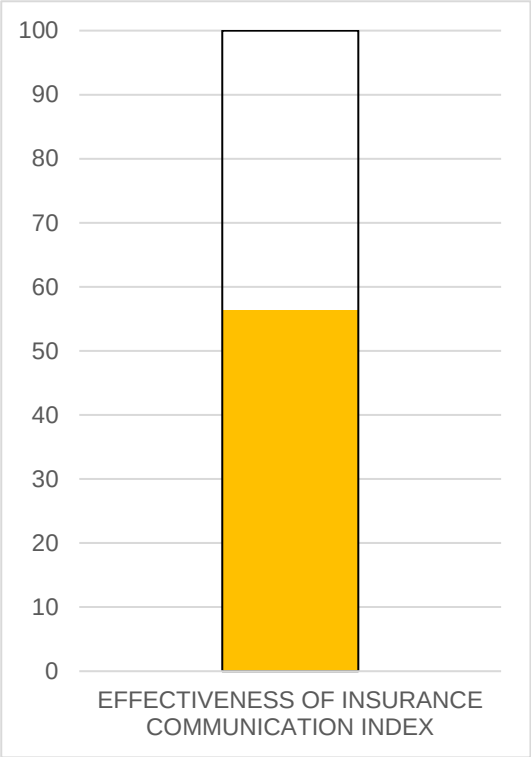
There are also differences with regard to geographical areas: in the South and the Islands, average scores are lower than in the rest of Italy.

	Geographical area				
	North West	North East	Centre	South	Islands
INSURANCE LOGIC	66.4	69.8	66.8	58.9	51.6

Finally, as shown in the table below, it is evident that the insurance logic varies according to the insurance profiles of the respondents.

Insurance profile	INSURANCE LOGIC
Does not have policies	46.4
Only has mandatory policies	59.0
Also has non-mandatory policies	69.4

The Effectiveness of Insurance Communication Index



The scores for the assessment of the effectiveness of insurance communication have been created from the questions:

- Q50. Do you think that the information set of insurance products is generally understandable?
- Q51. Thinking about the policies you have taken out, in general, were the exclusions and limitations of cover or the residual risk borne by you clearly explained to you before taking out the policy?
- Q53. In your opinion, is the insurance culture adequate in Italy?

All questions relate to the insured sample portion. Specific guidance on scoring can be found in Appendix 2.

The average score for the assessment of the effectiveness of insurance communication is 56.3. No differences emerged by gender, age and geographical area.

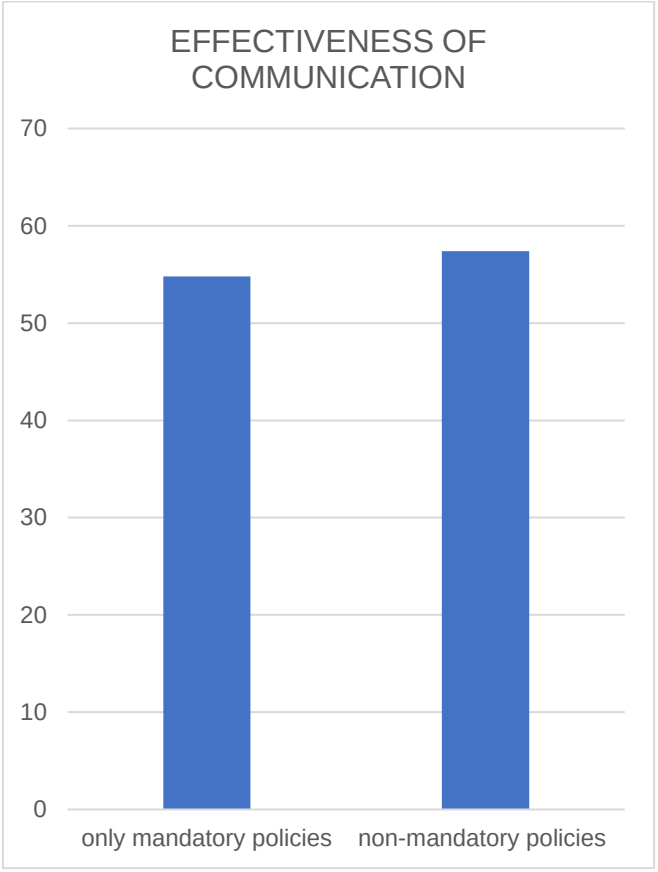
Those who live in large cities give a lower rating to the effectiveness of communication than those who live in smaller towns.

	City		
	Big	Medium	Small
Basic knowledge	48.2	56.3	57.9

As far as education is concerned, there are differences between those with a university degree (bachelor's or master's degree) and those with lower education (secondary school leaving certificate). The latter, in fact, give a higher score to insurance communication effectiveness.

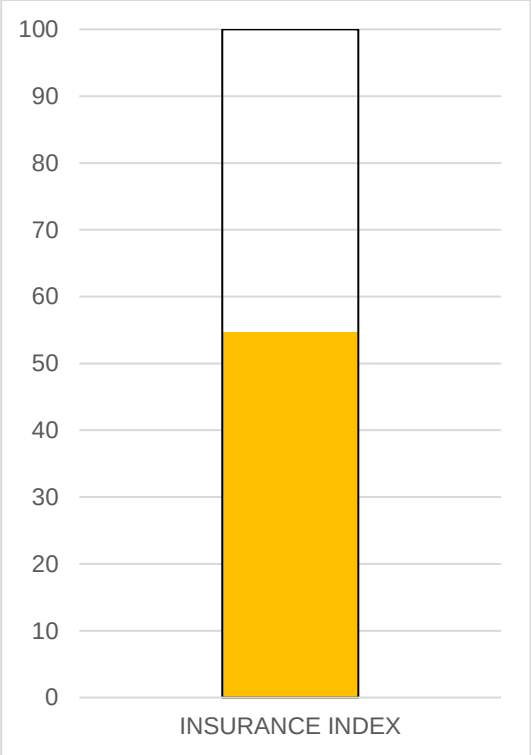
	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Communication effectiveness	56.6	51.8	49.1	56.2	58.5	56.3	56.5

Finally, those with non-mandatory policies rated the effectiveness of insurance communication more favorably (57.4) than those with only mandatory policies (54.8).



The General Insurance Index

A general insurance index was constructed starting from the indices of insurance knowledge, confidence, risk aversion, insurance logic and communication effectiveness. Specific indications on the weighting are given in Appendix 2.



This index amounts to 54.0 and correlates positively with more insurance coverage (r=0.341, p<0.001) and more non-compulsory policies taken out (r=0.265, p<0.001).

In fact, the score of those who also have non-mandatory policies is significantly higher than those who only have mandatory policies (57.9 vs 50.4).

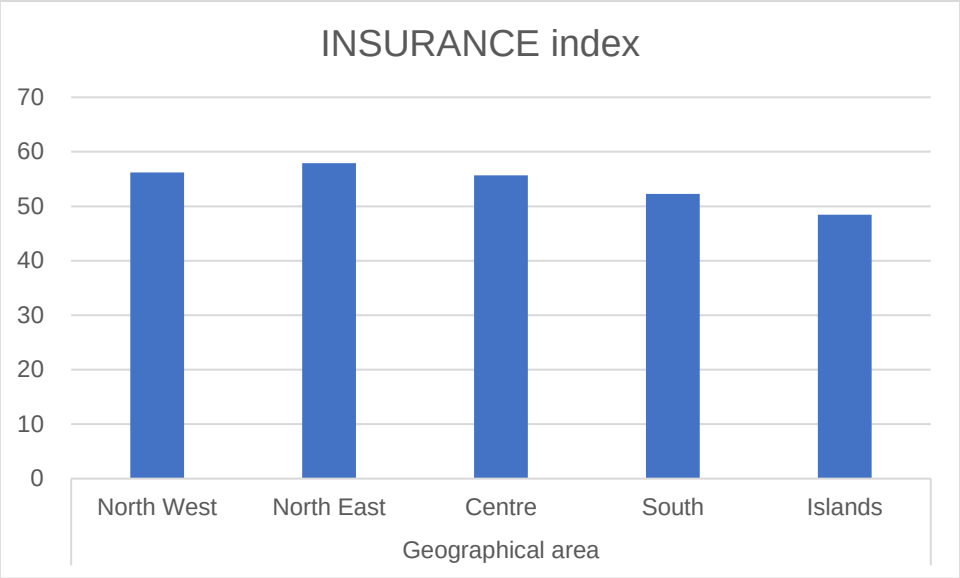
Women score lower compared to men.

	Gender	
	Male	Female
INSURANCE index	56.3	53.2

Significant differences are also found in relation to age group, within which average scores tend to rise up to the age of 64, and then fall in the older age groups.

	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
INSURANCE index	55.7	56.0	56.1	53.2	49.0

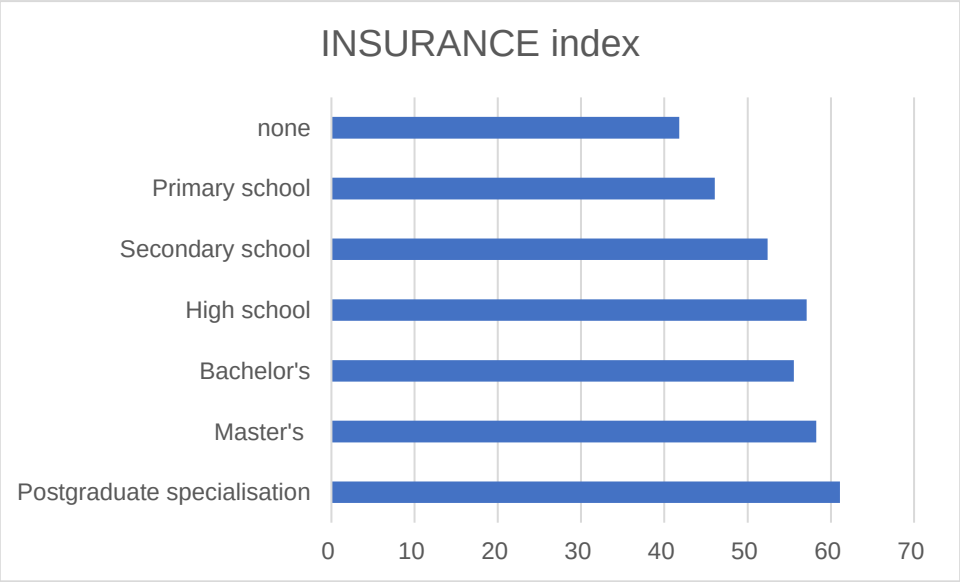
The North-East has the highest average rating (57.9), while the North-West and Centre are equivalent (56.2 and 55.7 respectively). The South and the Islands have the lowest scores, with an average of 52.3 for the South and 48.4 for the Islands.



There are also differences according to the size of the cities. In large cities, the average score is lower, at 52.6, than in smaller ones (medium cities 55.4; small cities 54.9).

Finally, the education proves to be correlated with the insurance index. A higher level of schooling ensures higher scores, with a particular difference determined by the possession of a high school diploma.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
INSURANCE index	61.1	58.3	55.6	57.1	52.4	46.0	41.8



Section II: Responses to the Questionnaire

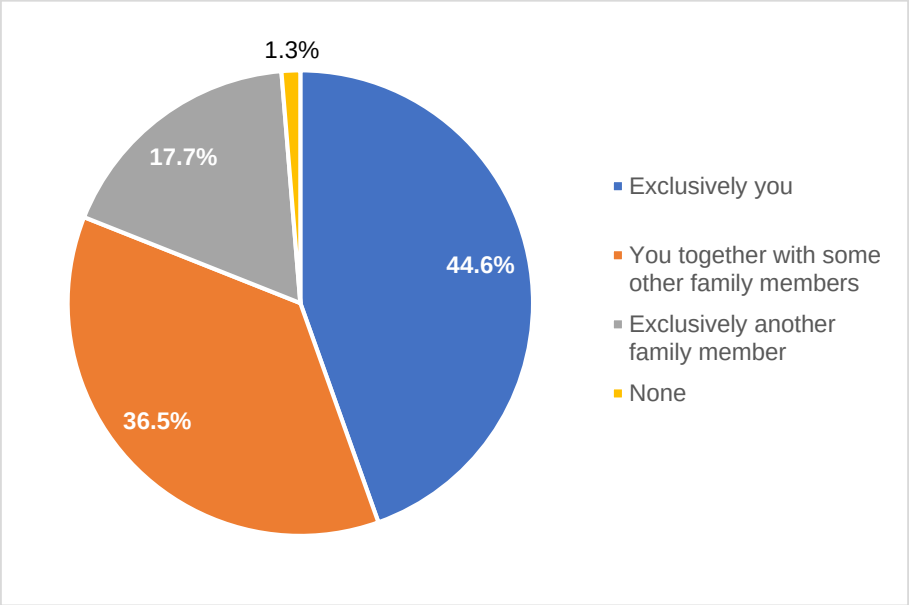
The data presented include all questions of the Questionnaire (4 to 54) and their answers.

QUESTION 4

WHO DECIDES ON INSURANCE COVER IN THE FAMILY?

The majority (54.2%) of insurance product choices are made through interaction with a family member, in some cases even relying completely on another family member (17.7%).

Who decides on insurance cover in the family?	%
Exclusively you	44.6%
You together with some other family members	36.5%
Exclusively another family member	17.7%
None	1.3%



The decision to take out an insurance policy emerges as a social and shared choice that involves more or less actively at least one other member of the family.

The choice of an insurance product is therefore a moment of family concertation and negotiation, both as regards the type of products insured (such as cars and family's house)

and the impact of the insurance choices on the well-being and financial security of the household as a whole.

Who decides on insurance cover in the family?	Gender	
	Male	Female
Exclusively you	56.6%	33.4%
You together with some other family members	32.7%	40.0%
Exclusively another family member	10.3%	24.6%
None	0.5%	2.0%

Among those who decide independently on the insurance products (44.6%), the effect of gender is evident: men are almost twice as likely as women to decide independently (56.6% against 33.4%). Conversely, women more than twice likely than men to delegate the choice of the insurance products exclusively to another family member (24.6% against 10.3%).

Who decides on insurance products in the family?		Exclusively You	You together with some other family members	Exclusively another family member	None
Male	NORTHWEST	55.9%	34.8%	8.8%	0.5%
	NORTH EAST	46.8%	42.2%	10.8%	0.3%
	CENTRE	59.5%	30.6%	9.9%	0.0%
	SOUTH	59.5%	27.6%	12.1%	0.8%
	ISLANDS	64.8%	24.8%	9.5%	0.9%
Female	NORTHWEST	35.6%	42.7%	19.6%	2.0%
	NORTH EAST	41.5%	39.8%	17.9%	0.8%
	CENTRE	31.2%	47.3%	19.1%	2.4%
	SOUTH	19.9%	36.7%	39.8%	3.5%
	ISLANDS	43.9%	28.9%	27.2%	0.0%

This gender differentiation seems to be amplified especially in the South and Islands, where conversely there is a decrease in the propensity to make shared choices and an increase in the propensity to delegate.

Another significant element with respect to the mode of choice is represented by the family role. Those who define themselves as "head of the household" tend to make autonomous decisions (68.9%) while their partners tend to make shared decisions (59.1%) and to a lesser extent to give total delegation (29%). On the contrary, children, even if they are of

adult age, tend mainly to fully delegate (45.6%) rather than to participate in the choice (39.6%), and only rarely they tend to make insurance decisions independently (13.7%).

Who decides on insurance cover in the family?	Role in the family			
	Head of household	Partner of the head of household	Son/daughter of the head of household	Other family member
Exclusively you	68.9%	11.1%	13.7%	41.7%
You together with some other family members	25.1%	59.1%	39.6%	23.6%
Exclusively another family member	4.5%	29.0%	45.6%	34.7%
None	1.6%	0.8%	1.1%	0.0%

Consistently, in relation to age groups, the propensity to fully delegate to another family member is highest in the 18-34 age group (38%), while the propensity to make decisions independently tends to increase steadily as the age group increases, reaching a peak of 56.1% in the "over 74" group.

Who decides on insurance cover in the family?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Exclusively you	23.9%	48.6%	47.1%	51.4%	56.1%
You together with some other family members	37.0%	38.4%	39.5%	38.2%	25.4%
Exclusively another family member	38.0%	12.3%	12.3%	9.6%	14.9%
None	1.1%	0.6%	1.1%	0.8%	3.6%

Finally, the social way of choosing the insurance product goes hand in hand with both one's basic knowledge of insurance concepts (definition of deductible, premium, maximum amount of cover) and knowledge of insurance products. Specifically, the level of knowledge of those who decide independently is not significantly different from those who decide together with at least one other family member. Instead, a collapse of insurance knowledge is observed in the population that completely delegates the insurance choice to other family members.

	Who decides on insurance cover in the family?			
	Exclusively you	You together with some other family members	Exclusively another family member	None
Knowledge of BASIC terms	44.7	45.2	23.2	12.5
Knowledge of PRODUCTS	22.0	21.8	14.4	6.2

QUESTION 5

ARE YOU OR ANY OTHER MEMBER OF YOUR FAMILY CURRENTLY PROTECTED BY ONE OF THE FOLLOWING TYPES OF INSURANCE POLICY? PLEASE REFER ONLY TO POLICIES TAKEN OUT PERSONALLY AND NOT TO THOSE TAKEN OUT BY YOUR EMPLOYER, SPORTS CLUB, CONDOMINIUM, ETC.

Policy type	%
Motor liability policy	89.7%
Mortgage-linked home fire and explosion policy	16.8%
Payment protection policy: to protect yourself in case you are unable to pay your mortgage or loan instalments (e.g., due to serious illness or job loss)	10.6%
Household liability	20.1%
Home policy	32.0%
Natural disaster policy (e.g., earthquakes. Floods)	13.1%
Accident policy	20.2%
Health policy	10.6%
Policy to ensure financial support in the event of dependency when you are elderly	6.0%
Death policies	17.8%
Life insurance policy for savings or supplementary pensions	16.9%
OTHER POLICIES	1.5%
Professional policy	0.6%
Pet policy	0.4%
More	0.4%

In addition to compulsory policies such as motor third-party liability or those relating to the protection of the property on which a mortgage has been granted, the most popular insurance products are home policies (32%), followed by household liability policies (20.1%) and accident policies (20.2%). Lower down the list are death policies (17.8%) and life policies for savings and supplementary pensions (16.9%). With an even more moderate propensity to purchase we find policies for natural disasters (13.1%), payment protection policies (10.6%) and health policies (10.6%). Lastly, professional and pet policies are also less popular.

In a nutshell, the insurance profile of Italians can be summarised as follows:

- Does not have policies: 6.9%

- Has only compulsory insurance policies: 39.6%.

- Also has non-mandatory policies: 53.5%.

In terms of geographical areas, there is an almost double tendency in the South, compared to the North and the Centre, to have no insurance cover at all. This tendency triples in the Islands.

	Geographical area				
	North West	North East	Centre	South	Islands
Does not have policies	5.5%	4.0%	5.5%	8.4%	14.4%
Only has mandatory policies	28.7%	26.2%	38.9%	55.3%	58.1%
Also has non-mandatory policies	65.8%	69.9%	55.7%	36.4%	27.5%

The most remarkable contractions in the levels of insurance cover in the North, Centre and South were observed for home policies, which, from a peak of 54.9% in the North-East, fell to 29.6% in the Centre and 7.3% in the South. There was also a drop in natural catastrophe policies which, from 22.1% in the North West, fell to 10.5% in Central Italy and 3.5% in the Islands.

Are you or any other member of your family currently protected by one of the following types of insurance policy?	Geographical area				
	North West	North East	Centre	South	Islands
Motor liability policy	89.3%	91.0%	91.6%	90.2%	84.9%
Mortgage-linked home fire and explosion policy	25.5%	21.5%	15.2%	7.2%	9.9%
Payment protection policy	10.3%	10.0%	12.7%	10.8%	8.9%
Household liability policy	30.4%	35.2%	16.1%	5.1%	5.8%
Home policy	46.7%	54.9%	29.6%	7.3%	10.3%
Natural disaster policy (e.g., earthquakes. Floods)	22.1%	18.8%	10.5%	4.1%	3.5%
Accident policy	25.9%	28.1%	20.3%	11.5%	10.0%
Health policy	14.7%	13.8%	9.6%	6.6%	5.3%
Policy to ensure financial support in the event of dependency when you are elderly	7.5%	7.6%	5.0%	4.7%	3.7%
Death policies	22.1%	22.2%	13.9%	15.5%	10.4%
Life insurance policy for savings or supplementary pensions	19.9%	18.7%	15.8%	16.3%	9.1%
OTHER	3.1%	2.3%	0.5%	0.1%	0.6%

There was also a sharp geographical decline in the propensity to subscribe household liability policies, which fell from 35.2% of subscriptions in the North East to 16.1% in the Centre and 5.1% in the South.

Not as striking, but still significant, are the falls in the number of accident and health policies, which tend to be about one third lower between the North and the Centre, and another third lower between the Centre and the South/Islands.

In the case of death policies, the geographical gap is mainly between the North (22.2%) and the Centre/South (on average 14.5%), as well as, but less markedly, for life policies for savings, supplementary pensions, and economic support in general.

Finally, there is a certain territorial homogeneity in the propensity to purchase payment protection policies (with a peak of 12.7% in the Centre).

Are you or any other member of your family currently protected by one of the following types of insurance policy?	City		
	Big	Medium	Small
Motor liability policy	84.7%	89.7%	90.8%
Mortgage-linked home fire and explosion policy	17.8%	13.8%	17.7%
Payment protection policy	10.2%	9.1%	11.2%
Household liability policy	14.3%	18.2%	21.9%
Home policy	23.1%	28.7%	34.8%
Natural disaster policy (e.g., earthquakes. Floods)	9.0%	8.5%	15.4%
Accident policy	18.3%	19.4%	20.8%
Health policy	8.0%	11.2%	11.0%
Policy to ensure financial support in the event of dependency when you are elderly	3.0%	4.2%	7.2%
Death policies	8.8%	16.6%	20.0%
Life insurance policy for savings or supplementary pensions	13.1%	14.9%	18.3%
OTHER	0.8%	1.2%	1.7%

With regard to the size of respondents' own town, there is a remarkable increase in the propensity to take out home policies in small cities (34.8%) compared to medium cities (28.7%) and big cities (23.1%), probably due to a greater propensity to protect individual homes rather than flats in large blocks of flats. A similar trend can be seen for other types of policy, such as Death and Household Liability. In these cases, too, the contraction in the propensity to take out insurance in small cities is clearly greater than the propensity in urban areas, which in turn is much greater than in large cities.

Payment protection and accident policies seem to be evenly distributed among the various urbanisation contexts, while the propensity to insure against natural disasters is again markedly different. In this case the propensity in large cities and medium cities is almost halved compared to the 15.4% propensity of inhabitants in small cities to protect themselves, probably due to the greater exposure to hydro-geological risks in contexts that are not strongly urbanised.

Are you or any other member of your family currently protected by one of the following types of insurance policy?	Household size		
	Single	Couple	3+
Motor liability policy	76.5%	89.5%	94.9%
Mortgage-linked home fire and explosion policy	10.8%	15.1%	20.2%
Payment protection policy	6.7%	7.4%	14.0%
Household liability policy	15.6%	19.5%	22.2%
Home policy	31.2%	34.4%	30.7%
Natural disaster policy (e.g., earthquakes. Floods)	10.3%	14.5%	13.3%
Accident policy	16.5%	16.3%	23.9%
Health policy	7.3%	9.4%	12.6%
Policy to ensure financial support in the event of dependency when you are elderly	4.1%	5.4%	7.1%
Death policies	10.8%	14.4%	22.5%
Life insurance policy for savings or supplementary pensions	8.1%	15.2%	21.2%
OTHER	1.3%	1.9%	1.3%

With respect to household size, there is a general tendency for insurance coverage to increase as household size increases. This trend is particularly marked for life insurance policies for savings and supplementary pension (rising from 8.1% among singles to 21.2% among households with more than three members), for death policies (up from 10.2% to 22.5%) and, to a lesser extent, for health policies (up from 7.3% to 12.6%), payment protection (up from 6.7% to 14%), and, of course, household liability policies (up from 15.6% to 22.2%).

For accident policies, the birth of children is a particularly significant event, raising the propensity to take out insurance from around 16% to 23.9%.

On the contrary, both home and natural catastrophe policies show a higher propensity to be subscribed by couples than by singles and households with children.

Finally, there is an effect of employment status on the propensity to take out insurance, with the highest propensity to take out insurance among the self-employed and, to a slightly

lesser extent, among the employees. This tendency is eventually weaker among the pensioners, the students and finally the housewives and the unemployed.

Are you or any other member of your family currently protected by one of the following types of insurance policy?	Employment						
	employee	self employed	student	seeking employment	Pensioner	unemployed	housewife
Motor liability policy	94.3%	94.7%	89.5%	84.3%	82.3%	86.6%	86.8%
Mortgage-linked home fire and explosion policy	22.1%	25.8%	14.8%	10.5%	8.7%	11.6%	9.6%
Payment protection policy	15.1%	14.2%	10.7%	9.6%	4.1%	7.2%	6.2%
Household liability policy	21.3%	32.1%	11.6%	11.5%	18.3%	11.5%	14.0%
Home policy	32.9%	38.6%	21.4%	18.8%	36.5%	20.0%	18.6%
Natural disaster policy (e.g., earthquakes. Floods)	12.8%	19.8%	8.9%	3.7%	15.0%	6.1%	8.0%
Accident policy	21.3%	39.0%	13.7%	11.3%	14.7%	14.1%	10.2%
Health policy	11.2%	22.0%	6.9%	9.8%	6.6%	9.4%	5.3%
Policy to ensure financial support in the event of dependency when you are elderly	6.6%	12.3%	6.5%	1.6%	3.5%	4.1%	3.8%
Death policies	20.2%	32.5%	11.5%	9.1%	10.1%	15.5%	14.9%
Life insurance policy for savings or supplementary pensions	20.3%	27.2%	19.6%	6.1%	8.7%	15.1%	14.1%
OTHER	1.5%	3.0%	0.0%	0.0%	0.9%	1.2%	2.3%

QUESTION 6

YOU HAVE ALSO TAKEN OUT NON-MANDATORY POLICIES. WHY DID YOU DECIDE TO TAKE OUT NON-MANDATORY POLICIES?

Why did you decide to take out non-mandatory policies as well?	%
Were proposed to you by the insurance agent/broker	43.7%
You were influenced by advertising	1.5%
You signed up after a critical event happened to you or your acquaintances	10.8%
You were influenced by reading statistical data on the increase in claims frequency	4.4%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	68.7%

The choice of taking out a policy is strongly perceived as a decision driven by a very personal initiative not influenced by people and external events (68.7%). Only 1.5% of the sample perceived to have been influenced by advertising and promotional campaigns, while only 4.4% declared to have taken the decision after the exposure to information and statistics on the probability of a certain event occurring.

However, 43.7% of the sample admitted to having been guided in their choice by their insurance agent/intermediary, while a not insignificant 10.8% were aware that they had been pushed into subscription by having experienced a critical event either directly or indirectly through their acquaintances.

From a behavioural point of view, the observed response tendencies reflect the “autonomy bias” whereby human beings are inclined to admit that to a large extent the behaviour of their fellow human beings is influenced by the behaviour and suggestions of others, while at the same time not recognising and even firmly denying that the same social influence can have the same effect on themselves (Pronin, Berger and Molouki, 2007).

Interpreting the prevalence of the fifth answer option (which contains the expression "it was a personal initiative...not influenced by other people and external events") as a possible indicator of the "autonomy bias", it can be observed that men (72.3%) are more prone to this bias than women (65.2%), more mature individuals (with a peak in the 65-74 age range) rather than younger ones, people from the North rather than those from the South and Islands and, obviously, those who perceive themselves as highly competent in the insurance field (74.8%) rather than those who describe themselves as incompetent (54.8%).

Why did you decide to take out non-mandatory policies as well?	Who decides on insurance cover in the family?	
	exclusively you	you together with some other family members
were proposed to you by the insurance agent/broker	38.6%	47.3%
You were influenced by advertising	1.0%	1.9%
You signed up after a critical event happened to you or your acquaintances	10.3%	11.1%
You were influenced by the reading of statistical data relating to the increase in the claims frequency	3.8%	4.0%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	71.4%	70.5%

In terms of the social decision-making process, those who take out policies with another family member seem more likely to rely on the advice and suggestions of their insurance adviser (47.3%) than those who say they decide for themselves (38.6%).

Why did you decide to take out non-mandatory policies as well?	Gender	
	Male	Female
were proposed to you by the insurance agent/broker	39.4%	47.8%
You were influenced by advertising	1.7%	1.4%
You signed up after a critical event happened to you or your acquaintances	8.5%	13.1%
You were influenced by the reading of statistical data relating to the increase in the claims frequency	4.7%	4.2%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	72.3%	65.2%

In relation to gender differences, the female population seems much more likely to rely on the advice of their insurance agent/intermediary (47.8%) than the male population (39.4%), and 50% more likely to be influenced by critical events that have occurred to themselves and their acquaintances.

Why did you decide to take out non-mandatory policies as well?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
were proposed to you by the insurance agent/broker	47.6%	49.2%	42.2%	37.0%	30.0%
You were influenced by advertising	4.2%	0.5%	1.7%	1.1%	0.6%
You signed up after a critical event happened to you or your acquaintances	17.5%	11.2%	8.0%	8.1%	6.5%
You were influenced by the reading of statistical data relating to the increase in the claims frequency	8.7%	4.5%	2.4%	4.4%	1.2%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	65.0%	67.6%	71.5%	71.8%	70.4%

As far as age differences are concerned, the propensity to follow the insurance consultant's suggestions tends to systematically decrease with age (47.6% between 18 and 34, and 30% among the "over 74s"). The youngest age group is also the one most aware (4.2%) of being influenced by the media and advertising, just as it is the one that declares itself most influenced by statistics (8.7%) and, above all, by having experienced critical events directly or indirectly, with a propensity almost three times that of the oldest (17.5% against 6.5%).

Why did you decide to take out non-mandatory policies as well?	I feel competent in insurance				
	Not at all	Little	So-so	Fairly	Very
were proposed to you by the insurance agent/broker	44.1%	44.5%	47.3%	41.1%	33.2%
You were influenced by advertising	0.7%	1.8%	1.8%	1.7%	0.0%
You signed up after a critical event happened to you or your acquaintances	9.2%	13.5%	11.7%	8.1%	11.2%
You were influenced by the reading of statistical data relating to the increase in the claims frequency	2.5%	2.1%	3.7%	6.5%	16.6%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	54.8%	65.4%	70.3%	77.8%	74.8%

Regardless of age, self-declared competence in insurance, i.e., the ability to assess the risks to be insured and the policy conditions, decreases the propensity to rely on the insurer's advice, while increasing the propensity to refer to statistical data on the frequency of possible adverse events (from 2.5% of the self-declared incompetent to 16.6% of the self-declared very competent) and also the propensity to take autonomous subscription initiatives. It is interesting to note that the level of self-reported competence does not systematically influence the propensity to be influenced by past events that have occurred to oneself and others.

Why did you decide to take out non-mandatory policies as well?	Geographical area				
	North West	North East	Centre	South	Islands
were proposed to you by the insurance agent/broker	41.0%	41.1%	36.7%	61.1%	45.5%
You were influenced by advertising	1.1%	1.5%	1.3%	1.5%	4.9%
You signed up after a critical event happened to you or your acquaintances	12.8%	9.2%	13.6%	6.2%	9.2%
You were influenced by the reading of statistical data relating to the increase in the claims frequency	4.7%	3.7%	2.0%	7.3%	5.9%
It was a personal initiative, based on the perception of a need, not influenced by other people or external events	75.3%	73.7%	64.4%	56.3%	54.6%

As regards geographical differences, the propensity to rely on one's insurance intermediary peaked in the south of Italy (61.1%) and reached a low in the centre (36.7%). On the contrary, the perception of being influenced by the adverse events observed appears to have a mirror-image trend with a peak in the Centre (13.6%) and a depression in the South (6.2%).

Awareness of being influenced by advertising appears to be significantly higher in the Islands (4.9%), just as referring to statistics appears to be more pronounced in the South and Islands.

Finally, in the north of Italy, and in particular in the North West (75.3%), the perception of choosing insurance products on personal initiative prevails, free from interpersonal influences and the impact of external events.

QUESTION 7

HOW MUCH DO YOU AGREE WITH THE FOLLOWING STATEMENTS?

- **Before taking out insurance cover, I consider various offers**
- **I have a lot of confidence in the proposals of my insurance agent/contact person on whom I rely**
- **I feel competent in insurance**

(*To all policyholders protected with products other than only third-party motor liability or/and only mortgage-related fire and explosion)*

How much do you agree with the following statements?	Very	Fairly	So-so	Little	Not at all
Before taking out insurance cover, I consider various offers	28.0%	37.9%	9.9%	11.8%	12.3%
I have a lot of confidence in the proposals of my insurance agent/ contact person on whom I rely	19.9%	47.6%	16.9%	8.9%	6.7%
I feel competent in insurance	4.8%	27.2%	24.9%	26.7%	16.3%

65.9% of the interviewees stated that they had a good propensity (very and fairly) to evaluate different offers before choosing which policy to take out. On the contrary, 24.1% of the interviewees acknowledged this aptitude with limited or no intensity.

Before taking out insurance cover, I consider various offers	Gender	
	Male	Female
Not at all	10.6%	13.9%
Little	10.9%	12.7%
So-so	8.1%	11.8%
Fairly	38.7%	37.2%
Very	31.8%	24.4%

This propensity is influenced by gender (men are more likely than women to evaluate alternatives), age (propensity decreases as seniority increases) and education (propensity increases as schooling increases).

Before taking out insurance cover, I consider various offers	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Not at all	4.3%	8.6%	14.0%	20.3%	24.8%
Little	7.0%	10.0%	12.8%	14.4%	20.3%
So-so	14.6%	6.6%	11.5%	11.0%	9.5%
Fairly	39.1%	40.0%	41.8%	34.2%	27.6%
Very	35.0%	34.8%	19.9%	20.1%	17.8%

Before taking out insurance cover, I consider various offers	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Not at all	6.4%	8.0%	8.2%	9.1%	17.0%	24.1%	32.5%
Little	14.8%	13.4%	4.9%	9.9%	11.9%	25.3%	34.0%
So-so	14.3%	12.5%	8.3%	10.2%	7.5%	15.7%	0.0%
Fairly	28.3%	37.4%	51.6%	40.8%	35.5%	24.4%	0.0%
Very	36.1%	28.7%	26.9%	30.1%	28.0%	10.5%	33.6%

An encouraging 67.6% of the interviewees declared that they had satisfactory (fairly) and even high (very) feelings of trust towards the proposals of their insurance contact person/ intermediary, while 15.6% of the sample declared this attitude to a limited extent or not at all.

This propensity to trust does not appear to be influenced either by gender, age, education or geographical area, thus presumably demonstrating a fairly stable dispositional attitude. In operational terms, the propensity to trust instead appears to be associated with the number of insurance policies taken out, the more policies the greater the propensity to trust, in a presumably two-way cause-effect relationship.

Finally, 32% of the interviewees declared to feel competent in the insurance field, i.e., capable of assessing risks to be insured and policy conditions, at a satisfactory (fairly) and high (very) level. On the contrary, a substantial 43% of the interviewees perceived themselves as competent to a limited or even zero degree.

Gender membership influences the propensity to perceive oneself as competent: more men than women express it.

I feel competent in insurance	Gender	
	Male	Female
Not at all	10.5%	22.1%
Little	24.6%	28.9%
So-so	25.8%	24.1%
Fairly	33.4%	21.1%
Very	5.8%	3.9%

This self-perception appears to be well-grounded to some extent, since there is a greater propensity among those who claim to be competent to correctly recognise some basic terms of insurance products.

Regarding the correlations between these three attitudes, a correlation emerges between feeling competent and having a propensity to evaluate different offers before choosing, as well as a propensity between this last attitude and trust in the insurer's proposals.

QUESTION 8

HOW COMFORTABLE DO YOU FEEL ABOUT FACING LIFE'S UNEXPECTED EVENTS AFTER TAKING OUT AN INSURANCE PRODUCT?

How comfortable do you feel about facing life's unexpected events after taking out an insurance product?	%
Very	11.3%
Fairly	50.6%
So-so	23.3%
Little	9.5%
Not at all	5.4%

A large part of the sample (61.9%) declares to be fairly and even very (11.3%) comfortable in facing life's unexpected events after having taken out an insurance product. On the contrary, 14.9% of the sample declares a limited or even no increase (5.4%) in their peace of mind after taking out an insurance product.

How comfortable do you feel about facing life's unexpected events after taking out an insurance product?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Not at all	2.2%	6.3%	5.4%	6.9%	6.5%
Little	9.3%	9.6%	7.4%	10.1%	11.8%
So-so	19.3%	22.3%	24.9%	29.9%	23.6%
Fairly	58.0%	50.9%	50.2%	43.5%	45.3%
Very	11.2%	11.0%	12.2%	9.6%	12.7%

These perceptions of serenity tend to be influenced by the age group to which the respondents belong. Although not always linearly, the propensity to experience the highest levels of serenity from coverage emerges in the younger age groups.

Post-stipulation serenity correlates strongly with three phenomena:

- the perception that, in case of claim, the procedure for obtaining the benefit due from the insurer would be easy;
- trust in the proposals of their insurance contact person/ intermediary;
- the feeling of having the insurance competence to assess the risks to be insured and policy conditions.

In addition, there is a significant, albeit moderate, correlation between experiencing post-purchase peace of mind and the propensity to evaluate different offers before taking out a policy.

	How comfortable do you feel about facing life's unexpected events after taking out an insurance product?
In case of claim, do you think the procedure for obtaining the benefit due from the insurer would be easy?	0.327**
I have a lot of confidence in the proposals of my insurance agent/ contact person on whom I rely	0.304**
I feel competent in the field of insurance (I am able to assess the risks to be insured and the policy conditions)	0.203**
Before taking out insurance cover I evaluate various offers (How well do you agree with the following statements?)	0.067*
**The correlation is significant at the 0.01 level (two-tailed).	
* Correlation is significant at the 0.05 level (two-tailed).	

QUESTION 9

IN CASE OF CLAIM, DO YOU THINK THAT THE PROCEDURE FOR OBTAINING THE BENEFIT DUE FROM THE INSURER WOULD BE...

In case of claim, do you think that the procedure for obtaining the benefit due from the insurer would be	%
Very easy	11.2%
Fairly easy	44.3%
So-so	29.3%
Not very easy	11.8%
Not at all easy	3.4%

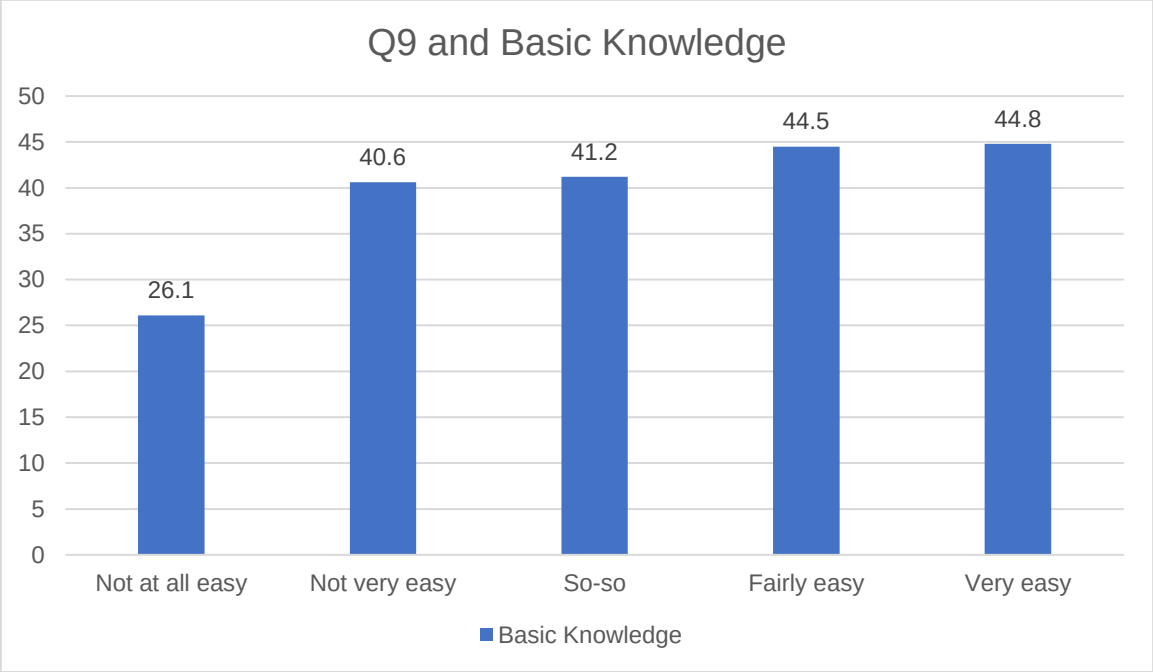
55.5% of the interviewees believe that it would be fairly or even very easy (11.2%) to obtain the compensation due in case of claim. On the other hand, 15.2% of the sample believed that the procedures for obtaining compensation would be little or not at all easy.

In case of claim, do you think that the procedure for obtaining the benefit due from the insurer would be:	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Not at all easy	1.0%	4.3%	3.1%	6.1%	2.3%
Not very easy	8.0%	11.4%	11.8%	14.3%	16.5%
So-so	33.7%	28.3%	25.9%	30.7%	28.6%
Fairly easy	47.9%	43.2%	47.3%	39.9%	42.2%
Very easy	9.4%	12.9%	11.9%	9.1%	10.4%

In case of claim, do you think that the procedure for obtaining the benefit due from the insurer would be:	Role in the family			
	head of household	partner of the head of household	Son/daughter of the head of household	other family member
Not at all easy	3.3%	3.9%	2.5%	5.2%
Not very easy	12.5%	11.8%	9.3%	10.0%
So-so	26.6%	28.9%	40.5%	29.4%
Fairly easy	45.6%	44.4%	40.0%	40.4%
Very easy	12.0%	11.0%	7.8%	15.0%

These perceptions are influenced by age (perceptions of ease tend to decrease with increasing seniority), role in the family (self-defined "head of household" tend to perceive the procedure as easier than partners and children) and basic knowledge of insurance terms such as "premium", "maximum amount of cover", "deductible". Mastery of these basic

concepts seems sufficient to promote a perception of greater ease in obtaining the compensation due.

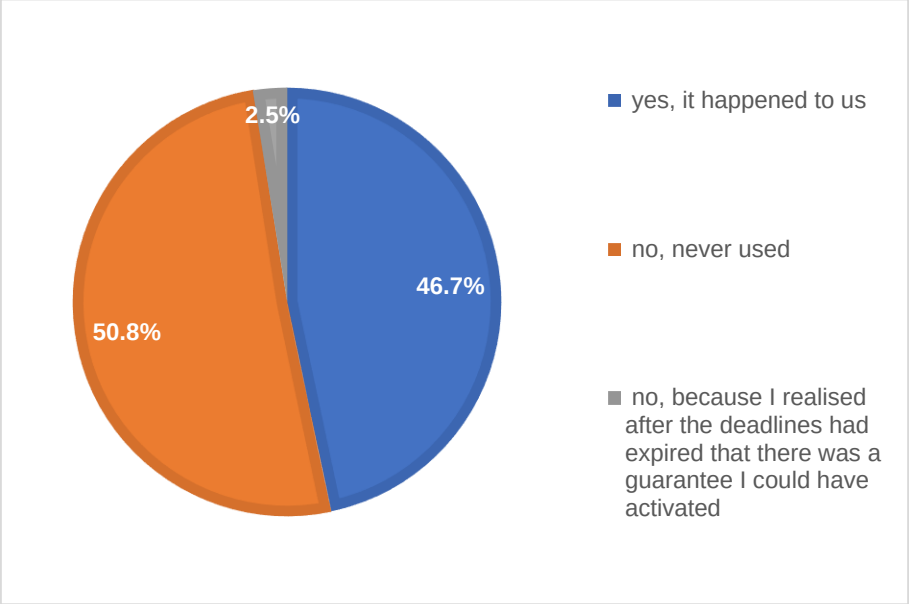


Neither geographical location nor educational qualifications seem to have any effect on these perceptions.

QUESTION 10

THINK OF ALL THE INSURANCE PRODUCTS YOU HAVE TAKEN OUT IN YOUR FAMILY, DID YOU HAPPEN TO USE THEM FOR ACCIDENTS, DAMAGES, COLLECTIONS (INCLUDING PENSIONS) OR OTHER BENEFITS?

Think of all the insurance products you have taken out in your family, did you happen to use them for accidents, damages, collections (including pensions) or other benefits?	%
yes, it happened to us	46.7%
no, never used	50.8%
no, because I realised after the deadlines had expired that there was a guarantee I could have activated	2.5%



The sample is essentially split in half between individuals who have received compensation and/or benefits from insurance products and individuals who have not received any economic benefit at all.

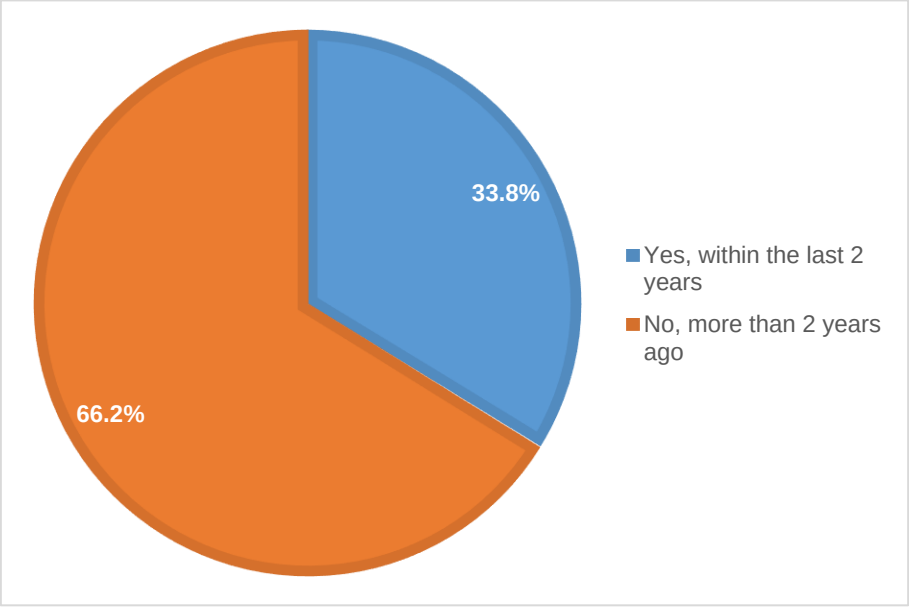
There is also a very small portion of the sample (2.5%) that complains of a significant phenomenon: having realised after the deadline that a guarantee could have been activated.

Obviously, the effects of counterfactual thinking, and regret could turn this into an emotionally painful event.

QUESTION 10X

HAS THIS HAPPENED IN THE LAST TWO YEARS?

Has this happened in the last two years?	%
Yes, in the last 2 years	33.8%
No, more than 2 years ago	66.2%



Most of the economic transactions in favour of the interviewees, however, took place more than two years before the interview (66.2%). This phenomenon rebalances for the inhabitants of the Islands where 45.4% of the sample declares to have received an economic benefit in the last two years.

		Geographical area				
		North West	North East	Centre	South	Islands
Have you ever used them?	yes, it happened to us	55.6%	59.4%	49.8%	30.8%	27.7%
	no, never used	42.8%	38.4%	49.7%	66.5%	63.7%
	no, because I realised after the deadlines had expired that there was a guarantee I could have activated	1.6%	2.2%	0.5%	2.8%	8.6%
Has this happened in the last two years?	Yes, in the last 2 years	38.4%	30.4%	32.5%	26.1%	45.4%
	No, more than 2 years ago	61.6%	69.6%	67.5%	73.9%	54.6%

In general, however, regardless of when the claim occurred, compensation was paid more frequently in the North, and in particular in the North East (59.4%) and then progressively less in the Centre (49.8%), the South (30.8%) and the Islands (27.7%).

QUESTION 11

IN GENERAL, HOW SATISFIED ARE YOU WITH THE INSURANCE COVER YOU HAVE USED OVER THE LAST TWO YEARS? IF YOU HAVE USED MORE THAN ONE COVER, PLEASE REFER TO THE LARGEST CLAIM.

In general, how satisfied are you with the insurance cover you have used over the last two years?	%
Very	24.8%
Fairly	53.3%
So-so	13.2%
Little	5.0%
Not at all	3.5%

Of those who received insurance benefits in the last two years, a solid 78.3% were fairly and even very satisfied (24.8%). On the other hand, 8.5% of the subsample said they were little or not at all satisfied with the service they received.

This perception of satisfaction correlates solidly with three phenomena:

- the peace of mind experienced after taking out insurance products;
- the perceived ease of the procedure for obtaining the benefit;
- trust in the proposals of their insurance contact person/ intermediary.

Moreover, satisfaction correlates significantly, though more moderately, with self-perceptions of being competent in evaluating insurance products.

	In general, how satisfied are you with the insurance cover you have used over the last two years?
How comfortable do you feel about facing life's unexpected events after taking out an insurance product?	0.171**
In case of claim, do you think the procedure for obtaining the benefit due from the insurer would be easy	0.425**
I have a lot of confidence in the proposals of my insurance agent/ contact person on whom I rely	0.219**
I feel competent in the field of insurance (I am able to assess the risks to be insured and the policy conditions)	0.161*
**The correlation is significant at the 0.01 level (two-tailed).	
* Correlation is significant at the 0.05 level (two-tailed).	

QUESTION 12

We are talking about motor liability policy in general (even if you have not taken out any). In your opinion, when choosing between proposals from different insurance companies, it is more important to evaluate:

According to you, when choosing between proposals from different insurance companies, it is more important to evaluate:	%
only the cost you have to pay: the lower the better because it is cheaper	17.5%
only the cost you have to pay: the higher the better because it is of higher quality	4.8%
only the policy conditions, irrespective of the cost to be paid	16.1%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	61.5%

When assessing one of the most frequently purchased insurance products (MTPL: motor third party liability), 17.5% of the interviewees said they were only sensitive to the cheapness of the premium, while the majority (61.5%) tended to assess the cost of the premium in relation to the coverage conditions offered by the policy.

On the opposite pole, 16.1% of the interviewees declared themselves to be exclusively focused on the quality of the policy conditions irrespective of the cost of the premium, while a limited 4.8% were inclined to adopt the "Price Heuristic" whereby the higher the price of the insurance product the better, as more economically demanding products tend to offer higher quality services (Gneezy, Gneezy and Lauga, 2014).

When choosing between proposals from different insurance companies, it is most important to evaluate:	Gender	
	Male	Female
only the cost you have to pay: the lower the better because it is cheaper	17.5%	17.5%
only the cost you have to pay: the higher the better because it is of higher quality	5.4%	4.2%
only the policy conditions, irrespective of the cost to be paid	18.5%	14.0%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	58.6%	64.3%

The propensity to focus exclusively on covers regardless of cost tends to be expressed more by males than females, while the propensity to favour a balance of attention between conditions and costs appears to be expressed more by females than males.

When choosing between proposals from different insurance companies, it is most important to evaluate:	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
only the cost you have to pay: the lower the better because it is cheaper	13.0%	17.5%	15.7%	21.9%	22.1%
only the cost you have to pay: the higher the better because it is of higher quality	4.3%	4.1%	5.7%	3.2%	7.6%
only the policy conditions, irrespective of the cost to be paid	9.7%	13.3%	20.4%	19.8%	24.3%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	73.0%	65.1%	58.1%	55.1%	46.0%

Age also seems to play a significant role. As seniority increases, there is a tendency to focus on the cost in both directions (both the cheapest and the most expensive product) and to focus exclusively on policy conditions. This is to the detriment of the propensity to assess costs and conditions in a balanced manner, which declines sharply as age increases (from 73% in the 18-34 age group to 46% in the "over 74" group).

When choosing between proposals from different insurance companies, it is most important to evaluate:	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
only the cost you have to pay: the lower the better because it is cheaper	11.6%	10.9%	9.9%	12.8%	21.9%	32.9%	33.8%
only the cost you have to pay: the higher the better because it is of higher quality	0.0%	2.5%	3.7%	3.8%	6.5%	5.7%	14.3%
only the policy conditions, irrespective of the cost to be paid	12.1%	10.5%	9.0%	15.2%	17.5%	24.5%	13.5%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	76.3%	76.2%	77.4%	68.2%	54.1%	36.9%	38.4%

Trends overlapping those of age are also observed for educational qualifications, with a tendency, as the level of schooling decreases, to focus exclusively and disjointedly both on economic conditions alone (looking for the cheapest or the most expensive product) and on policy conditions alone. On the contrary, the propensity to jointly evaluate the two elements tends to increase as the level of schooling increases.

When choosing between proposals from different insurance companies, it is most important to evaluate:	Geographical area				
	North West	North East	Centre	South	Islands
only the cost you have to pay: the lower the better because it is cheaper	14.1%	10.9%	18.9%	24.2%	21.5%
only the cost you have to pay: the higher the better because it is of higher quality	3.8%	3.3%	2.7%	7.8%	6.8%
only the policy conditions, irrespective of the cost to be paid	15.7%	16.1%	17.9%	12.6%	22.0%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	66.4%	69.7%	60.5%	55.5%	49.8%

A similar dynamic is observed as a result of geographical location. Moving from the North, to the Centre and to the South/Islands there is a progressive focus on the cost of the policy, both in order to limit it and to maximise it in the hope of identifying higher quality products. The tendency to focus on policy conditions tends to decrease as one moves down the Italian peninsula, with the curious exception of the Islands where it peaks at 22%.

When choosing between proposals from different insurance companies, it is most important to evaluate:	City		
	Big	Medium	Small
only the cost you have to pay: the lower the better because it is cheaper	17.7%	14.7%	18.4%
only the cost you have to pay: the higher the better because it is of higher quality	2.4%	5.1%	5.2%
only the policy conditions, irrespective of the cost to be paid	12.5%	17.1%	16.6%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	67.5%	63.1%	59.8%

On the other hand, the propensity to assess the cost of the premium and the policy conditions jointly and in a balanced way declines linearly down the Italian peninsula, as happens when moving from large cities to small cities.

When choosing between proposals from different insurance companies, it is most important to evaluate:	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
only the cost you have to pay: the lower the better because it is cheaper	15.3%	14.4%	7.7%	19.8%	22.6%	23.9%	19.1%
only the cost you have to pay: the higher the better because it is of higher quality	3.4%	5.9%	2.2%	9.5%	5.3%	7.7%	6.3%
only the policy conditions, irrespective of the cost to be paid	14.7%	16.1%	6.0%	13.9%	21.6%	7.8%	17.7%
both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one	66.6%	63.6%	84.0%	56.8%	50.6%	60.6%	57.0%

With respect to employment status, the highest propensity to choose insurance products solely on the basis of the cheapness of the premium is observed among pensioners (22.6%, who also have the highest propensity to focus only on the policy conditions, 21.6%) and the unemployed (23.9%). Paradoxically, the highest propensity to choose the most expensive insurance product is found among those seeking employment (9.5%). Finally, the highest propensity to adopt a balance between costs and cover is observed among students, with a peak of 84%.

More specifically, with respect to the profession, entrepreneurs show the highest propensity to focus on cost alone, either to contain it (31.9%) or to maximise it (11.7%). On the other hand, it is among the population of managers (81.4%) and teachers (74.9%) that the highest propensity is recorded for a balanced assessment of the cost of the premium and the policy conditions.

QUESTION 13

I AM NOW READING YOU SOME STATEMENTS, TELL ME IF THEY CORRESPOND TO WHAT YOU THINK ABOUT INSURANCE.

Tell me if they match what you think about insurance	%
Insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	15.4%
Insurance does not make sense because the probability of damage occurring is very low	12.5%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.	45.9%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, even if this probability is very low.	81.2%

Almost half of the interviewees (45.9%) believe that insurance makes sense only to protect against adverse events that have a high probability of occurrence, while another 27.9% believe that insurance does not make sense at all either because if the adverse event does not occur it is money wasted or because the possibility of a harmful event occurring is very low. Many (81.2%) of those who expressed these attitudes, however, also agreed that insurance makes sense also in protecting against harmful events that have a very low probability of occurrence.

Tell me if they match what you think about insurance	Gender	
	Male	Female
Insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	14.0%	16.7%
Insurance does not make sense because the probability of damage occurring is very low	11.1%	13.8%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.	48.8%	43.1%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, even if this probability is very low.	80.5%	81.9%

The idea that insurance only makes sense for high probability events is sensitive to gender: men (48.8%) agree with this statement more than women (43.1%). This is consistent with men's higher propensity to take risks, which may lead them to consider it interesting to take out insurance only for highly probable risks.

Tell me if they match what you think about insurance	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	9.0%	14.5%	15.6%	21.0%	21.7%
Insurance does not make sense because the probability of damage occurring is very low	7.5%	12.1%	12.2%	14.7%	19.4%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.	44.8%	43.1%	43.0%	51.0%	52.6%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, even if this probability is very low.	85.4%	81.1%	81.5%	80.4%	75.4%

The effect of age, on the other hand, affects the whole configuration of the four attitudes. Specifically, as one gets older one tends progressively and substantially to believe that insurance does not make sense, and progressively, though more moderately, to support the idea that it makes sense to insure only against highly probable risks. On the contrary, the younger the age group, the more it makes sense to insure against events of remote probability.

Tell me if they match what you think about insurance	Geographical area				
	North West	North East	Centre	South	Islands
Insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	16.7%	9.1%	16.7%	18.2%	15.3%
Insurance does not make sense because the probability of damage occurring is very low	14.3%	6.5%	12.8%	14.3%	14.4%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.	45.9%	44.0%	45.0%	46.3%	49.3%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, even if this probability is very low.	77.3%	84.9%	86.2%	79.7%	80.0%

Regarding the geographical effects, the propensity to believe that insurance does not make sense is lowest in the North East and highest in the South. On the "pro-insurance" side, the belief that it makes sense to insure even for low risks is highest in the North East (84.9%) and in the Centre (86.2%). With respect to the level of urbanisation, large cities inhabitants share both the idea that it makes sense to take out insurance even for remote risks and, conversely, the idea that it makes sense to take out insurance only for highly probable risks.

Tell me if they match what you think about insurance	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
Insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	11.1%	14.5%	5.3%	14.5%	21.0%	21.4%	23.1%
Insurance does not make sense because the probability of damage occurring is very low	9.2%	10.2%	7.2%	10.5%	17.5%	16.0%	18.7%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high.	42.9%	45.7%	51.2%	35.7%	52.3%	48.1%	42.9%
Insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, even if this probability is very low.	82.3%	79.8%	90.8%	77.6%	78.6%	82.3%	81.4%

With respect to the type of employment, the conviction that insurance is senseless is highest among pensioners and housewives, while the conviction that it is useful to insure even against low risks reaches a peak in the student population (90.8%). Moreover, it is interesting to note that this last wise attitude tends to be more shared among private sector workers (83.8%) than among public sector workers (77.6%).

Finally, when respondents were asked to choose among the four statements the one that best represented their attitude, only 8.4% confirmed those implying that insurance does not make sense, while 21.2% held the belief that it makes sense to insure only against very likely risks and 70.4% held the belief that it makes sense to insure even against less likely risks.

This attitudinal choice is also affected by gender (with men preferring insurance only for high-risk situations), age (with age there is a progressive tendency to perceive insurance as meaningless and with less emphasis on insuring against remote risks), geographical location (with the greatest tendency in the South and also in the North West to perceive insurance as meaningless and in any case not very useful to insure against remote risks), and educational qualifications (with perceptions of meaninglessness greater for those with lower educational qualifications). Moreover, it is worth noting that Central Italy has the strongest tendency to consider it meaningful to insure also against low risks.

QUESTION 14

LET'S TALK ABOUT HEALTH POLICIES. IT IS WELL KNOWN THAT INDIVIDUAL HEALTH INSURANCE POLICIES DO NOT COVER EVENTS THAT CAN BE TRACED BACK TO PREVIOUS ILLNESSES THAT WERE NOT DECLARED AT THE TIME THE POLICY WAS TAKEN OUT. HOW DO YOU CONSIDER THIS CONDITION: FAIR OR UNFAIR?

Let's talk about health insurance policies. It is well known that individual health insurance policies do not cover events that can be traced back to previous illnesses that were not declared at the time of taking out the policy. How do you consider this condition: fair or unfair?	%
Fair	49.6%
Unfair	50.4%

The question, whether it is fair to deny insurance cover to those who do not declare their past illnesses, basically splits the sample in half between those who think it is fair and those who think it is unfair.

Specifically, men (52.9%) tend to perceive this rejection as fairer than women (46.5%), as do young interviewees compared to the old age groups, those living in the Centre and North compared to those living in the South and Islands, and as those with higher educational qualifications compared to those with lower qualifications.

How do you consider this condition?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Fair	52.9%	49.9%	50.1%	44.9%	47.5%
Unfair	47.1%	50.1%	49.9%	55.1%	52.5%

How do you consider this condition?	Geographical area				
	North West	North East	Centre	South	Islands
Fair	49.7%	52.3%	54.6%	46.8%	42.6%
Unfair	50.3%	47.7%	45.4%	53.2%	57.4%

How do you consider this condition?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Fair	67.5%	58.0%	59.4%	51.3%	44.8%	43.7%	53.1%
Unfair	32.5%	42.0%	40.6%	48.7%	55.2%	56.3%	46.9%

QUESTION 15

IF THE COMPANY INSURES YOU AGAINST PREVIOUS ILLNESSES, DO YOU THINK THAT THIS COULD INCREASE THE COST OF THE POLICY?

If the company insures you against previous illnesses, do you think that this could increase the cost of the policy?	%
Yes, it may increase the cost of the policy	67.7%
No, it cannot increase the cost of the policy	32.3%

Although the sample is no longer as split as it was when assessing the fairness of completely refusing insurance cover for undeclared past illnesses, still 32.3% of the sample believes that an insurance policy that also covers the costs of 'declared' past illnesses should not cost more.

This conception is higher in women (35%) than in men (29.3%), in the "over 74" age group (43.2%) than in the 35-54 age group (28.5%), among those living in the South and Islands rather than in the Centre-North, and among those with only a primary school licence (48.9%) rather than a post-graduate qualification (28%).

QUESTION 16
LET'S TALK ABOUT ACCIDENT POLICIES. DO YOU KNOW WHAT COVER IS AVAILABLE UNDER AN ACCIDENT POLICY?

Let's talk about accident policies. Do you know what cover is available under an accident policy?	%
Yes	23.2%
No	76.8%

With regard to knowledge of insurance products, and specifically the basics of accident insurance, 23.2% believe they know what cover can be taken out through an accident policy.

QUESTION 16X
I WILL NOW READ THROUGH THE POSSIBLE GUARANTEES AND FOR EACH ONE TELL ME WHETHER, IN YOUR OPINION, THEY ARE OFFERED BY THE ACCIDENT POLICY.

Tell us if you think the following options are offered by the accident policy.	Hospitalization in the event of an accident	Permanent disability resulting from illness	Death, permanent disability, medical expenses resulting from the accident	Death, permanent disability, medical expenses resulting from a serious illness
Yes	88.6%	53.4%	83.1%	49.3%
No	6.6%	38.9%	11.2%	40.1%
I do not know	4.9%	7.8%	5.7%	10.6%

In fact, faced with the proposal of four possible descriptions of product coverage, two of which could be considered correct, and being able to accept more than one description, only 24.1% of the subsample that believes it knows the correct answer is actually capable of both recognising the correct options and rejecting the incorrect options.

This phenomenon is consistent with the well-known human tendency to overconfidence, i.e., to overestimate the amount and accuracy of one's knowledge and assessments (Moore and Schatz, 2017).

		Gender	
		Male	Female
Q16 Let's talk about accident policies. Do you know what cover is available under an accident policy?	Yes	27.4%	19.2%
	No	72.6%	80.8%
Hospitalization in the event of an accident	Yes	90.9%	85.5%
	No	5.3%	8.3%
	I don't know	3.8%	6.3%
Permanent disability resulting from illness	Yes	55.4%	50.7%
	No	36.8%	41.6%
	I don't know	7.8%	7.7%
Death, permanent disability, medical expenses resulting from the accident	Yes	84.0%	81.8%
	No	10.6%	11.9%
	I don't know	5.4%	6.2%
Death, permanent disability, medical expenses resulting from a serious illness	Yes	49.3%	49.2%
	No	39.5%	40.9%
	I don't know	11.2%	9.9%

		Geographical area				
		North West	North East	Centre	South	Islands
Q16 Let's talk about accident policies. Do you know what cover is available under an accident policy?	Yes	26.9%	30.0%	22.4%	17.2%	15.5%
	No	73.1%	70.0%	77.6%	82.8%	84.5%
Hospitalization in case of accident	Yes	89.9%	89.3%	85.6%	86.7%	91.2%
	No	6.9%	5.3%	10.9%	4.9%	3.8%
	I don't know	3.2%	5.5%	3.5%	8.4%	5.0%
Permanent disability resulting from illness	Yes	48.0%	49.6%	58.3%	60.2%	62.2%
	No	45.0%	39.9%	39.8%	27.1%	34.0%
	I don't know	7.0%	10.5%	1.9%	12.6%	3.8%
Death, permanent disability, medical expenses resulting from the accident	Yes	85.4%	85.4%	80.1%	76.2%	87.4%
	No	11.1%	6.3%	13.3%	17.1%	9.6%
	I don't know	3.5%	8.3%	6.6%	6.7%	3.0%
Death, permanent disability, medical expenses resulting from a serious illness	Yes	41.7%	43.1%	55.7%	58.0%	67.7%
	No	49.4%	42.2%	37.4%	27.0%	29.3%
	I don't know	8.9%	14.6%	6.9%	14.9%	3.0%

It is not very relieving to note that about half of this sub-sample believes that accident cover can also include illness. This incorrect attribution appears to be higher among men than women, and in the South and Islands more than in the Centre and North. On the other hand, recognition of correct cover is highest among those with postgraduate qualifications (100%) and lowest among those with only a primary school leaving certificate (62.5% on average).

		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q16 Let's talk about accident policies. Do you know what cover is available under an accident policy?	Yes	49.3%	29.1%	28.4%	26.9%	16.8%	18.1%	6.9%
	No	50.7%	70.9%	71.6%	73.1%	83.2%	81.9%	93.1%
Hospitalization in case of accident	Yes	100.0%	87.4%	82.8%	90.4%	91.3%	67.6%	100.0%
	No	0.0%	9.4%	6.2%	4.9%	8.7%	10.7%	0.0%
	I don’t know	0.0%	3.2%	11.0%	4.7%	0.0%	21.8%	0.0%
Permanent disability resulting from illness	Yes	69.0%	47.7%	46.1%	52.8%	57.5%	49.3%	100.0%
	No	25.7%	47.6%	38.6%	41.0%	34.6%	30.7%	0.0%
	I don’t know	5.3%	4.7%	15.3%	6.2%	7.9%	19.9%	0.0%
Death, permanent disability, medical expenses resulting from the accident	Yes	100.0%	82.5%	93.5%	86.4%	81.2%	57.3%	0.0%
	No	0.0%	8.9%	6.5%	8.5%	15.2%	24.2%	100.0%
	I don’t know	0.0%	8.5%	0.0%	5.1%	3.6%	18.5%	0.0%
Death, permanent disability, medical expenses resulting from a serious illness	Yes	50.2%	38.4%	48.6%	51.3%	49.2%	48.0%	100.0%
	No	45.7%	50.4%	45.4%	41.9%	36.7%	20.5%	0.0%
	I don’t know	4.0%	11.2%	5.9%	6.8%	14.1%	31.5%	0.0%

QUESTION 17

WE ARE TALKING ABOUT TERM LIFE INSURANCE. DO YOU KNOW WHAT COVER CAN BE UNDERWRITTEN THROUGH A TERM LIFE INSURANCE?

Do you know what cover can be underwritten through term life insurance?	%
Yes	13.7%
No	86.3%

About the knowledge of insurance products, and specifically the basics of term life insurance, 13% believe that they know what cover can be taken out under a term life insurance policy.

QUESTION 17X

I AM NOW GOING TO READ THROUGH THE POSSIBLE GUARANTEES AND FOR EACH ONE TELL ME WHETHER, IN YOUR OPINION, THEY ARE OFFERED BY THE TERM LIFE INSURANCE.

Tell us if you think the following options are offered by the term life insurance.	Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Payment of a lump sum in the event of death during the policy period	Payment of a lump sum in the event of death, at whatever time it occurs	Provision of an annuity to beneficiaries in the event of death within the policy's validity date.
Yes	58.9%	80.9%	64.5%	63.3%
No	21.4%	11.7%	25.4%	24.9%
I don’t know	19.8%	7.4%	10.1%	11.9%

In fact, faced with the proposal of four possible descriptions of product coverage of which only one was correct, and being able to accept more than one description, only 0.9% of those who thought they knew the correct answer proved capable of both recognising the correct option and rejecting the incorrect options.

Again, this phenomenon is consistent with the well-known human tendency to overconfidence, i.e., to overestimate the amount and accuracy of one's knowledge and assessments (Moore and Schatz, 2017).

However, it is relieving that, although they tend to make the mistake of recognising incorrect definitions as true, 80.9% of the subsample of those who think they know the correct answer recognise the actual group of cover offered by the policy ("payment of a lump sum in the event of death during the policy period") as correct.

Less comforting is the fact that 64.5% of this sub-sample believe that a term life insurance policy's coverage can cover death at any time beyond the policy term. This incorrect attribution appears to be less frequent among those who live in large cities than among those who live in medium and small cities, and, counterintuitively, among those who have only a primary school leaving certificate (16.7%) and the elderly (57.8%).

Finally, there is a tendency for men (85.4%) to be better at recognising the correct option than women (75.8%).

		Gender	
		Male	Female
Q17. Let's talk about term life insurance. Do you know what cover is available under this policy?	Yes	15.1%	12.3%
	No	84.9%	87.7%
Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Yes	65.3%	51.6%
	No	16.7%	26.6%
	I don’t know	18.0%	21.8%
Lump sum payment in the event of death during the policy period	Yes	85.4%	75.8%
	No	10.0%	13.6%
	I don’t know	4.6%	10.6%
Payment of a lump sum in the event of death, at whatever time it occurs	Yes	64.4%	64.6%
	No	28.8%	21.6%
	I don’t know	6.8%	13.9%
Provision of an annuity to beneficiaries in the event of death within the policy's validity date.	Yes	60.9%	65.9%
	No	28.4%	20.9%
	I don’t know	10.7%	13.2%

		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q17. Let's talk about term life insurance. Do you know what cover is available under this policy?	Yes	10.0%	17.7%	16.2%	11.6%	8.0%
	No	90.0%	82.3%	83.8%	88.4%	92.0%
Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Yes	71.9%	55.5%	64.7%	51.2%	49.6%
	No	21.7%	24.6%	19.1%	13.7%	19.3%
	I don’t know	6.4%	19.9%	16.2%	35.2%	31.0%
Lump sum payment in the event of death during the policy period	Yes	89.5%	80.7%	80.5%	76.7%	72.7%
	No	7.0%	12.6%	9.6%	14.5%	16.6%
	I don’t know	3.6%	6.7%	9.9%	8.8%	10.7%
Payment of a lump sum in the event of death, at whatever time it occurs	Yes	64.1%	63.3%	71.0%	63.3%	57.8%
	No	26.8%	28.7%	21.8%	17.6%	24.4%
	I don’t know	9.1%	8.1%	7.2%	19.1%	17.8%
Provision of an annuity to beneficiaries in the event of death within the policy's validity date.	Yes	69.7%	60.1%	69.3%	60.9%	56.9%
	No	16.9%	29.5%	20.5%	24.1%	25.8%
	I don't know	13.3%	10.3%	10.3%	15.0%	17.3%

		Geographical area				
		North West	North East	Centre	South	Islands
Q17. Let's talk about term life insurance. Do you know what cover is available under this policy?	Yes	14.3%	18.7%	11.4%	12.9%	8.2%
	No	85.7%	81.3%	88.6%	87.1%	91.8%
Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Yes	55.3%	60.3%	58.7%	54.4%	83.3%
	No	27.8%	16.4%	21.6%	22.9%	8.1%
	I don’t know	16.9%	23.3%	19.7%	22.7%	8.6%
Lump sum payment in the event of death during the policy period	Yes	82.8%	87.1%	73.4%	73.7%	86.9%
	No	9.7%	5.5%	23.0%	15.1%	9.6%
	I don’t know	7.5%	7.4%	3.5%	11.1%	3.5%
Payment of a lump sum in the event of death, at whatever time it occurs	Yes	62.2%	56.5%	66.7%	74.1%	69.9%
	No	30.2%	30.9%	30.3%	11.8%	16.7%
	I don’t know	7.6%	12.5%	3.0%	14.1%	13.4%
Provision of an annuity to beneficiaries in the event of death within the policy's validity date.	Yes	59.0%	60.9%	74.7%	64.2%	63.8%
	No	32.8%	23.6%	19.4%	16.9%	32.7%
	I don’t know	8.2%	15.5%	5.9%	18.8%	3.5%

		City		
		Big	Medium	Small
Q17. Let's talk about term life insurance. Do you know what cover is available under this policy?	Yes	9.9%	15.9%	13.7%
	No	90.1%	84.1%	86.3%
Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Yes	47.9%	62.7%	59.0%
	No	26.2%	18.2%	21.8%
	I don’t know	25.9%	19.1%	19.1%
Lump sum payment in the event of death during the policy period	Yes	87.4%	90.4%	76.3%
	No	4.5%	6.6%	14.7%
	I don’t know	8.1%	2.9%	9.0%
Payment of a lump sum in the event of death, at whatever time it occurs	Yes	45.2%	78.3%	62.0%
	No	37.7%	17.3%	26.7%
	I don’t know	17.1%	4.4%	11.3%
Provision of an annuity to beneficiaries in the event of death within the policy's validity date.	Yes	76.1%	62.8%	61.6%
	No	17.4%	27.2%	25.1%
	I don’t know	6.5%	10.0%	13.4%

		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q17. Let's talk about term life insurance. Do you know what cover is available under this policy?	Yes	26.7%	14.1%	11.7%	16.7%	12.0%	3.7%	6.9%
	No	73.3%	85.9%	88.3%	83.3%	88.0%	96.3%	93.1%
Payment of a sum in the event of death, within the policy period, even if resulting from an accident at work	Yes	52.7%	52.9%	65.0%	56.8%	66.3%	33.2%	100.0%
	No	39.4%	24.6%	18.9%	22.7%	17.2%	16.8%	0.0%
	I don’t know	7.8%	22.5%	16.1%	20.5%	16.5%	50.0%	0.0%
Lump sum payment in the event of death during the policy period	Yes	83.6%	87.8%	93.6%	81.6%	77.0%	65.2%	100.0%
	No	0.0%	12.2%	6.4%	9.3%	17.4%	17.2%	0.0%
	I don’t know	16.4%	0.0%	0.0%	9.1%	5.6%	17.6%	0.0%
Payment of a lump sum in the event of death, at whatever time it occurs	Yes	51.5%	52.6%	41.4%	66.5%	73.1%	16.7%	0.0%
	No	32.1%	41.7%	37.5%	25.4%	18.4%	33.3%	0.0%
	I don’t know	16.4%	5.7%	21.1%	8.1%	8.5%	50.0%	100.0%
Provision of an annuity to beneficiaries in the event of death within the policy's validity date.	Yes	69.2%	73.2%	78.2%	66.9%	54.5%	16.7%	100.0%
	No	23.0%	21.7%	21.8%	23.6%	28.4%	34.0%	0.0%
	I don’t know	7.8%	5.1%	0.0%	9.5%	17.1%	49.3%	0.0%

QUESTION 18

LET'S TALK ABOUT SUPPLEMENTARY PENSION POLICIES. DO YOU KNOW FOR WHAT PURPOSE A SUPPLEMENTARY PENSION POLICY IS TAKEN OUT?

Do you know for what purpose a supplementary pension policy is taken out?	%
Yes	23.0%
No	77.0%

Regarding the knowledge of insurance products, and specifically the fundamentals of the supplementary pension policy, 23% believe they know the purpose for which it is taken out.

QUESTION 18X

TELL ME WHETHER, IN YOUR OPINION, A SUPPLEMENTARY PENSION POLICY ALLOWS ...

A supplementary pension policy makes it possible to ...	Set aside money for short and medium-term needs	Supplement the public pension with a private provision	Protect yourself in case of illness and accident	Protect yourself in case of loss of income from work or in case of unemployment
Yes	38.4%	92.3%	33.2%	36.8%
No	54.8%	6.5%	56.4%	51.7%
I don’t know	6.8%	1.3%	10.3%	11.5%

In fact, faced with the proposal of four possible descriptions of the purpose of the product of which only one was correct, and being able to accept more than one description, only 8.4% of those who thought they knew the correct answer were capable of both recognising the correct option and rejecting the incorrect options.

Once again, this phenomenon is consistent with the well-known human tendency to overconfidence, i.e., to overestimate the amount and accuracy of one's knowledge and assessments (Moore and Schatz, 2017).

However, it is relieving that, while tending to make the mistake of recognising even wrong definitions as true, as many as 92% of the sub-sample who think they know the correct answer recognise the real purpose of supplementary pension policies ("to supplement the public pension with a private provision") as correct.

It is less comforting to note that one third of the sample believes that the purpose of a supplementary pension policy is to protect themselves in the event of illness and accident. The tendency towards this incorrect attribution increases with increasing age and decreasing level of schooling.

		Gender	
		Male	Female
Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?	Yes	27.0%	19.2%
	No	73.0%	80.8%
Setting aside money for short and medium-term needs	Yes	35.0%	42.8%
	No	57.7%	51.1%
	I don't know	7.3%	6.1%
Supplementing the public pension with a private provision	Yes	91.6%	93.2%
	No	7.5%	5.1%
	I don't know	0.9%	1.7%
Protecting yourself in case of illness and accident	Yes	31.9%	35.0%
	No	56.7%	56.0%
	I don't know	11.4%	9.0%
Protecting yourself in case of loss of income from work or in case of unemployment	Yes	37.5%	35.8%
	No	51.4%	52.1%
	I don't know	11.1%	12.1%

		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?	Yes	12.2%	27.6%	34.0%	20.6%	16.7%
	No	87.8%	72.4%	66.0%	79.4%	83.3%
Setting aside money for short and medium-term needs	Yes	35.0%	33.7%	44.0%	33.2%	53.5%
	No	52.1%	58.9%	52.0%	61.9%	39.8%
	I don't know	12.9%	7.3%	4.0%	4.8%	6.7%
Supplementing the public pension with a private provision	Yes	96.4%	95.1%	91.3%	89.9%	81.4%
	No	3.6%	3.9%	8.0%	6.5%	15.9%
	I don't know	0.0%	1.0%	0.7%	3.5%	2.7%
Protecting yourself in case of illness and accident	Yes	23.9%	29.2%	37.3%	37.0%	45.7%
	No	57.5%	59.9%	54.8%	59.0%	42.1%
	I don't know	18.6%	10.9%	8.0%	4.0%	12.2%
Protecting yourself in case of loss of income from work or in case of unemployment	Yes	52.0%	32.4%	30.8%	39.1%	49.3%
	No	37.7%	55.0%	59.7%	51.5%	34.8%
	I don't know	10.3%	12.6%	9.5%	9.4%	15.9%

		Geographical area				
		North West	North East	Centre	South	Islands
Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?	Yes	26.8%	31.6%	21.8%	16.6%	13.7%
	No	73.2%	68.4%	78.2%	83.4%	86.3%
Setting aside money for short and medium-term needs	Yes	35.0%	39.2%	41.3%	44.8%	28.4%
	No	58.1%	53.3%	55.1%	46.7%	64.8%
	I don't know	6.8%	7.5%	3.6%	8.5%	6.8%
Supplementing the public pension with a private provision	Yes	90.4%	96.3%	93.9%	86.9%	94.7%
	No	8.7%	2.0%	5.1%	10.9%	5.3%
	I don't know	0.9%	1.7%	1.0%	2.2%	0.0%
Protecting yourself in case of illness and accident	Yes	31.6%	31.1%	34.3%	40.5%	29.1%
	No	53.2%	57.6%	58.5%	55.0%	65.5%
	I don't know	15.2%	11.3%	7.2%	4.6%	5.4%
Protecting yourself in case of loss of income from work or in case of unemployment	Yes	40.5%	28.2%	38.5%	41.5%	37.2%
	No	49.0%	53.9%	52.1%	51.5%	56.1%
	I don't know	10.6%	17.9%	9.5%	7.1%	6.8%

		City		
		Big	Medium	Small
Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?	Yes	24.2%	26.7%	21.5%
	No	75.8%	73.3%	78.5%
Setting aside money for short and medium-term needs	Yes	39.4%	41.7%	36.8%
	No	52.9%	50.2%	57.2%
	I don’t know	7.7%	8.0%	6.0%
Supplementing the public pension with a private provision	Yes	89.9%	95.6%	91.4%
	No	9.3%	3.8%	6.9%
	I don’t know	0.9%	0.6%	1.7%
Protecting yourself in case of illness and accident	Yes	24.7%	41.3%	31.9%
	No	65.5%	52.4%	56.0%
	I don’t know	9.7%	6.4%	12.1%
Protecting yourself in case of loss of income from work or in case of unemployment	Yes	38.2%	44.3%	33.3%
	No	54.4%	43.0%	54.7%
	I don’t know	7.4%	12.8%	11.9%

		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?	Yes	45.8%	39.1%	25.2%	28.0%	16.7%	3.8%	6.9%
	No	54.2%	60.9%	74.8%	72.0%	83.3%	96.2%	93.1%
Setting aside money for short and medium-term needs	Yes	32.7%	35.0%	39.5%	36.3%	43.6%	59.2%	100.0%
	No	57.2%	58.9%	45.6%	56.7%	50.9%	40.8%	0.0%
	I don’t know	10.1%	6.1%	14.8%	7.0%	5.5%	0.0%	0.0%
Supplementing the public pension with a private provision	Yes	84.7%	97.9%	93.1%	92.2%	90.3%	100.0%	0.0%
	No	10.2%	1.3%	2.7%	6.6%	8.6%	0.0%	100.0%
	I don’t know	5.1%	0.8%	4.2%	1.2%	1.2%	0.0%	0.0%
Protecting yourself in case of illness and accident	Yes	47.4%	25.4%	29.2%	27.9%	48.1%	66.5%	0.0%
	No	27.6%	65.5%	56.4%	63.1%	38.7%	33.5%	100.0%
	I don’t know	25.0%	9.1%	14.4%	8.9%	13.2%	0.0%	0.0%
Protecting yourself in case of loss of income from work or in case of unemployment	Yes	25.2%	23.7%	35.3%	35.1%	45.9%	84.8%	100.0%
	No	48.2%	64.9%	50.9%	54.5%	41.8%	0.0%	0.0%
	I don’t know	26.6%	11.4%	13.8%	10.4%	12.3%	15.2%	0.0%

QUESTION 18BIS

SPEAKING OF LIFE INSURANCE POLICIES, DO YOU THINK THE CAPITAL THAT THE COMPANY PAYS OUT ON MATURITY IS AT LEAST EQUAL TO THE SUM OF THE PREMIUMS PAID?

Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?	%
Yes, always	20.5%
No, never	18.9%
Yes, if it is a with profit policy	19.3%
I don't know	41.3%

Concerning life insurance policies, 58.7% of the sample think they know the conditions under which the capital that the company pays out at the end of a life policy equals the sum of the premiums paid.

Only less than one-fifth of the sample recognizes the correct condition ("when it is a with profit policy"). At the same time, about another one-fifth mistakenly believes that this condition never occurs, and the remaining one-fifth that it always occurs.

Men tend to answer more correctly than women, the "over 74" tend to get it wrong more than all other age groups, as do the inhabitants of the South and the Islands compared to the rest of Italy. Finally, once again, the level of schooling tends to be associated with a greater propensity to identify the correct answer.

Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?	Gender	
	Male	Female
Yes, always	21.4%	19.7%
No, never	20.8%	17.1%
Yes, if it is a with profit policy	22.0%	16.9%
I don’t know	35.9%	46.4%

Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Yes, always	14.7%	23.3%	25.4%	21.7%	15.3%
No, never	14.6%	19.0%	20.4%	19.7%	22.1%
Yes, if it is a with profit policy	19.4%	20.0%	21.7%	19.3%	14.6%
I don’t know	51.2%	37.7%	32.5%	39.3%	48.1%

Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?	Geographical area				
	North West	North East	Centre	South	Islands
Yes, always	21.8%	17.1%	17.3%	28.1%	12.2%
No, never	14.1%	14.5%	24.1%	18.8%	30.1%
Yes, if it is a with profit policy	20.8%	20.9%	21.9%	16.2%	15.5%
I don’t know	43.3%	47.5%	36.6%	36.8%	42.2%

Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?	City		
	Big	Medium	Small
Yes, always	20.0%	19.5%	20.9%
No, never	19.5%	17.0%	19.4%
Yes, if it is a with profit policy	16.1%	23.5%	18.6%
I do not know	44.4%	40.0%	41.1%

Speaking of life insurance policies…	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Yes, always	24.8%	23.8%	13.7%	21.3%	22.0%	11.2%	14.0%
No, never	19.9%	11.7%	15.2%	16.4%	21.4%	30.5%	11.1%
Yes, if it is a with profit policy	21.1%	28.1%	17.8%	21.6%	16.5%	11.9%	6.4%
I don’t know	34.2%	36.4%	53.3%	40.7%	40.2%	46.4%	68.5%

QUESTION 18TER

IN YOUR OPINION, IS IT POSSIBLE TO OBTAIN THE CAPITAL BEFORE MATURITY IN A LIFE INSURANCE POLICY?

In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?	%
No, you have to wait for the deadline	18.5%
Yes, you can receive it at any time without penalties	8.3%
Yes, but you may receive less than the premiums paid	46.9%
I don't know	26.3%

Knowledge about insurance products, specifically about life insurance policies, was also tested by asking respondents about a specific product feature, namely the possibility of obtaining the capital before maturity. 73.7% of the sample felt they were able to provide an answer to this question. Almost half of the sample identifies the correct answer among the three possible options. The tendency of the accuracy of the answer is also indicative of the fact that, at least as far as life policies are concerned, people do not fall into misleading and unrealistic expectations of the product. Only 8.3% believe that it is possible to withdraw the capital at any time, even before maturity and without penalty. In comparison, 18.5% of the sample even express negative expectations, believing that it is impossible to withdraw the capital before maturity.

These negative expectations tend to increase with age. The lowest percentage of correct answers is recorded among the over 74s (33.6%).

In Centre-South and Islands, there is a tendency to cultivate unrealistic positive expectations regarding the possibility of collecting the capital in advance and without penalties, compared to the North of the country.

Finally, the propensity to give the correct answer is lower for those with the lowest levels of schooling, down to 25.1% of those with only a primary school licence.

In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
No, you have to wait for the deadline	16.9%	18.3%	19.9%	16.8%	21.3%
Yes, you can receive it at any time without penalties	7.5%	8.2%	8.2%	8.9%	9.3%
Yes, but you may receive less than the premiums paid	45.5%	51.2%	50.8%	46.8%	33.6%
I don’t know	30.1%	22.2%	21.1%	27.5%	35.9%

In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?	Geographical area				
	North West	North East	Centre	South	Islands
No, you have to wait for the deadline	15.7%	21.7%	20.6%	16.7%	20.2%
Yes, you can receive it at any time without penalties	6.8%	4.7%	9.5%	11.6%	9.5%
Yes, but you may receive less than the premiums paid	50.1%	42.8%	47.1%	48.0%	43.4%
I don’t know	27.5%	30.8%	22.7%	23.7%	26.8%

In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?	City		
	Big	Medium	Small
No, you have to wait for the deadline	19.9%	17.5%	18.5%
Yes, you can receive it at any time without penalties	9.3%	6.9%	8.5%
Yes, but you may receive less than the premiums paid	45.4%	50.3%	46.1%
I don’t know	25.4%	25.4%	26.9%

In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
No, you have to wait for the deadline	22.8%	14.2%	12.4%	15.9%	21.7%	26.4%	12.4%
Yes, you can receive it at any time without penalties	8.7%	9.9%	4.1%	7.8%	8.9%	9.0%	6.2%
Yes, but you may receive less than the premiums paid	48.8%	57.2%	55.8%	52.6%	41.8%	25.1%	35.3%
I don’t know	19.7%	18.7%	27.7%	23.7%	27.6%	39.5%	46.1%

QUESTION 19

DO YOU KNOW WHAT AN INSURANCE PREMIUM IS?

Do you know what is meant by INSURANCE PREMIUM?	%
Yes	63.3%
No	36.7%

QUESTION 19X

THE PREMIUM IS ...?

The PREMIUM is ...?	Q19x.1. the price you pay for taking out a policy	Q19x.2. the return of a policy	Q19x.3. the capital on repayment	Q19x.4. the amount you obtain in case the accident does not occur
True	72.1%	22.8%	24.8%	13.1%
False	27.9%	77.2%	75.2%	86.9%

Concerning the basic concepts relating to insurance products, 36.7% of the sample felt they did not know what was meant by "insurance premium". Then, invited by the interviewer to evaluate the correctness of four different possible definitions, the sub-sample of those who believe they know the correct answer actually managed to identify the correct answer in 72.1% of cases, even though they maintained a certain predisposition to indicate as correct even wrong definitions (almost a quarter of the sample believes, for example, that by premium is meant the capital in the event of repayment or the return on the policy). Those in this sub-sample who only identified the correct answer and rejected the incorrect ones amounted to 57.2%, corresponding to 36.2% of the total sample.

Men, compared to women, are more likely to think they know the answer and actually identify the correct answer. As age increases, the ability to provide the correct answer decreases, except for the younger age group (18-34) who show limited levels of accuracy, lower than the over 74s.

Although the accuracy of high school graduates is higher than that of university graduates, the ability to identify the correct answer tends to decrease as the level of education decreases.

In addition to the lower correctness of answers in the inhabitants of big cities, the peak of correct answers is recorded in the North East. It then progressively decreases in the North West, the Centre, the South and the Islands.

In general, a good level of self-awareness is observed in the sample. In fact, in all the trends described so far, the propensity to state that one knows the answer has a similar tendency to the actual correctness of the answer.

PREMIUM		Gender	
		Male	Female
Q19x.1	incorrect answer	47.6%	60.6%
	correct answer	52.4%	39.4%
Q19x.2	incorrect answer	19.3%	26.8%
	correct answer	80.7%	73.2%
Q19x.3	incorrect answer	23.7%	26.2%
	correct answer	76.3%	73.8%
Q19x.4	incorrect answer	10.3%	16.5%
	correct answer	89.7%	83.5%

PREMIUM		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q19x.1	incorrect answer	61.5%	50.5%	47.0%	55.2%	60.8%
	correct answer	38.5%	49.5%	53.0%	44.8%	39.2%
Q19x.2	incorrect answer	22.5%	23.3%	22.1%	22.8%	22.1%
	correct answer	77.5%	76.7%	77.9%	77.2%	77.9%
Q19x.3	incorrect answer	28.7%	23.6%	23.6%	25.0%	23.6%
	correct answer	71.3%	76.4%	76.4%	75.0%	76.4%
Q19x.4	incorrect answer	20.5%	11.9%	9.8%	9.2%	13.9%
	correct answer	79.5%	88.1%	90.2%	90.8%	86.1%

PREMIUM		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q19x.1	incorrect answer	36.7%	45.6%	59.8%	46.7%	61.7%	69.4%	100.0%
	correct answer	63.3%	54.4%	40.2%	53.3%	38.3%	30.6%	0.0%
Q19x.2	incorrect answer	16.1%	18.3%	20.7%	20.0%	29.8%	19.4%	100.0%
	correct answer	83.9%	81.7%	79.3%	80.0%	70.2%	80.6%	0.0%
Q19x.3	incorrect answer	15.6%	21.4%	24.7%	22.4%	31.5%	22.0%	36.7%
	correct answer	84.4%	78.6%	75.3%	77.6%	68.5%	78.0%	63.3%
Q19x.4	incorrect answer	6.5%	7.5%	12.9%	13.4%	13.1%	20.8%	36.7%
	correct answer	93.5%	92.5%	87.1%	86.6%	86.9%	79.2%	63.3%

PREMIUM		Geographical area				
		North West	North East	Centre	South	Islands
Q19x.1	incorrect answer	49.5%	45.1%	53.9%	60.9%	69.1%
	correct answer	50.5%	54.9%	46.1%	39.1%	30.9%
Q19x.2	incorrect answer	24.5%	17.3%	17.8%	29.7%	23.7%
	correct answer	75.5%	82.7%	82.2%	70.3%	76.3%
Q19x.3	incorrect answer	25.0%	24.8%	19.4%	27.1%	29.4%
	correct answer	75.0%	75.2%	80.6%	72.9%	70.6%
Q19x.4	incorrect answer	10.6%	10.6%	13.3%	18.8%	14.6%
	correct answer	89.4%	89.4%	86.7%	81.2%	85.4%

QUESTION 20

DO YOU KNOW WHAT IS MEANT BY DEDUCTIBLE?

Do you know what DEDUCTIBLE means?	%
Yes	59.9%
No	40.1%

QUESTION 20X

THE DEDUCTIBLE IS ...?

The DEDUCTIBLE is ...?	Q20x.1. the amount of the damage that remains to be borne by the customer who signed the contract	Q20x.2. the maximum amount of compensation	Q20x.3. the minimum amount of compensation	Q20x.4. the amount beyond which the damage is not compensated
True	78.0%	12.1%	17.7%	29.0%
False	22.0%	87.9%	82.3%	71.0%

About this second basic concept relating to insurance products, 40.1% of the sample felt they did not know what was meant by "deductible". Then, when asked by the interviewer to assess the correctness of four different possible definitions, of the subsample who believe they know the correct answer, 78% actually manage to identify the correct answer, even though they maintain a certain predisposition to also indicate incorrect definitions as correct (almost a third of the sample believe, for example, that the deductible means the amount beyond which the damage is not compensated). Those in this sub-sample who only identified the correct answer and rejected the incorrect ones amounted to 53.3%, corresponding to 32% of the total sample.

Even in this case, men have a greater propensity to think they know the answer and identify the correct one compared to women. As age increases, the ability to provide the correct answer decreases, except for the younger age group (18-34-years-old), which shows limited levels of accuracy, slightly higher than the "over 74".

Although the accuracy of high school graduates is higher than that of bachelor's graduates, the ability to identify the correct answer tends to decrease as the level of education decreases.

In terms of geographical area, the peak of correct answers is recorded this time in the North West and progressively decreases in the North West, the Centre, the South and the Islands.

Even for the concept of "deductible", a good level of self-awareness is observed in the sample compared to their actual knowledge. In all the trends described so far, the propensity to state that they know the answer has a similar trend to the actual correctness of the answer.

DEDUCTIBLE		Gender	
		Male	Female
Q20x.1	incorrect answer	42.4%	63.4%
	correct answer	57.6%	36.6%
Q20x.2	incorrect answer	12.3%	11.9%
	correct answer	87.7%	88.1%
Q20x.3	incorrect answer	15.8%	20.3%
	correct answer	84.2%	79.7%
Q20x.4	incorrect answer	29.4%	28.5%
	correct answer	70.6%	71.5%

DEDUCTIBLE		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q20x.1	incorrect answer	63.9%	46.8%	45.1%	50.0%	66.2%
	correct answer	36.1%	53.2%	54.9%	50.0%	33.8%
Q20x.2	incorrect answer	15.9%	12.0%	11.5%	9.6%	11.0%
	correct answer	84.1%	88.0%	88.5%	90.4%	89.0%
Q20x.3	incorrect answer	17.4%	16.6%	17.7%	18.0%	21.9%
	correct answer	82.6%	83.4%	82.3%	82.0%	78.1%
Q20x.4	incorrect answer	36.1%	28.2%	25.5%	23.5%	34.7%
	correct answer	63.9%	71.8%	74.5%	76.5%	65.3%

DEDUCTIBLE		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q20x.1	incorrect answer	23.9%	42.9%	53.3%	48.2%	57.1%	76.4%	67.0%
	correct answer	76.1%	57.1%	46.7%	51.8%	42.9%	23.6%	33.0%
Q20x.2	incorrect answer	8.4%	9.6%	15.5%	10.1%	16.2%	9.8%	32.8%
	correct answer	91.6%	90.4%	84.5%	89.9%	83.8%	90.2%	67.2%
Q20x.3	incorrect answer	3.2%	9.7%	13.4%	14.5%	23.9%	35.0%	30.4%
	correct answer	96.8%	90.3%	86.6%	85.5%	76.1%	65.0%	69.6%
Q20x.4	incorrect answer	13.2%	28.2%	20.7%	28.1%	32.9%	23.5%	64.9%
	correct answer	86.8%	71.8%	79.3%	71.9%	67.1%	76.5%	35.1%

QUESTION 21

DO YOU KNOW WHAT IS MEANT BY MAXIMUM AMOUNT OF COVER?

Do you know what is meant by MAXIMUM AMOUNT OF COVER?	%
Yes	56.5%
No	43.5%

QUESTION 21X

THE MAXIMUM AMOUNT OF COVER IS ...?

The MAXIMUM AMOUNT OF COVER is ...?	Q21x.1. the maximum amount indicated in the policy that the insurer undertakes to pay in the event of a claim.	Q21x.2. the amount reimbursed by the insurer in the event of a claim	Q21x.3. the fixed amount to be borne by the insured
True	87.5%	35.1%	10.3%
False	12.5%	64.9%	89.7%

Finally, concerning a third basic concept related to insurance products, 43.5% of the sample felt they did not know what was meant by "maximum amount of cover". Then, when asked to assess the correctness of three different possible definitions, of the subsample of those who believe they know the correct answer, 87.5% manage to identify the correct answer, even though they maintain a certain predisposition to indicate incorrect definitions as correct (more than a third of the sample falls, for example, into the error of believing that the maximum amount of cover means the amount reimbursed in the event of a claim). Those in this sub-sample who only identified the correct answer and rejected the incorrect ones amounted to 59.9%, corresponding to 33.8% of the total sample.

Even in this case, men have a greater propensity to think they know the answer and identify the correct one compared to women. As far as age is concerned, the peak of the correct answers (56.5%) is obtained by those who are between 55-64-years-old and then worsens symmetrically both as the age increases and decreases.

Although the accuracy of high school graduates is slightly higher than that of bachelor's graduates, the ability to identify the correct answer tends to decrease as the level of education decreases.

The peak of correct answers in terms of geographical location is in the North East (61.4%) and then progressively decreases in the North West, the Centre, the South and the Islands. Moreover, in the medium-sized cities, there is a tendency to answer more correctly than in the small ones and finally in the big cities.

For the concept of "maximum amount of cover" too, a good level of self-awareness is observed in the sample concerning their actual knowledge since in all the trends described so far, the propensity to declare to know the answer has a similar trend to the actual correctness of the answer.

MAXIMUM AMOUNT OF COVER		Gender	
		Male	Female
Q21x.1	incorrect answer	38.8%	61.5%
	correct answer	61.2%	38.5%
Q21x.2	incorrect answer	32.8%	38.5%
	correct answer	67.2%	61.5%
Q20x.3	incorrect answer	8.8%	12.6%
	correct answer	91.2%	87.4%

MAXIMUM AMOUNT OF COVER		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q21x.1	incorrect answer	55.5%	47.1%	43.5%	50.9%	59.9%
	correct answer	44.5%	52.9%	56.5%	49.1%	40.1%
Q21x.2	incorrect answer	32.2%	33.2%	34.7%	34.2%	48.1%
	correct answer	67.8%	66.8%	65.3%	65.8%	51.9%
Q20x.3	incorrect answer	6.9%	9.2%	11.1%	8.1%	21.0%
	correct answer	93.1%	90.8%	88.9%	91.9%	79.0%

MAXIMUM AMOUNT OF COVER		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q21x.1	incorrect answer	37.1%	36.7%	46.0%	43.7%	57.0%	75.2%	74.3%
	correct answer	62.9%	63.3%	54.0%	56.3%	43.0%	24.8%	25.7%
Q21x.2	incorrect answer	44.0%	26.0%	29.6%	30.6%	44.6%	49.6%	21.7%
	correct answer	56.0%	74.0%	70.4%	69.4%	55.4%	50.4%	78.3%
Q20x.3	incorrect answer	0.0%	4.1%	3.8%	8.6%	13.6%	26.4%	43.0%
	correct answer	100.0%	95.9%	96.2%	91.4%	86.4%	73.6%	57.0%

MAXIMUM AMOUNT OF COVER		Geographical area				
		North West	North East	Centre	South	Islands
Q21x.1	incorrect answer	42.9%	38.6%	44.7%	63.5%	72.5%
	correct answer	57.1%	61.4%	55.3%	36.5%	27.5%
Q21x.2	incorrect answer	35.4%	32.4%	35.6%	38.0%	34.1%
	correct answer	64.6%	67.6%	64.4%	62.0%	65.9%
Q20x.3	incorrect answer	8.7%	8.7%	8.1%	15.9%	15.2%
	correct answer	91.3%	91.3%	91.9%	84.1%	84.8%

MAXIMUM AMOUNT OF COVER		City		
		Big	Medium	Small
Q21x.1	incorrect answer	59.8%	43.7%	51.0%
	correct answer	40.2%	56.3%	49.0%
Q21x.2	incorrect answer	30.5%	36.1%	35.6%
	correct answer	69.5%	63.9%	64.4%
Q20x.3	incorrect answer	10.1%	10.4%	10.3%
	correct answer	89.9%	89.6%	89.7%

QUESTION 22

IN YOUR OPINION, IS A POLICY THAT PROVIDES FOR A DEDUCTIBLE, I.E., THAT A PART OF THE LOSS IS BORNE BY THE INSURED, MORE EXPENSIVE OR LESS EXPENSIVE ON AVERAGE THAN ONE THAT DOES NOT?

Is a policy that provides for a DEDUCTIBLE, i.e., that a part of the loss is borne by the insured, more expensive or less expensive on average than one that does not?	%
More expensive	22.9%
Equal	15.3%
Less expensive	61.8%

As many as 38.2% of the sample do not understand that a policy with deductibles should on average be cheaper than one without, and 22.9% even think it should be more expensive!

Several factors influence this logical distortion. By gender, women fall victim to it to a greater extent than men. Age, with more mature groups being more prone to this error of reasoning. Geographical location, with a peak of correct answers in the North East (66.3%) and depression in the Islands (50.2) with the North West, the Centre and the South in an intermediate position. By the level of education, with a peak of correct answers among those with a postgraduate qualification (84.8%) and a depression among those with only a primary school licence (43.1%). And finally, by the type of occupation, with a peak of correct answers among the self-employed (71%) and depression among pensioners (52.7%), with the unemployed expressing the highest propensity (29.6%) to give the completely wrong answer, namely that a policy with deductible should be more expensive on average.

A policy that provides for a DEDUCTIBLE is on average	Gender	
	Male	Female
More expensive	20.3%	25.3%
Equal	11.0%	19.2%
Less expensive	68.7%	55.4%

A policy that provides for a DEDUCTIBLE is on average	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+ 74
More expensive	25.7%	20.7%	21.1%	22.2%	27.2%
Equal	11.9%	12.2%	16.2%	14.9%	27.3%
Less expensive	62.5%	67.1%	62.7%	62.9%	45.5%

A policy that provides for a DEDUCTIBLE is on average	Geographical area				
	North West	North East	Centre	South	Islands
More expensive	25.3%	19.3%	22.1%	21.5%	27.4%
Equal	11.9%	14.4%	15.1%	16.7%	22.4%
Less expensive	62.8%	66.3%	62.8%	61.7%	50.2%

A policy that provides for a DEDUCTIBLE is on average	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
More expensive	8.5%	15.4%	21.5%	22.5%	25.1%	25.5%	34.6%
Equal	6.7%	10.2%	13.6%	11.1%	17.3%	31.4%	47.0%
Less expensive	84.8%	74.4%	64.9%	66.4%	57.6%	43.1%	18.4%

A policy that provides for a DEDUCTIBLE is on average	Employment						
	employee	self employed	Student	seeking employment	pensioner	unemployed	housewife
More expensive	22.6%	17.3%	22.6%	26.8%	24.1%	29.6%	26.0%
Equal	11.1%	11.7%	13.1%	17.4%	23.1%	9.7%	20.1%
Less expensive	66.3%	71.0%	64.3%	55.8%	52.7%	60.7%	53.9%

QUESTION 23

IN ADDITION TO THE EVENTS COVERED, WHICH OF THE FOLLOWING ELEMENTS OF THE POLICY WOULD BE PARTICULARLY USEFUL FOR YOU TO FOCUS ON?

In addition to the events covered, which of the following elements of the policy would be particularly useful for you to focus on?	%
On the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy	44.9%
On the amount of the premium, i.e., the underwriting cost	26.5%
On exclusions, i.e., contractual limitation clauses	28.5%

When assessing the elements of a policy, almost half of the sample focuses mainly on the maximum amount of cover in the event of a claim. The other half is fairly evenly divided between those who focus on the amount of the premium and those who, denoting a higher level of evolution in the assessment of insurance products, focus on the contractual limitation clauses.

These different sensitivities appear to be influenced by age, geographical location, education, and type of occupation.

Specifically, in terms of age, sensitivity to the maximum amount of cover is most significant among 65-74-year-olds. The over 74s are more sensitive to the amount of the premium, and 35-54-year-olds are more susceptible to exclusions.

Geographically, the Centre/South and Islands are characterized by a higher sensitivity than the North to the amount of the premium, with a concomitant lower focus on exclusions.

Similarly, the propensity to focus on the amount of the insurance premium increases as the level of education decreases. It contrasts with the tendency to focus on exclusions, which tends to increase as schooling increases.

Finally, regarding the type of occupation, sensitivity to the maximum amount of cover peaks among those seeking employment (53.9%) and is lowest among employees (41%). The focus on the amount of the insurance premium is highest among housewives (29.6%) and pensioners (28.6%), while the more advanced emphasis on policy exclusions is highest among the self-employed (37.1%).

In addition to the events covered, which of the following elements of the policy would be particularly useful for you to focus on?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
On the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy	45.0%	41.2%	47.7%	54.9%	41.1%
On the amount of the premium, i.e., the underwriting cost	26.9%	26.6%	23.0%	24.2%	32.3%
On exclusions, i.e., contractual limitation clauses	28.1%	32.2%	29.3%	21.0%	26.6%

In addition to the events covered, which of the following elements of the policy would be particularly useful for you to focus on?	Geographical area				
	North West	North East	Centre	South	Islands
On the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy	43.0%	46.8%	49.4%	42.3%	44.7%
On the amount of the premium, i.e., the underwriting cost	23.3%	19.3%	27.9%	32.6%	32.4%
On exclusions, i.e., contractual limitation clauses	33.6%	33.9%	22.7%	25.0%	22.9%

In addition to the events covered, which of the following elements of the policy would be particularly useful for you to focus on?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
On the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy	41.9%	36.4%	41.5%	44.5%	49.6%	39.9%	45.7%
On the amount of the premium, i.e., the underwriting cost	17.8%	19.3%	21.2%	23.8%	28.9%	40.6%	32.1%
On exclusions, i.e., contractual limitation clauses	40.2%	44.2%	37.2%	31.7%	21.5%	19.5%	22.3%

In addition to the events covered, which of the following elements of the policy would be particularly useful for you to focus on?	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
On the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy	41.0%	42.6%	45.4%	53.9%	48.4%	50.2%	48.0%
On the amount of the premium, i.e., the underwriting cost	27.8%	20.3%	26.9%	24.7%	28.6%	22.8%	29.6%
On exclusions, i.e., contractual limitation clauses	31.2%	37.1%	27.7%	21.4%	23.0%	27.0%	22.4%

QUESTION 24

I'LL READ YOU A LIST OF POSSIBLE FEARS, FOR THE PRESENT OR THE FUTURE, TELL ME WHICH ONES YOU SHARE A LOT, WHICH ONES FAIRLY, WHICH ONES A LITTLE AND WHICH ONES NOT AT ALL?

In general, the most felt risk relates to health problems due to illness or accidents (76.7%) adding up "a lot" (34.9%) and "fairly" (41.8%), followed by the fear of not being able to provide for the welfare of children/grandchildren (64.6%) and/or dependent loved ones (67.9%), as well as reduced income in retirement (63.4%). On the other hand, cyber risks (33.3%) are not strongly felt, as well as damage to others (54%).

	A lot	Fairly	Little	Not at all
Loss of employment	31.8%	25.9%	17.9%	24.3%
Reduced income when retired	29.4%	34.0%	19.1%	17.5%
Health problems due to illness or accidents	34.9%	41.8%	17.1%	6.1%
Thefts, muggings, assaults...	22.4%	36.0%	30.3%	11.2%
Not being able to provide for the welfare of children/grandchildren	34.2%	30.4%	20.1%	15.4%
Having to support dependent loved ones	28.4%	39.5%	19.8%	12.3%
Damage to houses	20.0%	39.2%	30.6%	10.2%
Natural disasters (e.g., floods, earthquakes, etc.)	21.7%	34.7%	32.0%	11.6%
Cyber risks when surfing or shopping online	11.0%	22.3%	34.3%	32.4%
Damage that you or your family members may unintentionally cause to others	18.4%	35.6%	32.3%	13.6%

There is a correlation between average worry and number of non-mandatory insurance coverage: those who are more worried get more coverage. However, the fact that health is the source of most concern does not translate into taking out health insurance policies, as shown by the cross-section with Q5. We see that those who take out a health policy account for only 10.6% of the total number of respondents, a percentage that rises to 20.2% for accident insurance, but is still very low compared to the fact that 77% of the sample indicated health (illness/accident) as their main source of concern.

It would be interesting to focus on the coverage of the health policy concerning the health risk. If it is limited to the possibility of receiving assistance at private health structures

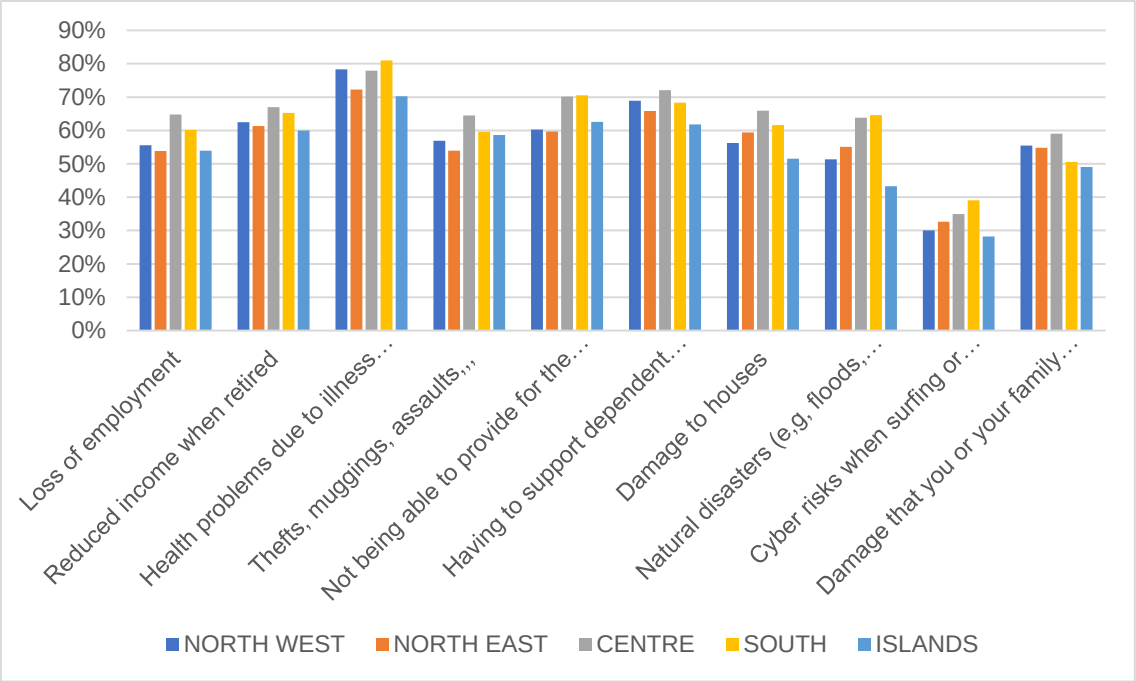
(specialist services or admissions to private clinics), it might not be very interesting in a country like Italy with a public health system.

As far as the geographical area is concerned, the Centre and the South show a greater concern for all the items, in particular for Natural Disasters (63.8% Centre and 64.6% South, and consequently, but to a lesser extent, for Damage to houses), Loss of employment, Decreased Income, expressing a perception of greater geographical-occupational precariousness.

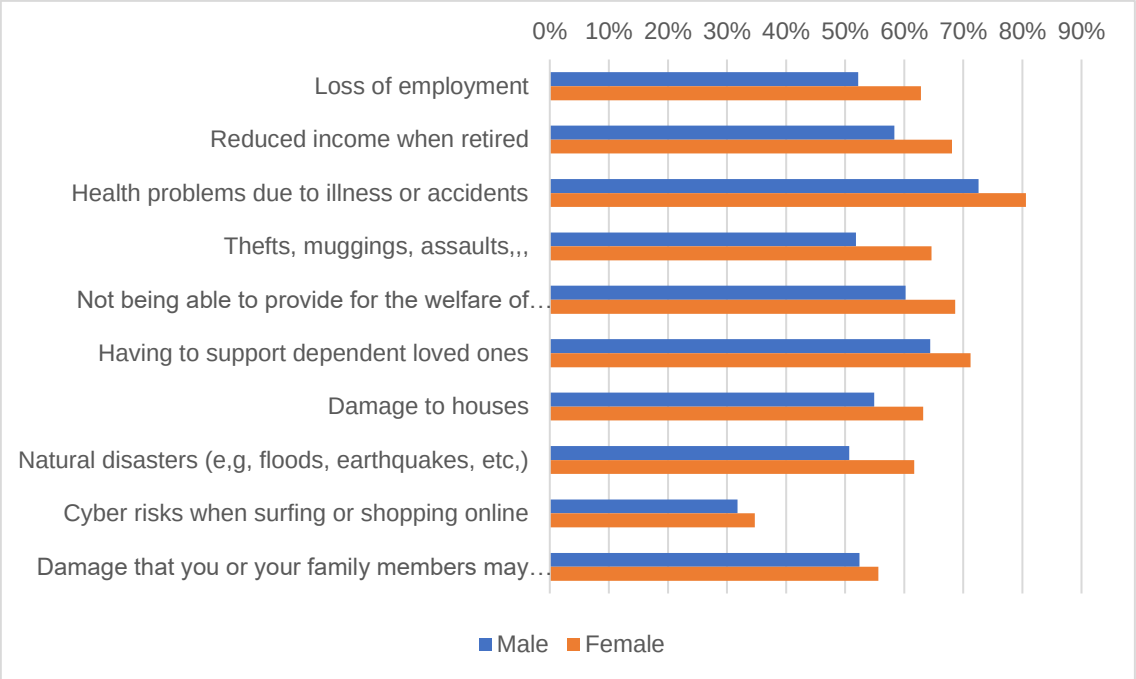
	Geographical area				
	North West	North East	Centre	South	Islands
Loss of employment	55.6%	53.8%	64.8%	60.2%	53.9%
Reduced income when retired	62.5%	61.3%	67.0%	65.3%	60.0%
Health problems due to illness or accidents	78.3%	72.3%	77.9%	81.0%	70.2%
Thefts, muggings, assaults...	56.9%	53.9%	64.5%	59.6%	58.6%
Not being able to provide for the welfare of children/grandchildren	60.3%	59.7%	70.1%	70.5%	62.6%
Having to support dependent loved ones	68.9%	65.8%	72.1%	68.3%	61.8%
Damage to houses	56.2%	59.4%	65.9%	61.6%	51.5%
Natural disasters (e.g., floods, earthquakes, etc.)	51.3%	55.1%	63.8%	64.6%	43.3%
Cyber risks when surfing or shopping online	30.0%	32.6%	34.9%	39.1%	28.2%
Damage that you or your family members may unintentionally cause to others	55.5%	54.8%	59.0%	50.6%	49.0%

However, the greater fear of natural disasters does not translate into more significant underwriting of natural disaster policies in the Centre (10.4%) or South (4.1%) than in the North (around 20% underwriting), as shown by the comparison with Q5.

Moreover, the Centre (70.1%) and the South (70.5%) in particular reveal concern about providing for their children's welfare (which can be partly explained by the high youth unemployment rate).



Finally, there is a gender difference, with women being more concerned in general and especially with health.



Concerning the educational qualification: the category "No qualification", predominantly made up of elderly people over 74, has a higher perception of risk for Health and Natural

Disasters. People with "no qualification" and "primary school" diploma have a lower perception of the risk related to cyber risk, work, income, damage to others. In general, these categories have a lower perception of the risk associated with dimensions that imply a job and an income (which one would be afraid of losing), as they are mainly made up of pensioners. Consistent with what has been observed so far, those with a bachelor's degree show a more significant concern for losing a job.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Loss of employment	51.2%	58.0%	67.7%	61.9%	58.7%	33.3%	35.3%
Reduced income when retired	56.9%	70.8%	66.2%	67.4%	63.2%	39.6%	47.8%
Health problems due to illness or accidents	81.0%	80.3%	79.8%	78.9%	74.5%	68.5%	85.3%
Thefts, muggings, assaults...	42.1%	51.2%	63.4%	56.1%	62.4%	63.3%	58.9%
Not being able to provide for the welfare of children/grandchildren	49.9%	63.0%	59.8%	64.6%	66.6%	64.5%	41.9%
Having to support dependent loved ones	73.9%	66.8%	75.6%	69.7%	68.4%	55.0%	68.2%
Damage to houses	47.6%	55.0%	67.1%	59.4%	61.0%	55.5%	52.2%
Natural disasters (e.g., floods, earthquakes, etc.)	51.0%	49.4%	63.7%	53.6%	60.6%	59.0%	66.5%
Cyber risks when surfing or shopping online	32.4%	36.4%	37.5%	33.2%	37.6%	16.4%	21.5%
Damage that you or your family members may unintentionally cause to others	54.8%	51.3%	60.7%	55.9%	56.6%	38.4%	40.6%

There is also a difference between those employed in the public and private sectors, with greater concern about loss of employment in the private sector (74.6%) than in the public sector (49.9%).

	Work sector	
	public	private
Loss of employment	49.9%	74.6%
Reduced income when retired	72.5%	77.0%

Health problems due to illness or accidents	74.2%	78.6%
Thefts, muggings, assaults...	55.4%	54.8%
Not being able to provide for the welfare of children/grandchildren	62.4%	68.7%
Having to support dependent loved ones	66.1%	71.7%
Damage to houses	57.5%	56.9%
Natural disasters (e.g., floods, earthquakes, etc.)	47.2%	54.4%
Cyber risks when surfing or shopping online	40.3%	37.1%
Damage that you or your family members may unintentionally cause to others	56.9%	59.1%

QUESTION 25

I'LL READ YOU SOME REASONS, TELL ME AMONG THEM, WHICH ARE THE 3 MAIN ONES WHY YOU HAVE NOT INSURED YOURSELF ALTHOUGH YOU PERCEIVED THE RISK?

I read you some reasons, tell me among them, which are the 3 main ones why you have not insured yourself although you perceived the risk?	%
Cost of the policy	67.5%
Lack of comprehensibility of the policy	50.0%
Negative experience during an accident	28.7%
Mistrust of insurance	42.4%
Although I have perceived the risk, it is unlikely to happen to me	34.1%

In general, cost (67.5%) is the most crucial cause, together with the lack of comprehensibility of the policy (50.0%), followed by distrust of insurance (42.4%) and negative past experiences (28.7%).

The importance attributed to the cost of the policy does not differ by geographical area (apart from a peak in the North East, 75.9%), nor by low/high-income areas. Still, it is directly proportional to the educational qualification. In particular, the concern grows for a master's degree (72.2%) and further specialisation (78.2%); for the other qualifications, there is no significant difference (from 65.1% primary school leaving certificate to 67.4% Bachelor's degree), reducing considerably in the case of no qualification (50.8%). The data seems to have a paradoxical and counterintuitive trend. In reality, it could be because those who do not have any educational qualification are predominantly elderly (and therefore are generally less insured).

The lack of comprehensibility, although a general factor, also changes for the educational qualification: it is higher for bachelor's degree (55.2%), master's degree (56.4%) than for secondary school (48%), primary school (45.9%) and no degree (43.8%).

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Cost of the policy	78.2%	72.2%	67.4%	68.4%	66.1%	65.1%	50.8%
Lack of comprehensibility of the policy	52.5%	56.4%	55.2%	50.6%	48.0%	45.9%	43.8%
Negative experience during an accident	8.6%	15.1%	28.6%	30.9%	30.3%	26.4%	24.5%
Mistrust of insurance	62.9%	38.6%	43.0%	43.0%	41.6%	45.7%	29.9%
Although I have perceived the risk, it is unlikely to happen to me	38.2%	40.9%	39.8%	37.8%	29.5%	20.9%	28.2%

It is also highest among students (69.3%) and those working in the private sector (54.1%) compared to the public sector (42%). In general, it would seem possible to say that poor comprehensibility is detected by those who are more aware, because they have better interpretative tools (university graduates and students) or because they are more used to insurance coming from the private sector - employed or self-employed - which has more coverage 3.54 than the employee 2.87.

	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
Cost of the policy	71.0%	72.3%	59.2%	71.6%	60.0%	60.3%	69.5%
Lack of comprehensibility of the policy	51.7%	45.8%	69.3%	39.7%	50.6%	46.8%	44.6%
Negative experience during an accident	27.4%	28.1%	33.2%	35.6%	27.9%	34.6%	29.7%
Mistrust of insurance	43.2%	36.8%	42.3%	43.8%	41.7%	44.4%	49.8%
Although I have perceived the risk, it is unlikely to happen to me	37.3%	37.2%	45.2%	38.1%	24.7%	30.5%	30.6%

	Work sector	
	Public	Private
Cost of the policy	75.4%	70.0%
Lack of comprehensibility of the policy	42.0%	54.1%
Negative experience during an accident	27.5%	27.4%
Mistrust of insurance	43.6%	43.1%
Although I have perceived the risk, it is unlikely to happen to me	41.5%	36.2%

Mistrust is highest in the 35-54 age group (46.4%), in large cities (55.4%) and the South (46.9%).

	Geographical area				
	North West	North East	Centre	South	Islands
Cost of the policy	65.3%	75.9%	68.8%	64.3%	62.2%
Lack of comprehensibility of the policy	48.1%	48.5%	49.2%	53.5%	50.8%
Negative experience during an accident	30.5%	30.4%	24.0%	28.3%	29.5%
Mistrust of insurance	41.8%	40.5%	39.7%	46.9%	42.2%
Although I have perceived the risk, it is unlikely to happen to me	35.9%	38.7%	27.5%	35.0%	28.8%

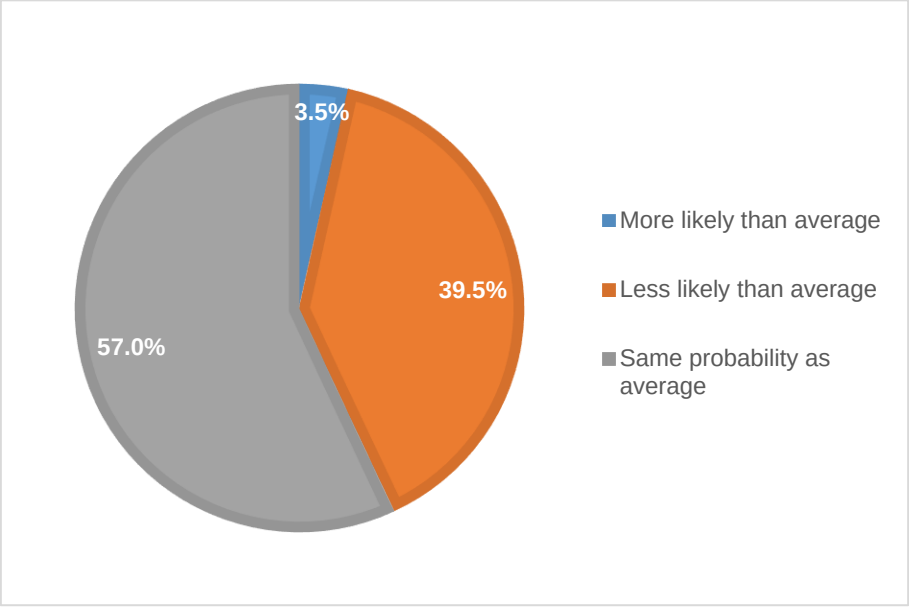
Finally, it is considered "unlikely to happen to me" among 18-34-year-olds (42.3%) and students, following a more optimistic view than among the over 35s.

	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Cost of the policy	66.1%	71.8%	66.1%	64.0%	62.8%
Lack of comprehensibility of the policy	50.6%	49.6%	51.5%	49.5%	48.0%
Negative experience during an accident	28.6%	29.9%	29.4%	28.8%	24.1%
Mistrust of insurance	37.5%	46.4%	42.5%	42.7%	39.1%
Although I have perceived the risk, it is unlikely to happen to me	42.3%	36.3%	30.3%	25.1%	26.7%

QUESTION 26

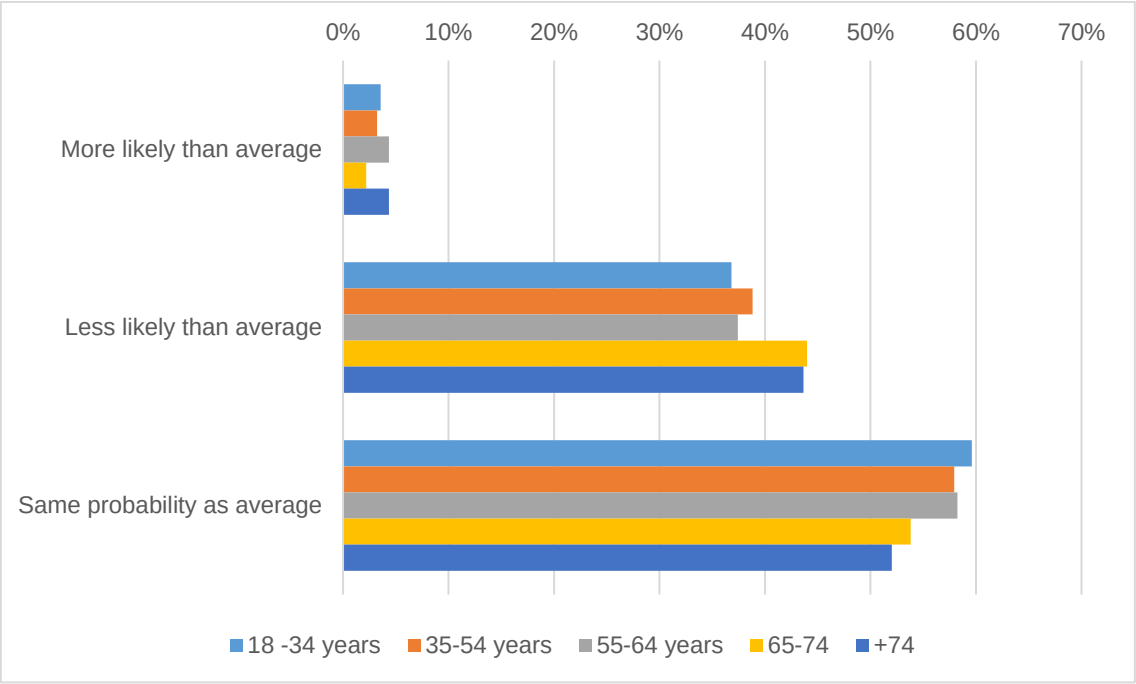
IN YOUR OPINION, AFTER AN ACCIDENT, WHAT IS THE AVERAGE PROBABILITY OF MAKING A SIMILAR ACCIDENT IN THE FOLLOWING YEAR?

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	%
More likely than average	3.5%
Less likely than average	39.5%
Same probability as average	57.0%



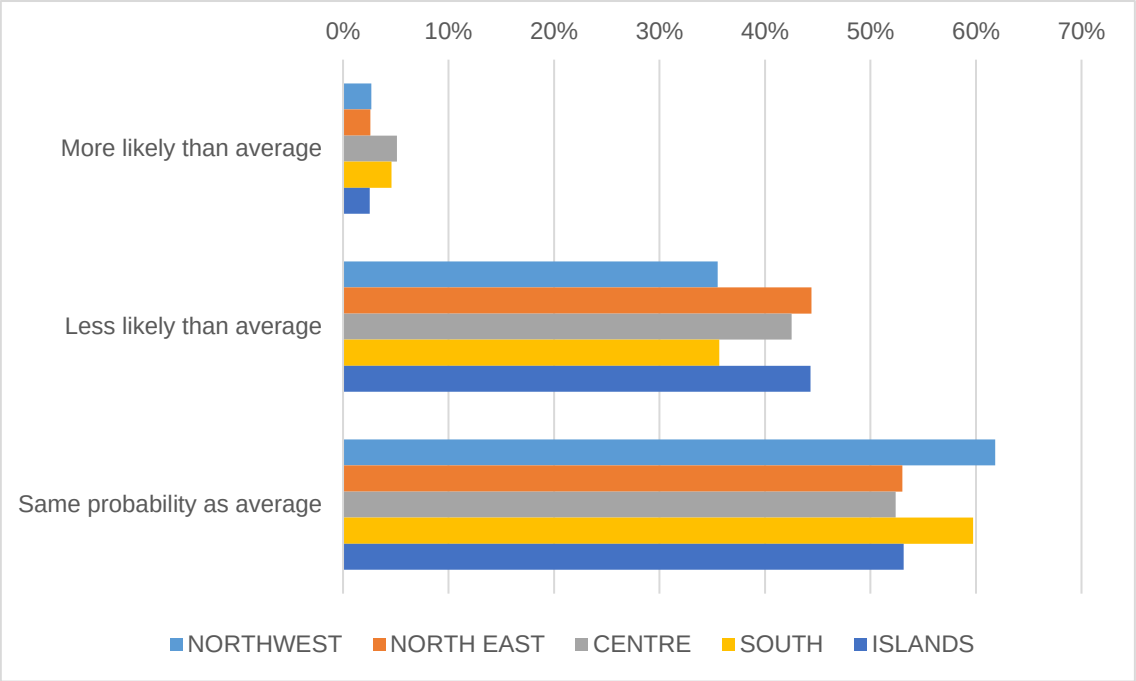
The majority responded correctly to how likely it is to have a new accident after having already experienced one. For 57%, the probability remains the same, while for 39.5%, it decreases, and for 3.5%, it increases. This incorrect response of more than 40%, also known as the "gambler's fallacy", and as the "Monte Carlo Fallacy", denotes a lack of knowledge of the laws of statistics. It has been found in many situations such as gambling or accident risk assessment, where one is unaware that on small numbers, each repetition of an event keeps the average probability of the statistical series intact. According to Tversky and Kahneman (1971), this fallacy linked to the "law of small numbers" is a cognitive "bias" produced by representativeness heuristics.

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
More likely than average	3.6%	3.2%	4.4%	2.2%	4.3%
Less likely than average	36.8%	38.8%	37.4%	44.0%	43.6%
Same probability as average	59.6%	57.9%	58.2%	53.8%	52.0%



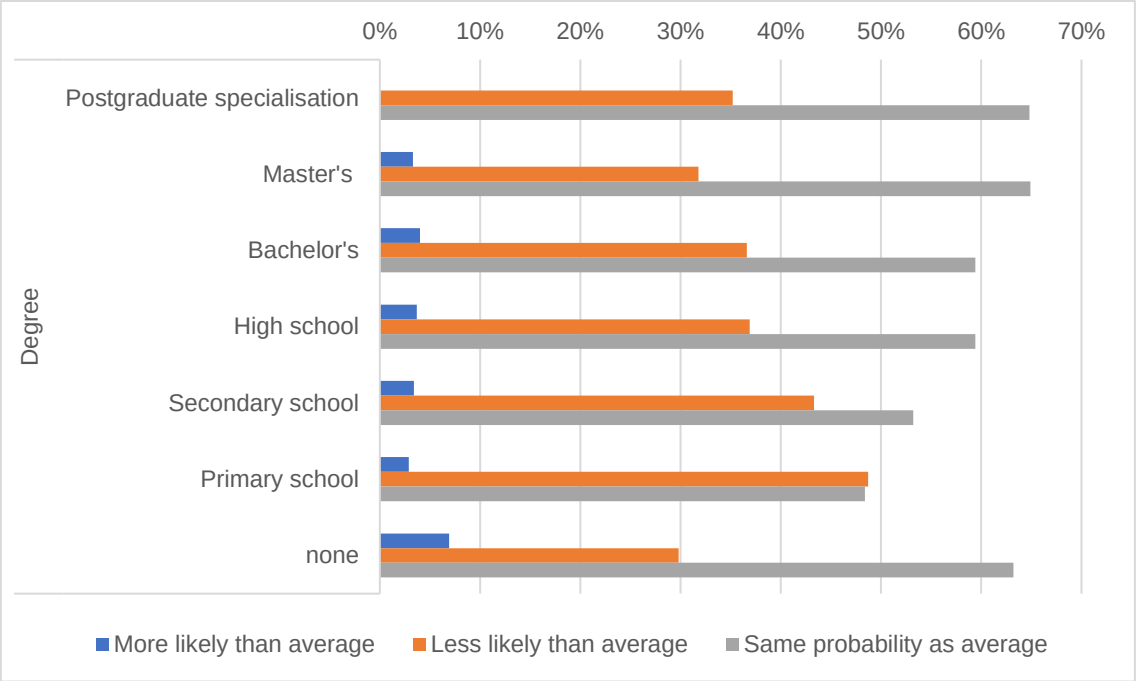
There is an increase in fallacy among the over-65s (44%) compared to the 18-34s (36.8%).

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	Geographical area				
	North West	North East	Centre	South	Islands
More likely than average	2.7%	2.6%	5.1%	4.6%	2.5%
Less likely than average	35.5%	44.4%	42.5%	35.7%	44.3%
Same probability as average	61.8%	53.0%	52.4%	59.7%	53.1%



The geographical area also shows some differences. The North-West responds correctly at 61.8% against the Islands at 53.1%. While the fallacy is more present in the Islands at 44.3% compared to the North-West at 35.5%.

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
More likely than average	0.0%	3.3%	4.0%	3.7%	3.4%	2.9%	6.9%
Less likely than average	35.2%	31.8%	36.6%	36.9%	43.3%	48.7%	29.8%
Same probability as average	64.8%	64.9%	59.4%	59.4%	53.2%	48.4%	63.2%



Education also seems to be correlated with the correct and the incorrect answer. Those who have a postgraduate specialisation (64.8%) and a master's degree (64.9%) answer correctly compared to those who have only a primary school licence (48.4%). Symmetrically, those with a master's degree commit the fallacy for 31.8% compared to 48.7% of those who have only a primary school leaving certificate.

Data on education seem to be linked to data on knowledge of basic terms, as shown in the table below.

	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Knowledge of basic terms	61.3	52.5	42.8	47.3	33.5	21.3	14.1

Those with more in-depth knowledge of basic insurance concepts (premium, deductible, and maximum amount of cover) tend to consider the probability of future claims more correctly than those with less knowledge. And conversely, those with less basic knowledge tend to commit the fallacy more than those with this knowledge. So, it would seem that more education increases both basic knowledge and statistical competence.

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	Knowledge of basic terms
More likely than average	31.3
Less likely than average	36.7
Same probability as average	43.9

In your opinion, after an accident, what is the average probability of making a similar accident in the following year?	Who decides on insurance cover			
	Exclusively me	Me, together with some other family members	exclusively another family member	None
More likely than average	3.5%	3.9%	2.3%	9.9%
Less likely than average	39.8%	37.3%	45.1%	15.4%
Same probability as average	56.7%	58.8%	52.6%	74.7%

Another interesting fact is the correlation with the role of the decision-maker within the family. The percentage of correct answers is higher among those who decide independently (56.7%) or with another family member (58.8%). In comparison, the percentage of incorrect answers is higher among those who delegate the choice to other family members (45.1%). Analytical engagement when choosing a policy seems to increase statistical competence.

QUESTION 27

Sample A *(50% of the sample)*

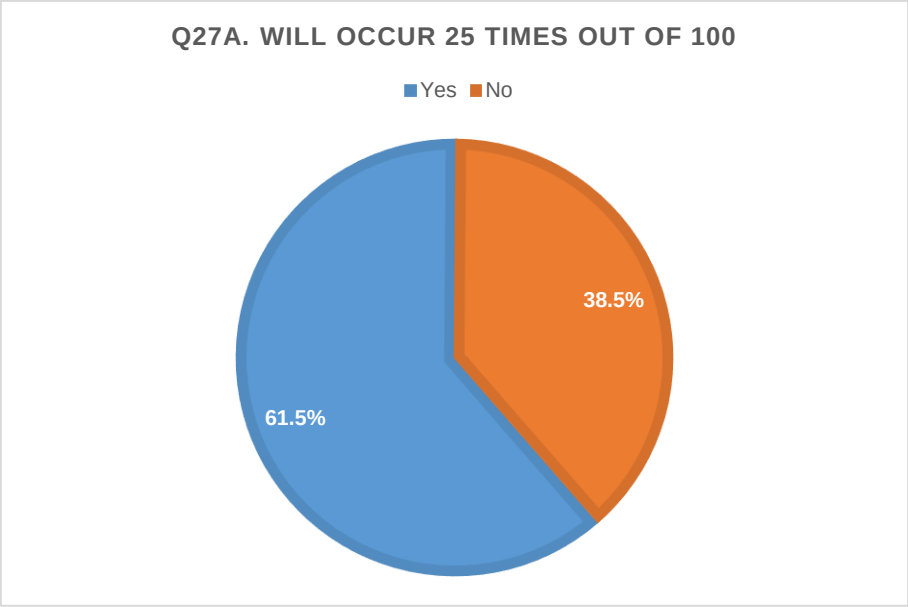
Q27_A. AN ACCIDENT WILL OCCUR 25 TIMES OUT OF 100. WOULD YOU SUBSCRIBE TO AN INSURANCE POLICY TO PROTECT YOURSELF AGAINST THE RISK OF THAT ACCIDENT?

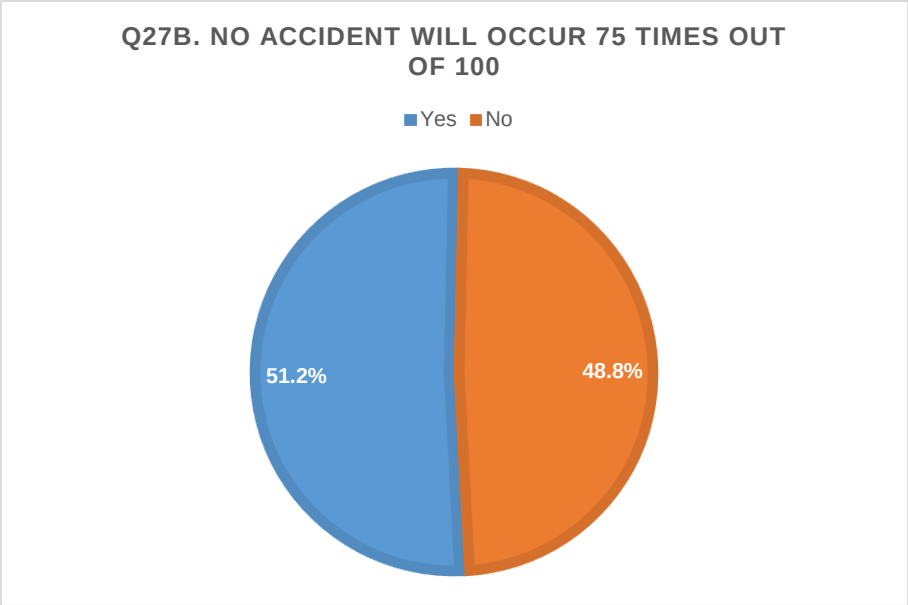
1. yes
2. no

Sample B *(50% of the sample)*

Q27_B. NO ACCIDENT WILL OCCUR 75 TIMES OUT OF 100. WOULD YOU SUBSCRIBE TO AN INSURANCE POLICY TO PROTECT YOURSELF AGAINST THE RISK OF THAT ACCIDENT?

1. yes
2. no



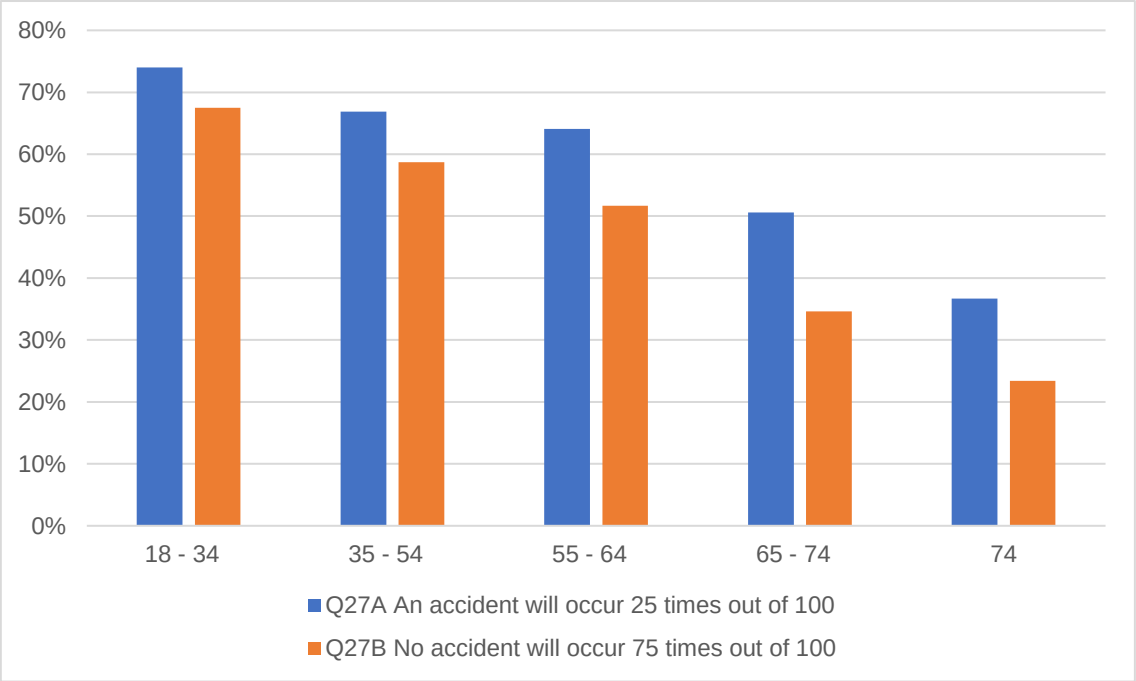


The question tests whether a different frame, one in the negative sense of the probability of a claim occurring and the other in the positive sense of the probability of a claim not occurring, with the same semantic content, can generate a different insurance response. The results seem to show a "framing" effect (Tversky and Kahneman, 1981) since the probability of taking out the policy increases from 51.2% to 61.5% when passing from the no-claims frame to the claims frame. If information makes the probability of an accident salient 25 times out of 100, subjects represent the risk more vividly and thus increase their propensity to take out insurance. The opposite is true when the salience is that 75 times out of 100, no accident occurs. In this case, the mental representation is focused on the probability that no accident will happen, so there is no need for insurance protection.

Subscribe to an insurance policy	Gender	
	Male	Female
Q27A An accident will occur 25 times out of 100	65.2%	58.1%
Q27B No accident will occur 75 times out of 100	54.5%	48.1%

Males tend to have a higher propensity to take out insurance in both conditions, while females have a lower propensity.

Subscribe to an insurance policy	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Q27A An accident will occur 25 times out of 100	74.0%	66.9%	64.1%	50.6%	36.7%
Q27B No accident will occur 75 times out of 100	67.5%	58.7%	51.7%	34.6%	23.4%



A more significant difference between the no-claims and claims condition is found in the 65-74 age group (50.6% vs 34.6%). The highest percentage of underwriters in the presence of an accident frame was in the 18-34 age group, but they also had a high probability (67.5%) of underwriting in the no-claims frame. The difference in underwriting between the two frames is low in the 18-34 age group (6.5%) and increases progressively with age.

Subscribe to an insurance policy	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q27A An accident will occur 25 times out of 100	77.1%	70.7%	76.3%	68.9%	54.6%	34.8%	40.0%
Q27B No accident will occur 75 times out of 100	42.3%	59.9%	61.7%	57.6%	48.7%	21.4%	37.9%

A greater polarising framing effect is observed among those with a bachelor's degree (76.3% vs. 61.7%), while a lower effect is observed among those with a primary school license (34.8% vs 21.4%). The lowest propensity to take out insurance in both conditions is found among those who have only a primary school licence.

Subscribe to an insurance policy	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
Q27A An accident will occur 25 times out of 100	64.5%	75.5%	82.8%	62.2%	44.5%	72.5%	64.2%
Q27B No accident will occur 75 times out of 100	58.2%	58.8%	67.8%	63.3%	29.0%	66.6%	51.1%

The highest subscription rate in both conditions occurs among the self-employed and students, while the lowest subscription rate occurs among pensioners. There is also a greater framing effect among students and the self-employed.

QUESTION 28

Sample A *(50% of the sample)*

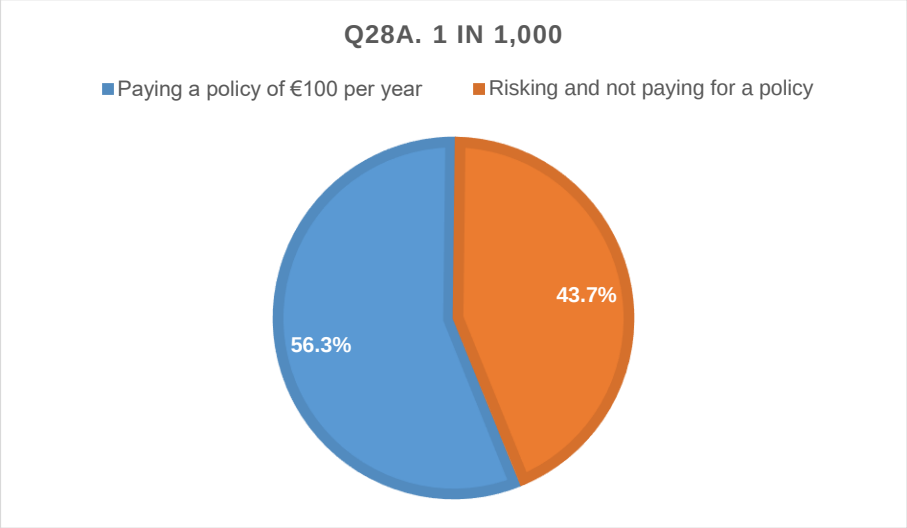
Q28_A. GIVEN THE ANNUAL PROBABILITY OF 1 IN 1,000 OF LOSING €50,000 DUE TO DOMESTIC ACCIDENTS WOULD YOU PREFER:

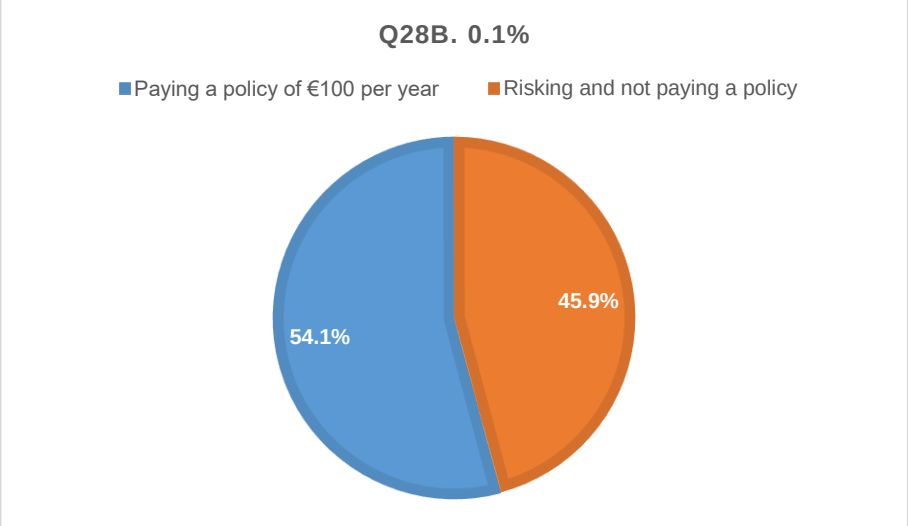
1. paying a policy of 100 euros per year
2. risking and not paying for a policy

Sample B *(50% of the sample)*

Q28_B. GIVEN THE 0.1% ANNUAL PROBABILITY OF LOSING €50,000 DUE TO DOMESTIC ACCIDENTS WOULD YOU PREFER:

1. paying a policy of 100 euros per year
2. risking and not paying for a policy



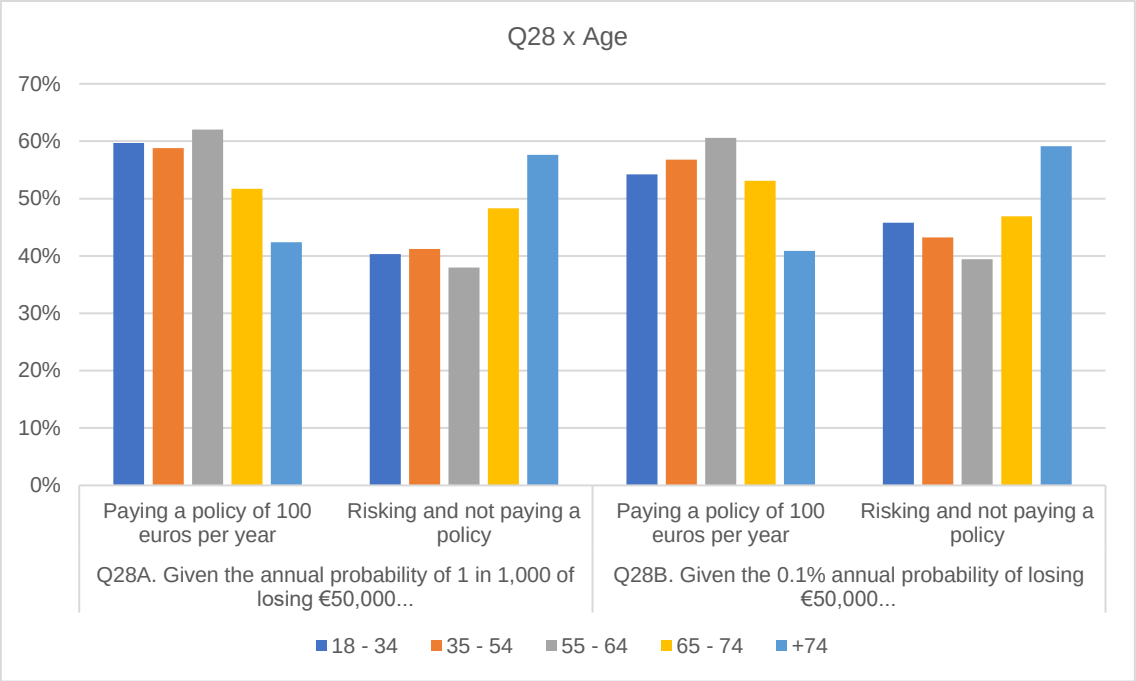


The answer to question 28, which aimed to test whether the representation of risk in the form of a percentage instead of a natural frequency could change the perception of risk and the resulting propensity to take out insurance, did not yield any significant results. It is well known (Gigerenzer, 2015; Gigerenzer, Gassmaier, Kurz-Milcke, Scwartz & Woloshin, 2007) that information presented as percentages rather than natural frequencies can increase psychological overweighting of data. The representation of probability as natural frequencies allows a more truthful assessment of the information, whereas the representation in percentages sometimes leads to an overestimation of the phenomenon. There are also reasons from evolutionary psychology that explain the greater ecological characteristic of natural frequencies compared to percentages (Gigerenzer, 1996). Since primitive times man has been accustomed to representing a relationship between quantities of objects. Percentages and conditional probabilities, on the other hand, are a recent product of human knowledge[3].

When asked whether to take out insurance to protect themselves from the annual risk of 1 in 1,000 of losing €50,000 due to damage caused by domestic accidents, 56.3% of subjects indicate the insurance option. 54.1% of subjects do the same when the question is expressed in percentages (0.1%). There are, therefore, no significant differences in the propensity to take out insurance in the two conditions. Thus, the perception of risk seems to be similar between representing probability as a percentage and as natural frequencies.

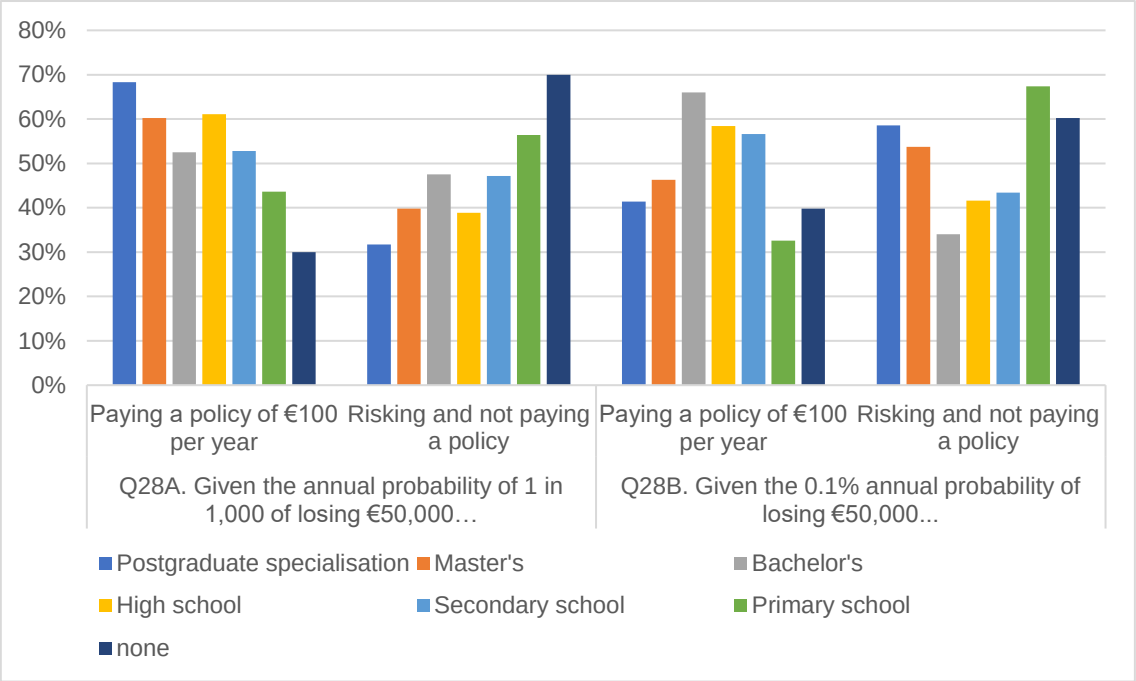
		Age				
		18 - 34	35 - 54	55 - 64	65 - 74	+74
Q28A. Given the annual probability of 1 in 1,000 of losing €50,000...	Paying a policy of 100 euros per year	59.7%	58.8%	62.0%	51.7%	42.4%
	Risking and not paying a policy	40.3%	41.2%	38.0%	48.3%	57.6%
Q28B. Given the 0.1% annual probability of losing €50,000...	Paying a policy of 100 euros per year	54.2%	56.8%	60.6%	53.1%	40.9%
	Risking and not paying a policy	45.8%	43.2%	39.4%	46.9%	59.1%

[3] The percentage symbol % is of Italian origin. There is no evidence prior to 1425 of the use of a particular symbol to denote percentage, but the term 'per cent' was often abbreviated in different ways, such as 'per 100', 'p 100', 'p cento' and others (Smith, 1898). In medieval and Renaissance palaeography the letter p with the stem crossed out by a horizontal or diagonal line is conventionally read as 'per' (Cappelli, 1912). Giorgio Chiarino (1481) uses the symbol xx per c. to indicate 20 per cent. In a business letter also from the 15th century a symbol consisting of a p and a 0 is used. Later, a symbol of the type 0/0 is used and in 1650 the modern %.



There seems to be a significant difference between young people (59.7%) paying for the policy and the elderly (42%). However, there is no effect of representation in percentages or frequencies in increasing this propensity.

		Degree						
		Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Q28A. Given the annual probability of 1 in 1,000 of losing €50,000…	Paying a policy of €100 per year	68.3%	60.2%	52.5%	61.1%	52.8%	43.6%	30.0%
	Risking and not paying a policy	31.7%	39.8%	47.5%	38.9%	47.2%	56.4%	70.0%
Q28B. Given the 0.1% annual probability of losing €50,000...	Paying a policy of €100 per year	41.4%	46.3%	66.0%	58.4%	56.6%	32.6%	39.8%
	Risking and not paying a policy	58.6%	53.7%	34.0%	41.6%	43.4%	67.4%	60.2%



There seems to be a significant difference between people with an advanced degree such as a master's degree (60.2%) and those with only a secondary school diploma (43.6%) in paying for the policy in the natural frequency condition. There are some effects on the percentage or frequency representation in increasing this propensity in those with a master's degree (60.2% in the relative frequency condition vs. 41.4% in the percentage condition). In the same category of subjects, there is also a reversal of the propensity to take out insurance in the percentage condition, whereby 58.6% of the sample would opt not to take out insurance. In comparison, in the natural frequency condition, only 31.7% would do so. There is a similar trend in the group with a master's degree. It seems to support the view that the representation with natural frequencies highlights the risk more saliently at the mental level.

QUESTION 29

SAMPLE A *(50% of the sample)*

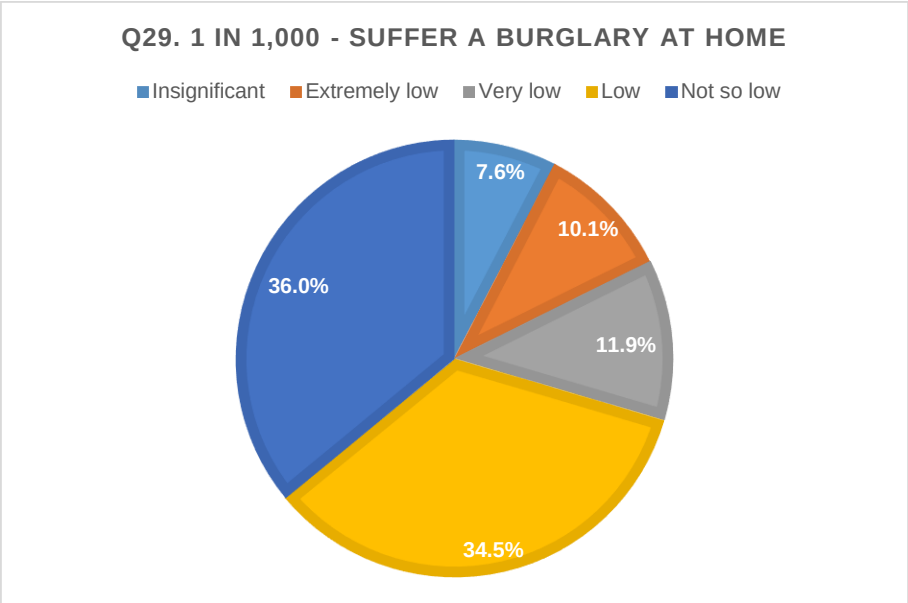
Q29_A. HOW WOULD YOU RATE THE PROBABILITY OF 1 IN 1,000 OF HAVING YOUR HOME BURGLED?

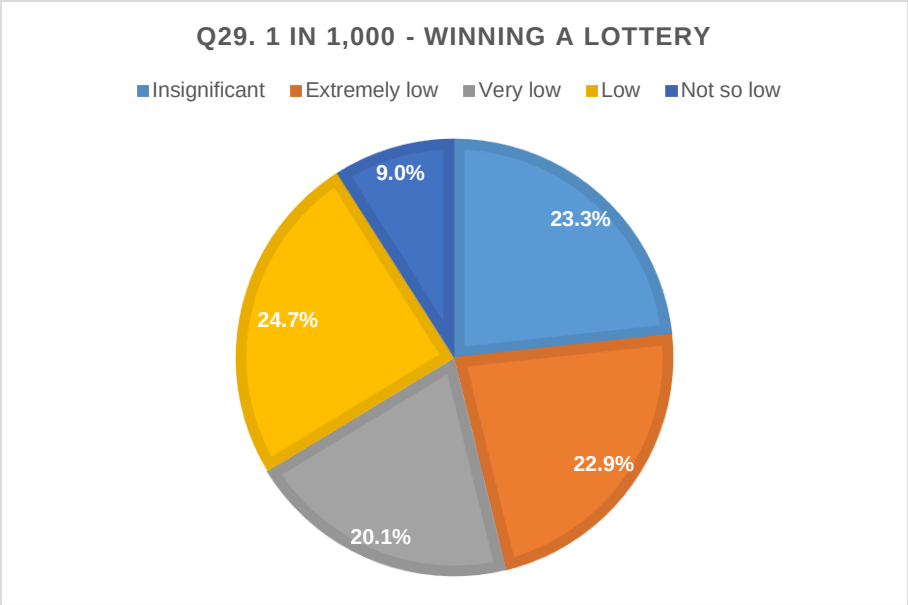
1. Insignificant
2. Extremely low
3. Very low
4. Low
5. Not so low

SAMPLE B *(50% of the sample)*

Q29_B. HOW WOULD YOU RATE THE PROBABILITY OF 1 IN 1,000 OF WINNING A LOTTERY?

1. Insignificant
2. Extremely low
3. Very low
4. Low
5. Not so low





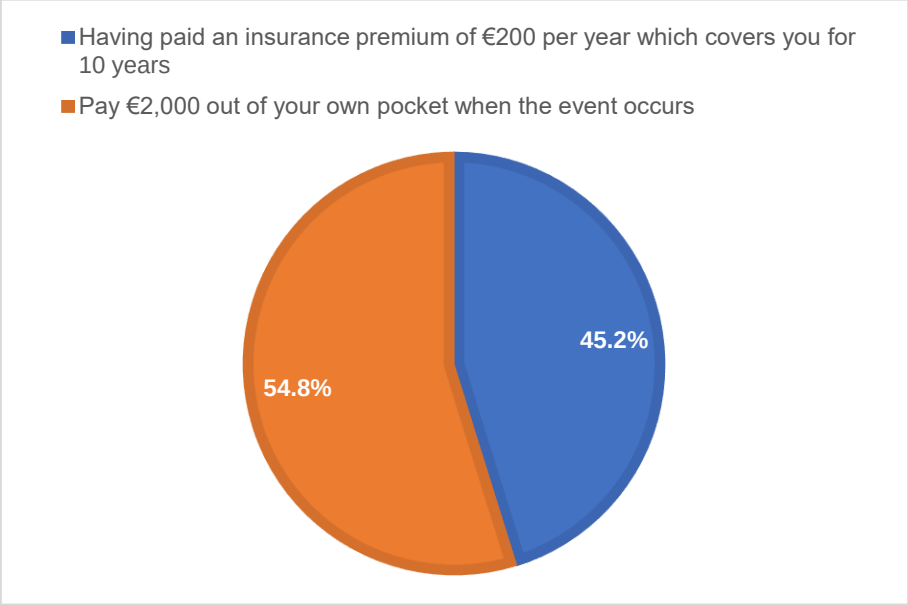
The answers to this question show a significant reversal in the weighting of low probabilities in the two conditions: experiencing a burglary at home and winning a lottery. When asked how they rate the probability of 1 in 1,000 having their home burgled, 29.6% rated it insignificant, extremely low and very low. At the same time, 60.4% rated it as low and not so low. In other words, the majority gives more weight to this low probability. The opposite is true when the question is about winning a lottery. 66.3% rate it as insignificant, extremely low and very low, while 33.7% rate it as low and not so low. That is, there is a lower weighting of this low probability compared to the previous condition. According to Prospect Theory (Kahneman and Tversky, 1979), there is a probability weighting function whereby objectively low probabilities are generally overweighted. However, Kahneman and Tversky do not distinguish between the weighting of events with different emotional aspects and intensities. Subsequent research has shown that emotion changes the weighting of small probabilities. The greater the emotional intensity, the greater the overweighting (Rottenstreich and Hsee, 2001; Attia and Hilton, 2011). Contrary to the assumptions of classical expected utility theory and prospect theory, according to which utility (or values) and probability (or weighting) are independent, the results show that the subjective perception of probability depends on the affective value that the individual associates to the expected outcomes. This makes an important distinction between the monetary and affective components of value. According to Lowenstein et al. (2001), the overweighting of low probabilities is due to the emergence of feelings of hope and fear, respectively, when the outcomes are positive or negative. It is known, for example, in the purchase of premium bonds in the U.K. These bonds offer a

jackpot of one million pounds. When the person invests by assigning the possible winnings to a family member instead of themselves, the perception of low probability tends to be overweighted, increasing the propensity to buy (Attia and Hilton, 2011). This overweighting seems to depend on the effect of Affectivity Heuristics (Slovic et al., 2005). To return to the result of question 29, on the one hand, there is the probability of a monetary win without any affective value. On the other hand, there is the risk of an adverse event with a strong emotional component such as theft. Moreover, while theft entails a loss, winning the lottery is a financial gain. As is well known, the psychological weight of losing is higher (twice as high) than that of gaining the same amount of money. Finally, in the case of theft, a greater weighting on an affective basis could also result from the endowment effect for our material possessions to which we are affectively attached.

QUESTION 30

IN THE CASE OF POSSIBLE DAMAGE TO THE HOUSE (BURST PIPES, MOULD, INFILTRATION, ETC.) QUANTIFIABLE AT €2,000 WOULD YOU PREFER:

1. having paid an insurance premium of €200 per year which covers you for 10 years
2. pay €2,000 out of your own pocket when the event occurs

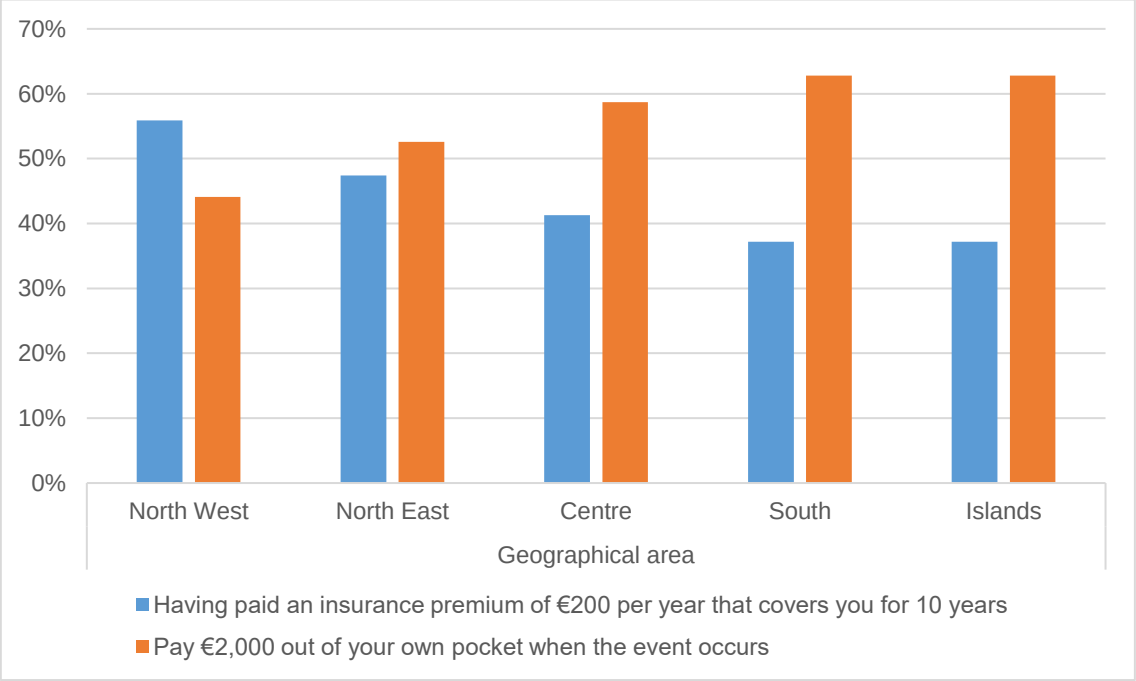


In the case of possible damage to the house quantifiable at €2,000, would you prefer	Gender	
	Male	Female
Having paid an insurance premium of €200 per year that covers you for 10 years	45.2%	45.2%
Pay €2,000 out of your own pocket when the event occurs	54.8%	54.8%

In the answer to question 30 on the preference, in the case of a possible damage to the house quantifiable at € 2,000, to pay for 10 years an insurance premium of € 200 or to pay out of pocket the cost of the damage once it occurs, most of the subjects (54.8%) prefer to bet that nothing will happen in the future and in any case to postpone the cost of the damage in the future. This behaviour is referred to as the "time discount" phenomenon (Frederick et al., 2002) and is present in many contexts of economic choice. For example, in finance, it is referred to as "*hyperbolic discounting*" and relates to intertemporal choice problems. In this case, it is a phenomenon whereby, when evaluating an intertemporal choice prospectus, a decision-maker tends to use a very high discount rate (hyperbolic in fact) for short time

horizons and a less high rate for time horizons between the near future and more distant events. In particular, individuals seem to discount the future at much higher rates in the short run than in the long run. Thus, in the case of the answer to question 30, it is better not to pay a sure immediate cost, even if small, for a risk of damage that is not present and not sure, even if greater. On the other hand, the percentage choosing to insure against an uncertain loss equal to the sum of premiums is significant.

In the case of possible damage to the house quantifiable at €2,000, would you prefer	Geographical area				
	North West	North East	Centre	South	Islands
Having paid an insurance premium of €200 per year that covers you for 10 years	55.9%	47.4%	41.3%	37.2%	37.2%
Pay €2,000 out of your own pocket when the event occurs	44.1%	52.6%	58.7%	62.8%	62.8%



There is a difference between geographical areas. While 55.9% of the North-West prefer to feel protected by insurance, the opposite occurs in the South and the Islands, where 62.8% prefer ad hoc payment at the time of the damage. The time discount in the South and Islands sample may be due to economic reasons, i.e., lower purchasing power or other contextual factors. There are significant differences between the North and the South regarding the number of non-compulsory policies taken out (on average: North West 3.1, North East 3.0, Centre 2.4, South: 2.3, Islands 2.5).

QUESTION 31

Sample A *(50% of the sample)*

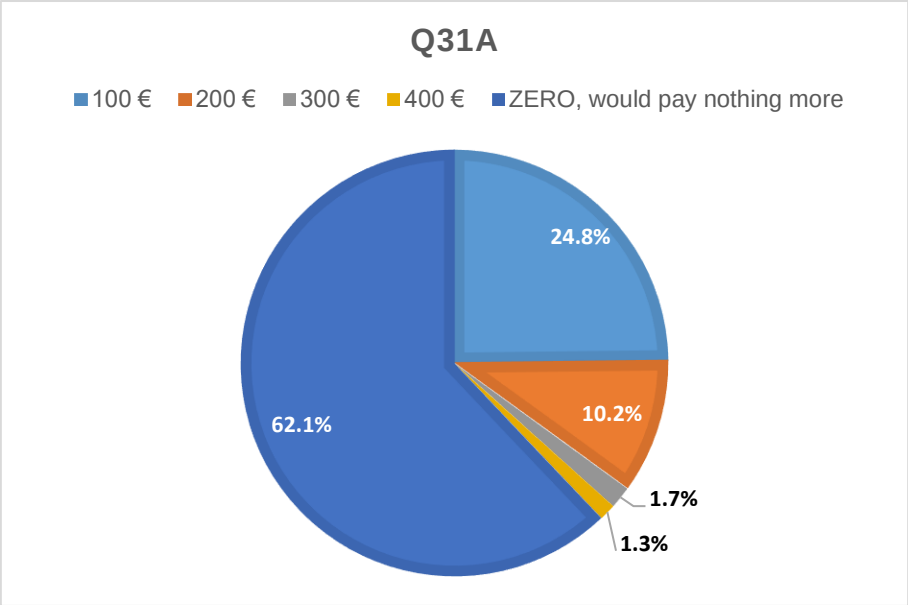
Q31_A. ASSUMING THAT YOU CURRENTLY PAY €200 PER YEAR FOR THEFT INSURANCE, HOW MUCH MORE WOULD YOU BE WILLING TO PAY KNOWING THAT THE RISK OF THEFT HAS DOUBLED IN YOUR TOWN?

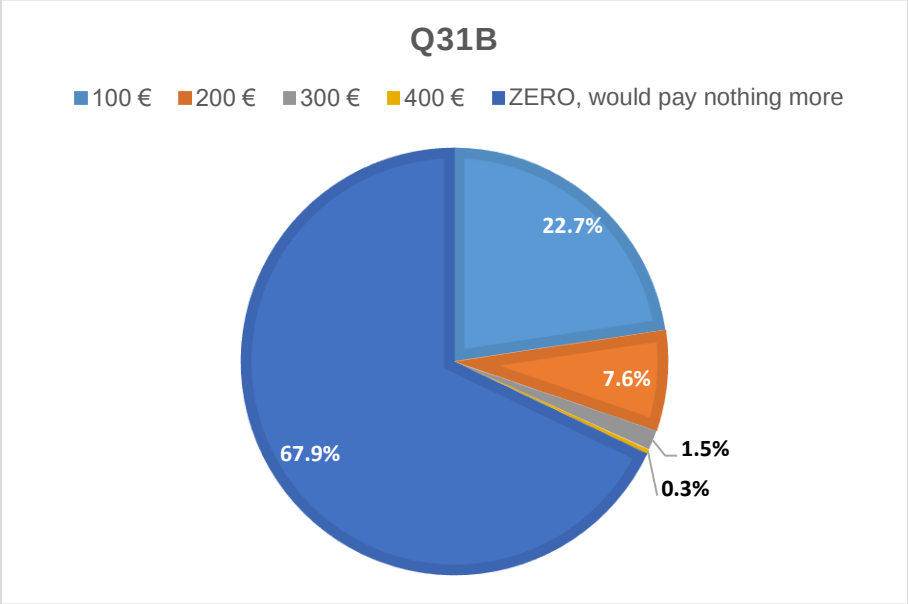
1. €100
2. €200
3. €300
4. €400
5. ZERO, you would pay nothing more

Sample B *(50% of the sample)*

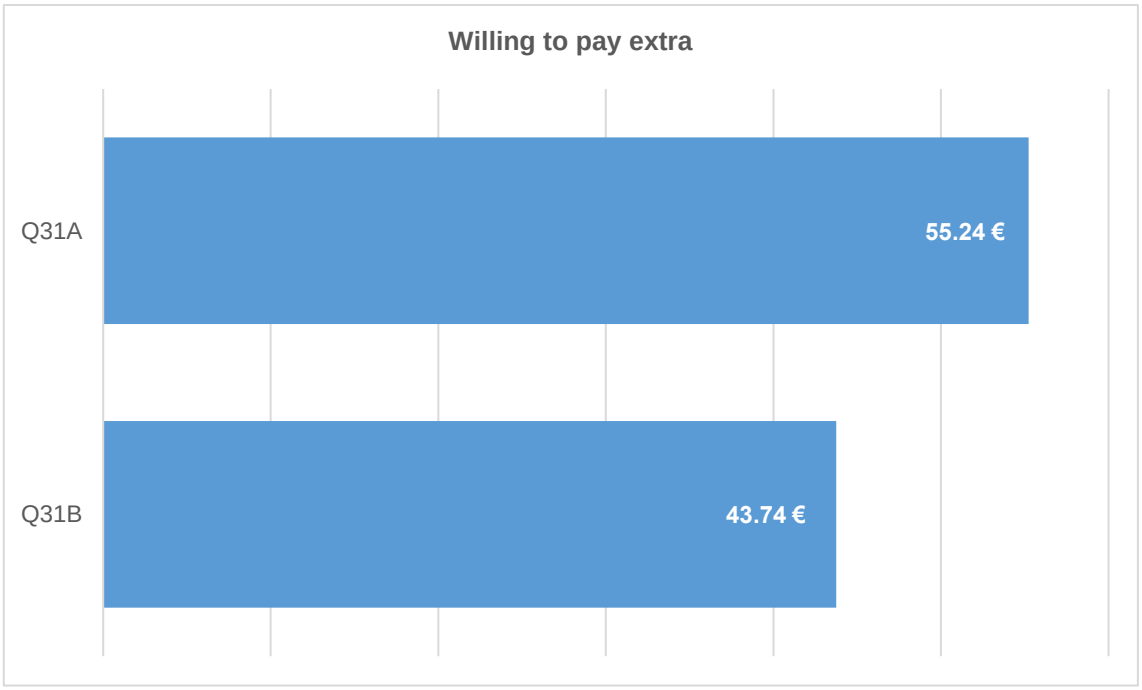
Q31_B. ASSUMING THAT YOU ARE CURRENTLY PAYING €200 PER YEAR FOR THEFT INSURANCE, HOW MUCH MORE WOULD YOU BE WILLING TO PAY KNOWING THAT THE RISK OF THEFT HAS INCREASED FROM 1 IN 1,000 TO 2 IN 1,000?

1. €100
2. €200
3. €300
4. €400
5. ZERO, I would pay nothing more





	Willing to pay extra
Q31A	55.24 €
Q31B	43.74 €



Question 31 again addresses the issue of the effect of representation, this time in relation to representation based on natural frequencies or summary terms of "doubling" (representation similar to 100%).

In the answer to question 31 on how much more one would be willing to pay for annual theft insurance knowing that the risk of theft has doubled compared to knowing that it has increased from 1 in 1,000 to 2 in 1,000, one can see the overweighting effect of the information "double" compared to the natural frequencies. The sample with the information as "doubled" is willing to pay on average €55.24 more, compared to €43.74 more for the sample with the information in frequencies. It should be noted that 62% of the subgroup "doubled" would pay nothing and 68% of the subgroup "frequencies" would do the same. Thus, the representation of probability as natural frequencies allows for a more truthful assessment of the information while that formulated in terms of "doubling" sometimes leads to an overestimation of the risk of the phenomenon, which explains the greater propensity to pay.

QUESTIONS 32 and 33

Sample A *(50% of the sample)*

Q32_A. WHAT IS THE ANNUAL PROBABILITY OF EXPERIENCING ANY KIND OF THEFT OUTSIDE THE HOME? INDICATE A PROBABILITY FROM 0 TO 100

Q33_A. HOW MUCH WOULD YOU BE PREPARED TO PAY PER YEAR FOR A POLICY TO COVER ANY KIND OF THEFT OUTSIDE THE HOME? PLEASE INDICATE A FIGURE BETWEEN €0 AND €1,000

Sample B *(50% of the sample)*

Q32_B. I AM NOW GOING TO READ YOU A LIST OF POSSIBLE THEFTS THAT COULD BE SUFFERED OUTSIDE THE HOME.

Q32_B1 of the wallet (0 to 100)

Q32_B2 of the watch (0 to 100)

Q32_B3 of the mobile phone (0 to 100)

Q32_B4 of a jewel (0 to 100)

Q32_B5 of a bicycle (0 to 100)

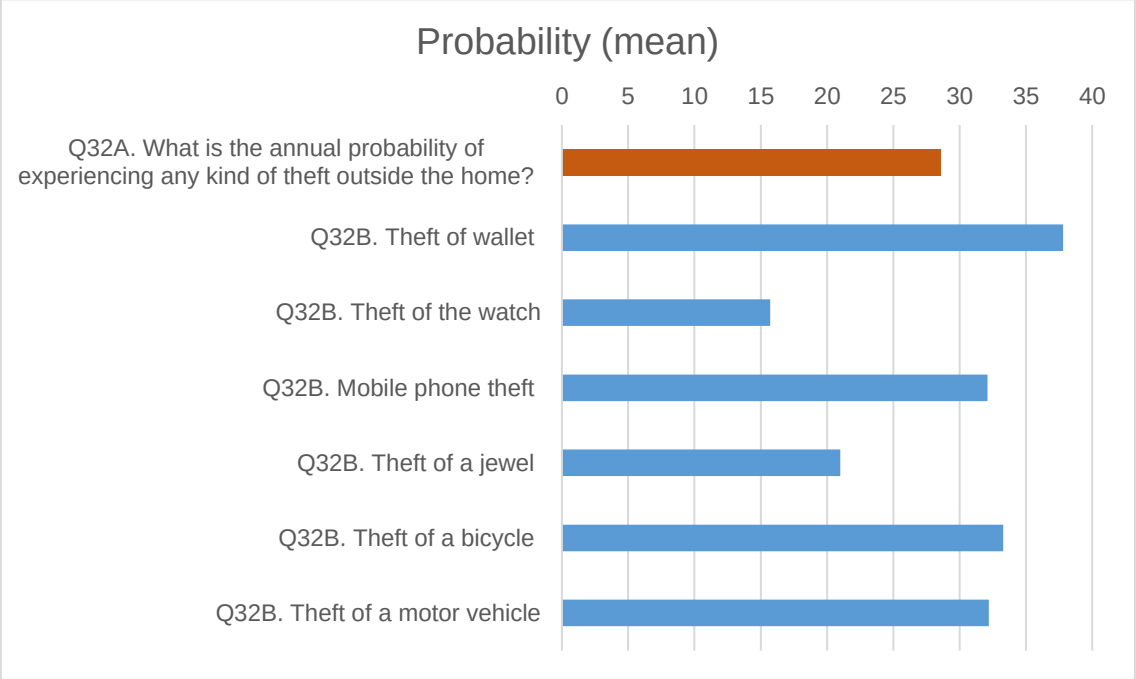
Q32_B6 of a motor vehicle (0 to 100)

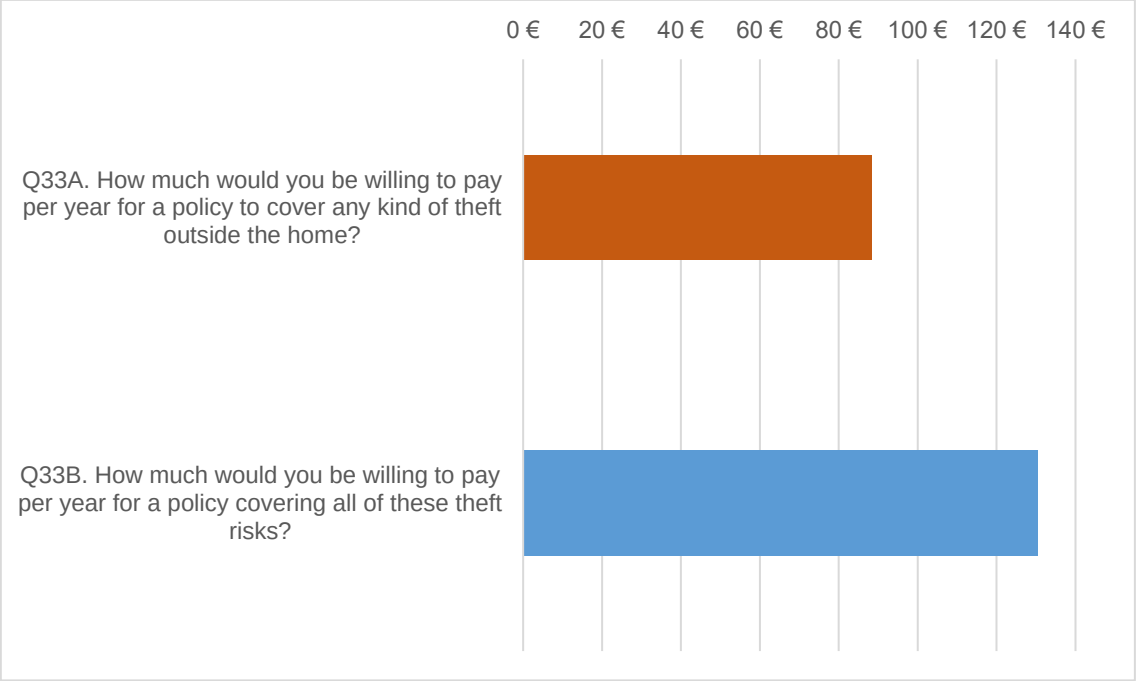
Sample B *(50% of the sample) - single*

Q33_B. HOW MUCH WOULD YOU BE PREPARED TO PAY PER YEAR FOR A POLICY COVERING ALL THESE RISKS OF THEFT? PLEASE INDICATE A FIGURE BETWEEN €0 AND €1,000

	Probability (mean)
Q32A. What is the annual probability of experiencing any kind of theft outside the home?	28.6
Q32B. Theft of wallet	37.8
Q32B. Theft of the watch	15.7
Q32B. Mobile phone theft	32.1
Q32B. Theft of a jewel	21.0
Q32B. Theft of a bicycle	33.3
Q32B. Theft of a motor vehicle	32.2

	Willingness to pay €
Q33A. How much would you be willing to pay per year for a policy to cover any kind of theft outside the home?	88.37
Q33B. How much would you be willing to pay per year for a policy covering all these theft risks?	130.34





There is a tendency for people to assign lower probability judgments to a 'packaged' description of an event than to the sum of the probabilities that are assigned to the exclusive and exhaustive elements that constitute the event. This phenomenon is called "implicit

subadditivity" and has been studied in depth by Tversky and Koehler (1994) with the "support theory".

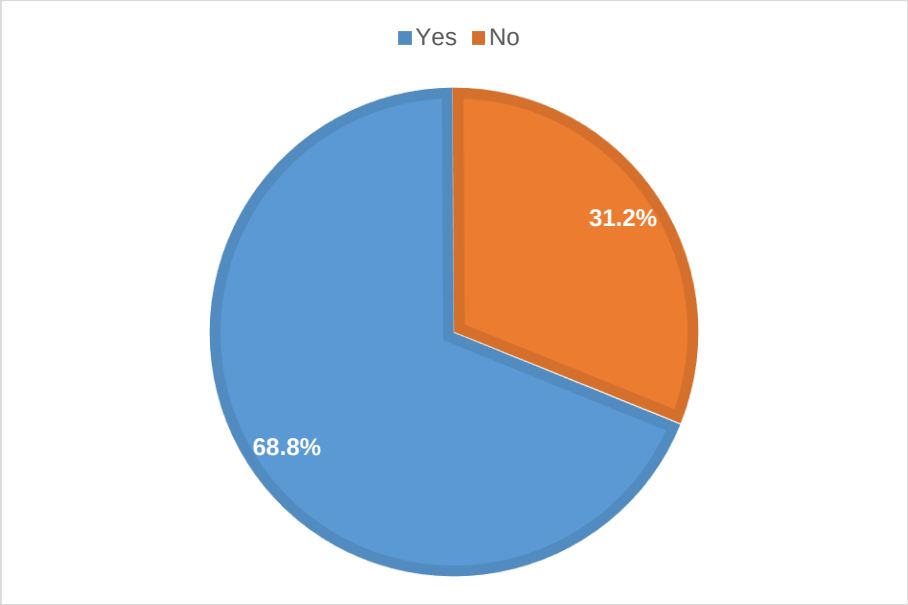
In question Q32A interviewees were asked to estimate the probability of experiencing theft of any kind outside the home. The average response was 28.6%. In question Q32B a different subgroup was asked to estimate the probability of six individual types of theft outside the home. The answer adding up all the probabilities is 172.1%, much larger than the average answer in the packed question. Paradoxically, the probability assigned to individual thefts such as that of a wallet (37.8%), that of a mobile phone (32.1%), that of a bicycle (32.3%) and that of a motor vehicle (32.2%) is higher than the average probability of all thefts together. The psychological causes of this phenomenon are twofold according to Tversky and Koehler (1994): unpacking makes it possible to make judgements about more than one possibility while the packaged one brings to mind only a typical example, a prototype of the category according to prototype heuristics (Kahneman and Frederick, 2002); unpacking increases the salience of the unpacked constituent elements and thus their degree of support.

In question 33A one subgroup was asked how much one would be willing to pay for the packaged theft outside the home and in question 33B another subgroup was asked how much one would be willing to pay for the six individual components of the theft outside the home package. The answer to this question is related to how likely we consider the event to be, so it is linked to the bundling effect highlighted earlier. In addition, the answer is also derived from the value one places on the stolen items. The answer to the question packed theft outside the home is on average €88.37, while the answer concerning the sum of the six individual thefts amounts to €130.34. From this point of view, the deviation between the packed and unpacked figure is smaller than in the probability estimate. The reason for this stems from the intrinsic value given to the individual items targeted for theft.

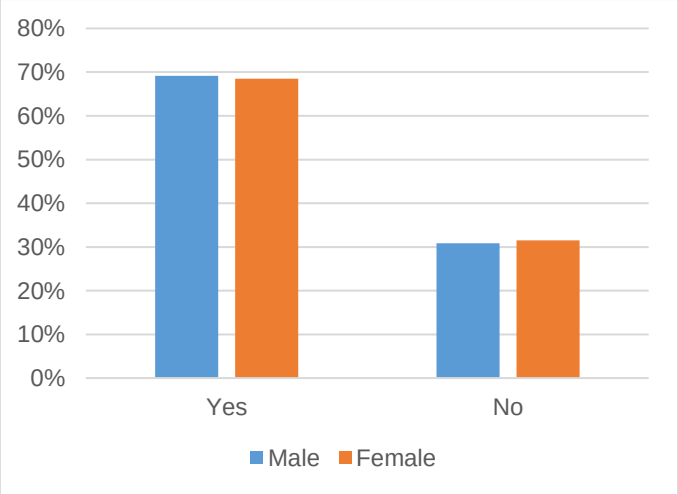
QUESTION 34

IF WE ASSUME THAT THE STANDARD OF LIVING WILL DETERIORATE IN RETIREMENT, DO YOU THINK PEOPLE SHOULD TAKE OUT A SUPPLEMENTARY POLICY TO PREVENT THIS?

1. Yes
2. No

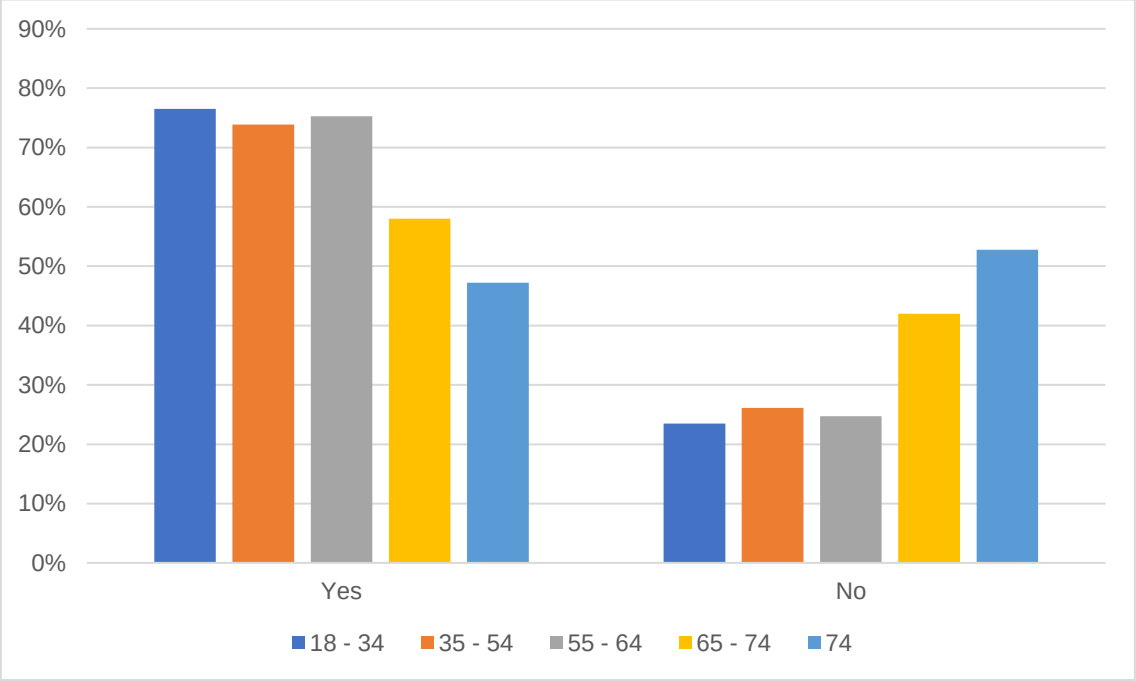


The answer to question 34 on whether they would be prepared to take out a supplementary policy if their standard of living were to deteriorate in retirement shows that 68.8% responded positively. There is no gender difference in the answer.

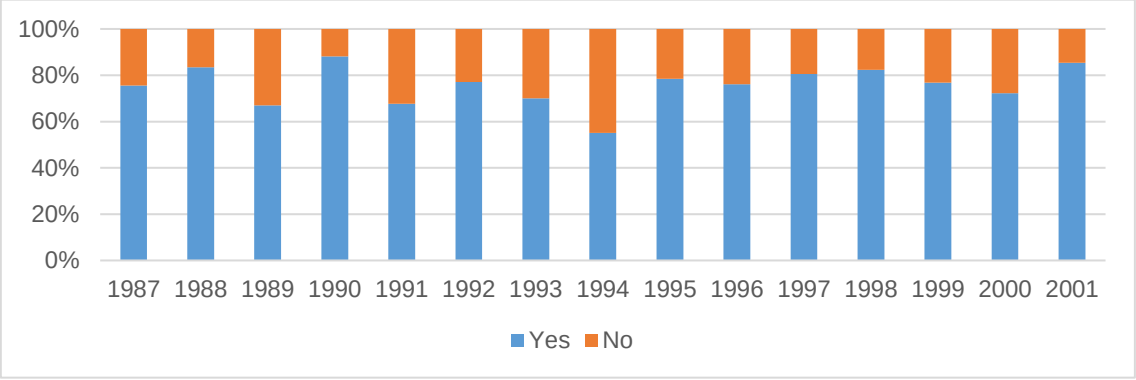


There are, however, significant differences in terms of educational qualifications and age. What is surprising is that the figure contrasts with the actual possession of this type of policy, which amounts to only 16.9% for the life policy for savings or supplementary pension schemes and 6% for the policy to guarantee economic support in the event of dependency when one is elderly. This could be explained by an optimistic assessment of one's economic future once retired combined with a time discount that leads the individual to give less importance and salience to the future than to the present.

Do you think people should take out a supplementary policy to prevent this?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Yes	76.5%	73.9%	75.3%	58.0%	47.2%
No	23.5%	26.1%	24.7%	42.0%	52.8%



In-depth analysis between 18 and 34 years.



The relationship with age is significant. Up to the age of 64 the propensity to take out a supplementary policy is high: 76.5% for 18–34-year-olds, 73.9% for 35-54-year-olds and 75.3% for 55-64-year-olds, while it then falls to 58% for 65-74-year-olds and 47.2% for over 74-year-olds. This can be explained by the cost of a policy made late in life as well as by issues related to the lower educational qualification that characterises the older age groups compared to the compulsory school generation and a weaker knowledge of the insurance base.

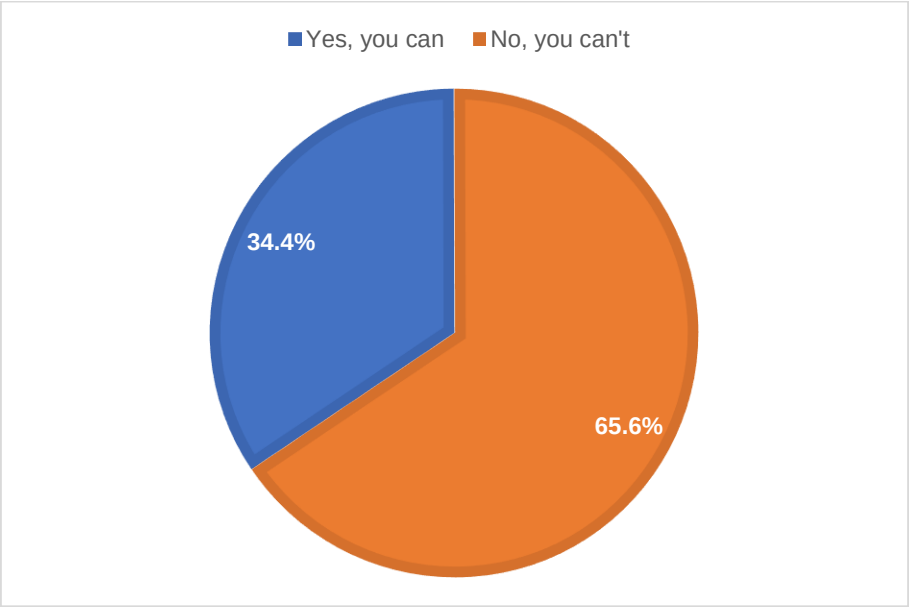
Do you think people should...	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Yes	82.5%	76.9%	83.8%	76.1%	63.0%	43.1%	26.9%
No	17.5%	23.1%	16.2%	23.9%	37.0%	56.9%	73.1%

A pension behaviour is prevalent among those who have a higher education qualification such as a bachelor’s degree (83.8%) or postgraduate specialisation (82.5%) while it decreases a lot among those with a secondary school (63%) and primary school certificate (43.1%). It is likely that this is correlated with the average age of the latter two categories. As we have seen, people aged 65-74 responded positively at 58% and those over 74 at 47.2%. Another factor could also be the lower basic insurance knowledge of those who did not continue with their studies.

QUESTION 35

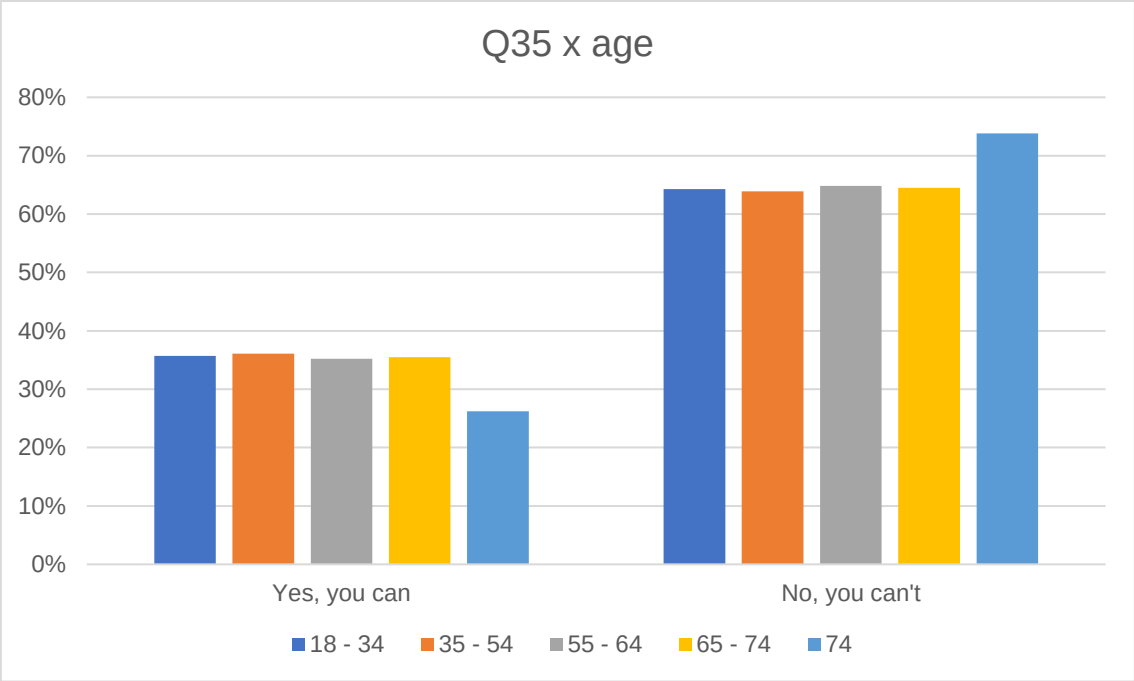
IN YOUR OPINION, CAN YOU GIVE AN ESTIMATE OF THE PROBABILITY OF OCCURRENCE TO PHENOMENA SUCH AS EPIDEMICS, EARTHQUAKES, FINANCIAL CRISES, MILITARY CONFLICTS, ETC?

1. Yes, you can
2. No, you can't



The majority of the sample (65.6%) when asked whether it is possible to attribute a probability estimate to uncertain phenomena such as earthquakes, epidemics, financial crises and military conflicts, showed that they understand the concept of uncertainty and chose the answer that no attribution of probability is possible. However, 34.4% stated implicitly that it is possible to consider these phenomena as examples of risk, and that a probabilistic evaluation of their future occurrence is possible.

Can you give an estimate of the probability of their occurrence?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Yes, you can	35.7%	36.1%	35.2%	35.5%	26.2%
No, you can't	64.3%	63.9%	64.8%	64.5%	73.8%



There is a slight difference between those over 74 years old (26.2%) and the other age groups in believing that one can make a probabilistic estimate of the phenomena stated in the question.

Can you give an estimate of the probability of their occurrence?	Geographical area				
	North West	North East	Centre	South	Islands
Yes, you can	32.6%	33.8%	30.5%	41.2%	31.7%
No, you can't	67.4%	66.2%	69.5%	58.8%	68.3%

There is a significant geographical difference between the North West (32.6%) and the North East (33.8%) compared to the South (41.2%) in assessing the probabilistic prediction of phenomena.

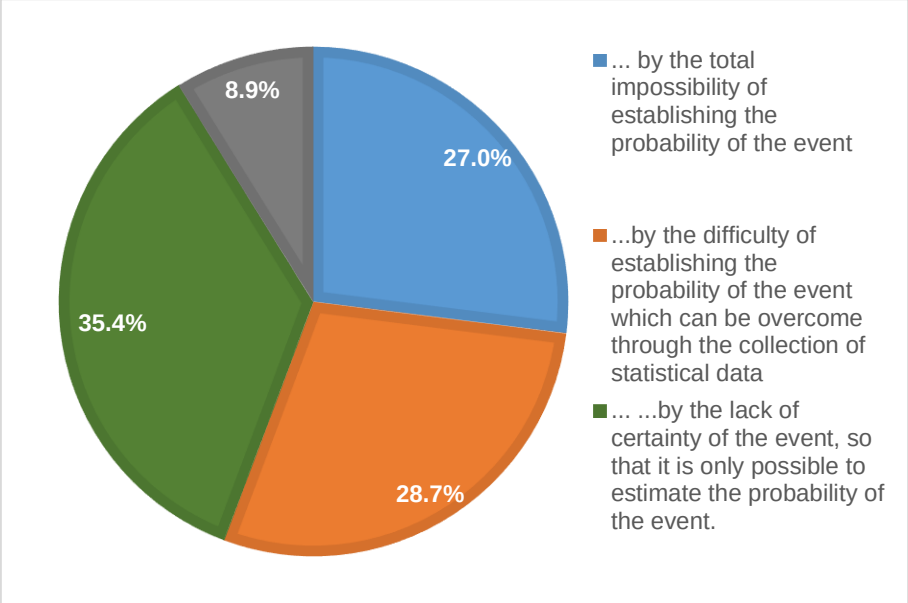
Can you give an estimate of the probability of their occurrence?	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
Yes, you can	34.4%	33.9%	39.2%	43.9%	28.9%	43.9%	39.7%
No, you can't	65.6%	66.1%	60.8%	56.1%	71.1%	56.1%	60.3%

There is a slight difference between those who are seeking employment or are unemployed (both at 43.9%) and the remaining job categories in considering the probabilistic assessment of the phenomena stated in the question to be possible.

QUESTION 36

THE UNCERTAINTY OF AN EVENT IS DEFINED ...

- ... by the total impossibility of establishing the probability of the event
- ... by the difficulty of establishing the probability of the event which can be overcome through the collection of statistical data
- ... by the lack of certainty of the event so that it is only possible to estimate the probability of the event



People are often not aware of the difference between risk situations and uncertainty. As is well known in the tradition of Frank Knight (1921), a risk situation is defined when it is possible to identify the probability of its occurrence. In theory, a choice is rational when it can be based on an analysis of the available options and the probability of the consequences of the options. In reality, few choices can identify all possible options and assign a probability to them. In this case, decisions are made under conditions of uncertainty. Uncertainty can be epistemic, when it is possible through empirical analysis to make a statistical assessment of the phenomenon, and ontic, when this statistical attribution is not possible. In question 36 we tried to find out what concept the subjects have in mind that can influence insurance behaviour. To the question of how they would define the concept of uncertainty, 27% of the persons answered sharing a definition of ontic uncertainty that is "from the total impossibility of establishing the probability of the event", 28.7% shared the definition of epistemic type that is "from the difficulty of establishing the probability of the event that can be overcome through the collection of statistical data" and finally 35.4% exchanged uncertainty with risk, that is they chose "from the lack of certainty of the event for which it is only possible to make

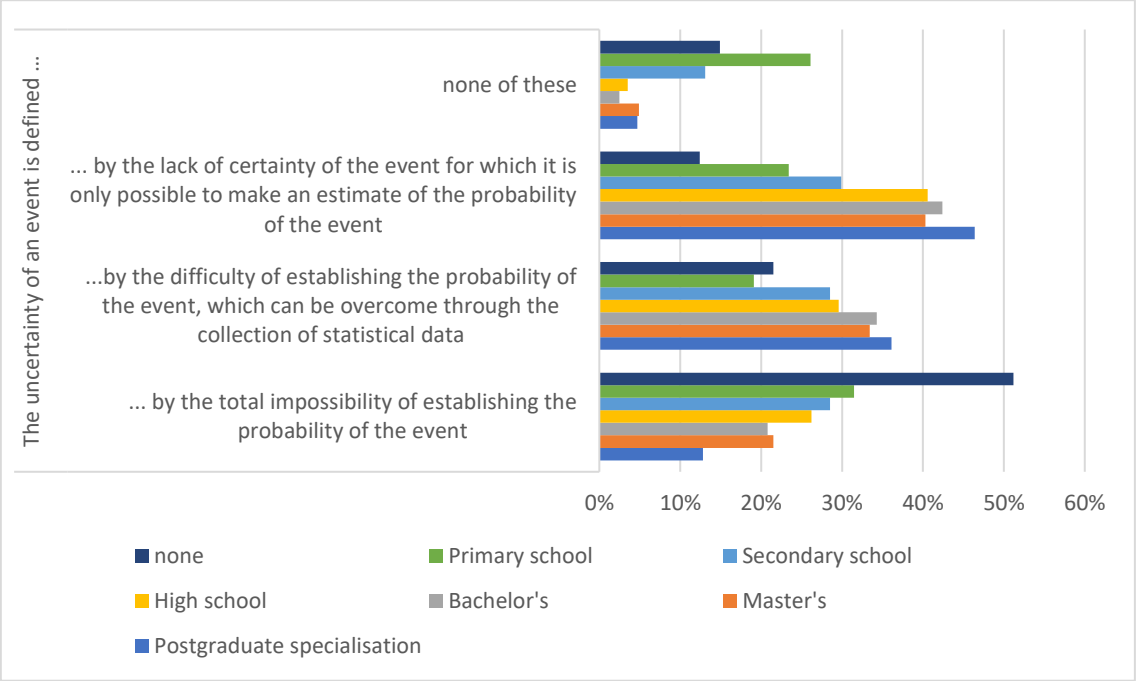
an estimate of the probability of the event". This data presents us with a significant sample of the "risk literacy" of Italians. More than a third confuse risk and uncertainty.

An explanation for this confusion could also derive from the semantic interpretation of the term estimate in the question *"...from the lack of certainty of the event so that it is only possible to make an estimate of the probability of the event".* The term *estimate* could be interpreted as a subjective heuristic interpretation of probability even if statistical data are lacking. However, believing that it is possible to calculate the probability of all phenomena, even those that are unpredictable at first glance, such as financial crises, wars, natural disasters, pandemics, etc., besides being incorrect, could influence the precautionary behaviour of individuals. In fact, it is well known that individuals tend to have an aversion to ambiguity and uncertainty of future events, which leads them to behave in a precautionary and protective manner, including through insurance. If, on the other hand, he believes that the probability of the phenomenon can be estimated, inevitably in a subjective way, since there are no statistics on the subject, his behaviour will be less precautionary, with all the dangers and risks involved. The references to distorted information and related reckless behaviour during the Covid 19 pandemic and the earthquakes illustrate this point.

The uncertainty of an event is defined ...	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
... by the total impossibility of establishing the probability of the event	26.5%	24.4%	27.9%	26.3%	33.8%
...by the difficulty of establishing the probability of the event, which can be overcome through the collection of statistical data	29.1%	31.5%	30.7%	28.0%	19.5%
... by the lack of certainty of the event for which it is only possible to estimate the probability of the event	40.2%	38.4%	35.9%	28.0%	27.3%
none of these	4.2%	5.6%	5.5%	17.7%	19.4%

There is a significant difference by age group. It goes progressively from 40.2% of the 18-35 age group to 27.3% of the over 74s in falling into the error of confusing risk and uncertainty. This phenomenon could be explained by the non positive role of school education in teaching risk literacy.

The uncertainty of an event is defined ...	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
... by the total impossibility of establishing the probability of the event	12.8%	21.5%	20.8%	26.2%	28.5%	31.5%	51.2%
...by the difficulty of establishing the probability of the event, which can be overcome through the collection of statistical data	36.1%	33.4%	34.3%	29.6%	28.5%	19.1%	21.5%
... by the lack of certainty of the event for which it is only possible to estimate the probability of the event	46.4%	40.3%	42.4%	40.6%	29.9%	23.4%	12.4%
none of these	4.7%	4.9%	2.5%	3.5%	13.1%	26.1%	14.9%



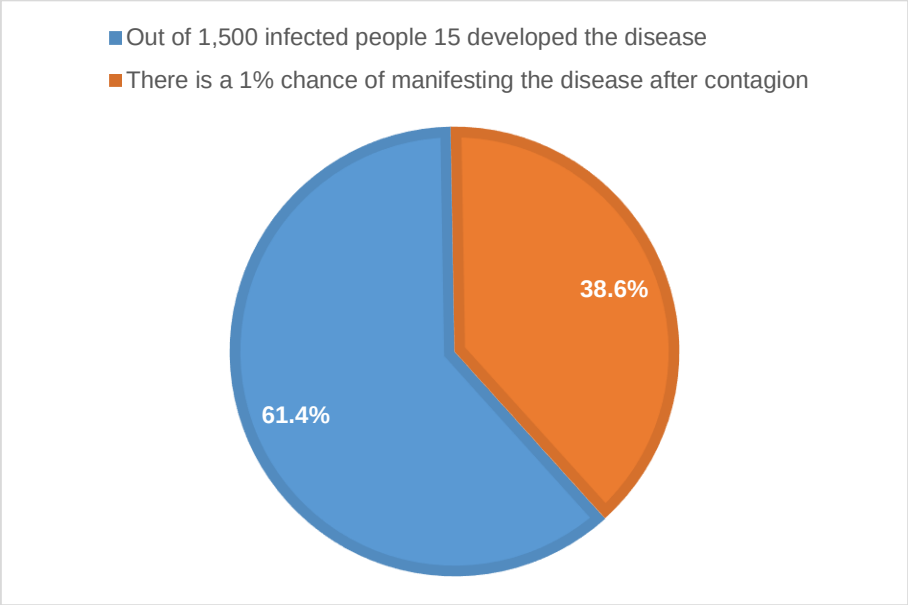
As in the case of age, also in schooling there is a progressive increase in the confusion between risk and uncertainty from primary school leaving certificate (23.4%) to post-graduate studies (46.4%). This can be explained by a risk literacy deficit in our schools and universities which seems to have a distorting effect. In fact, when the subjects have little schooling there seems to be a "folk risk literacy" of an intuitive type that leads them not to

confuse the concept of uncertainty with risk or to state that they do not identify with any of the proposed definitions (26.1%).

QUESTION 37

WHICH OF THE FOLLOWING INFORMATION ON THE RISK OF A CONTAGIOUS DISEASE WOULD YOU BE MOST CONCERNED ABOUT?

1. out of 1,500 infected people 15 developed the disease
2. there is a 1% chance of manifesting the disease after contagion



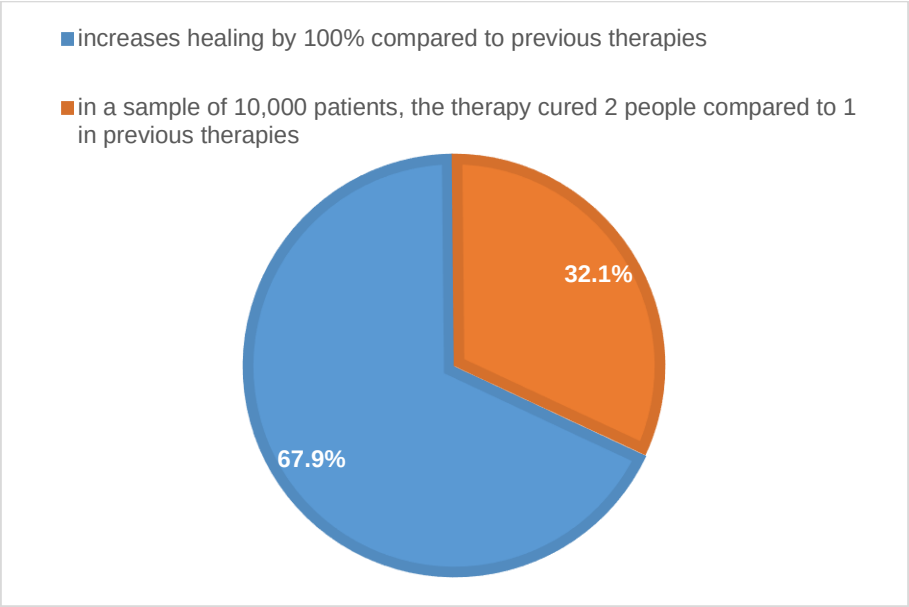
The objective of question 37 is to highlight the salience at the level of mental representation of the probabilistic language based on natural frequencies with respect to that of percentages. It has been found in the literature that the representation of probability as frequencies allows a more truthful assessment of the information, whereas the representation in percentages sometimes leads to an overestimation of the phenomenon.

In fact, when asked which piece of information on the risk of a contagious disease they would be most concerned about (question 37), 61.4% perceived the risk to be greater when the information was expressed in frequencies, i.e., "out of 1,500 people infected, 15 developed the disease", than when it was expressed in percentages, i.e., "there is a 1% probability of manifesting the disease after contagion". The flaw in percentages is that, by drawing attention to the numerical dimension of the percentage and not to the underlying quantitative reality, they end up generating a less realistic representation of the phenomenon than natural frequencies, which accurately describe the quantities involved.

QUESTION 38

WITH RESPECT TO THE EFFECTIVENESS OF A MEDICAL TREATMENT, WHICH OF THE TWO EXPRESSIONS IS MORE INFORMATIVE?

1. increases healing by 100% compared to previous therapies
2. in a sample of 10,000 patients, the therapy cured 2 people compared to 1 in previous therapies



Question 38 also aims to test the psychological role of the language of percentages versus that of natural frequencies. When asked which of the two descriptions of the effectiveness of a medical therapy is more informative, 67.9% answered that it is the statement that it increases healing by 100% compared to previous therapies while only 32.1% preferred the information that in a sample of 10,000 patients the therapy heals 2 people compared to one. The salience of the numerical dimension of the percentage 100% is greater than the natural frequency which refers to small numbers. Despite the fact that the latter is actually the more informative formulation, the expression "increases healing by 100%" has a greater impact on attention processes and is therefore chosen to a much greater extent. This salience leads to an overweighting of the informational aspect of communication, resulting in behaviour based on an unrealistic representation of the evidence. This distortion of evidence, sometimes present in public communication, has been responsible for unjustified alarmism and reactive behaviour that is harmful to individual well-being (Gigerenzer, 2015).

QUESTION 39

EVEN IF YOU DID NOT HAVE ANY, SUPPOSE YOU HAD TO SUBSCRIBE TO ACCIDENT INSURANCE FOR CHILDREN. HOW MUCH MORE WOULD YOU BE WILLING TO PAY AS A PERCENTAGE TO INSURE TWO CHILDREN AGAINST ACCIDENTS COMPARED TO INSURING ONE CHILD? PLEASE INDICATE A PERCENTAGE FROM 0 TO 100

The average percentage registered by our sample group regarding how much more they would be willing to pay has been, on average, 47.24%. The minimum percentage registered has been 0% (chosen by 11.4% of subjects), the maximum percentage registered has been 100% (chosen by 20.3% of subjects).

There are no significant differences between genders or depending on the presence of children.

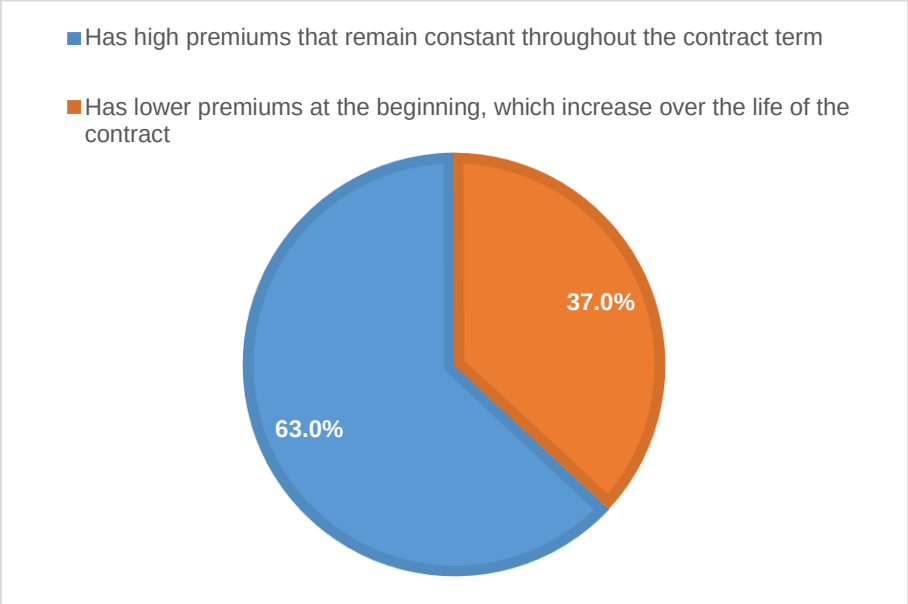
Instead, those who are keen to pay more are subjects in the 18-34 age group (51.11% on average) and 35-53 age group (47.79% on average), opposed to subjects of over 74-years-old (41.26% on average). Moreover, those who live in the South register a lesser percentage (42.34%) in comparison to those who live in the North East (48.87%) and in the Center (51.90%). There are no differences related to the city size.

Lastly, those who don’t have any academic title are keen to pay a lesser percentage (25.51% more) compared to people with a secondary school diploma (47.89%) and a high school diploma (48.95%).

QUESTION 40

WOULD YOU PREFER A HEALTH INSURANCE POLICY THAT…?

1. has high premiums that remain constant throughout the contract term
2. has lower premiums at the beginning, which increase over the life of the contract

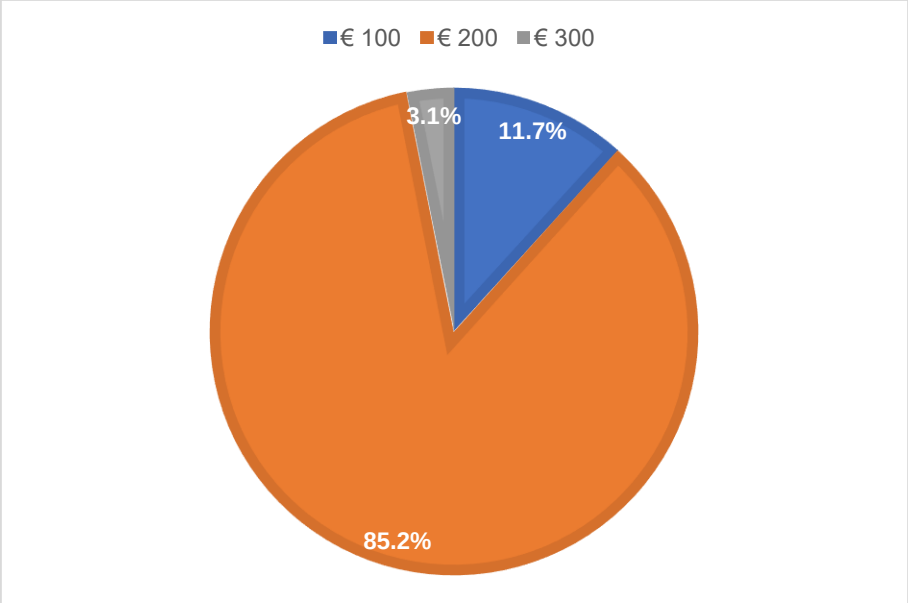


Question 40 aims to analyse some behavioural propensities such as time discounting that are active in other investment contexts such as home loans. When asked whether they prefer a health policy that has high but constant premiums over time, or alternatively has low premiums that grow progressively over the life of the contract, 63% said they preferred the first option to the second. By answering in this way the subjects demonstrate, in contrast to the answer to question 30, that most of them do not apply the time discount, i.e. they are willing to pay more now rather than postpone a higher cost into a devalued and uncertain future. The reason in this case seems to derive from the ambiguity of the question, which does not specify what this increasing cost is and thus generates the well-known phenomenon of "ambiguity aversion", or uncertainty, which leads to more definite and clear choices. This aversion is studied in decision theory in connection with the "Ellsberg paradox". It corresponds to a preference for known risks over unknown ones. This leads the subject to choose alternatives in which the probability distribution is known over uncertain alternatives in which the probabilities are unknown or cannot be known (Epstein, 1999).

QUESTION 41

IMAGINE THAT YOU HAVE CAUSED DAMAGE OF € 1,000 TO YOUR NEIGHBOUR AND THAT YOU ARE INSURED, BUT WITH A 20% EXCESS TO BE DEDUCTED FROM COMPENSATION. HOW MUCH WILL YOU HAVE TO PAY OUT OF YOUR OWN POCKET TO YOUR NEIGHBOUR?

1. €100
2. €200
3. €300



Question 41 aims to assess minimal calculation skills applied to the insurance context. The vast majority of respondents (85.2%) answered correctly by choosing the answer €200 when asked how much they would have to pay out of their own pocket in the event of a €1,000 loss with an insurance policy with a 20% excess. The difficulty in answering the question may be caused by a lack of basic knowledge of what an excess is.

How much will you have to pay out of your own pocket to your neighbour?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
€100	11.0%	8.0%	8.3%	13.5%	24.2%
€200	86.4%	89.7%	89.8%	80.7%	71.1%
€300	2.6%	2.3%	1.9%	5.8%	4.7%

Age also seems to be correlated with the ability to answer question 41 correctly. Over 74 years old only 71% answered correctly compared to 89.7% in the 35-54 age group.

How much will you have to pay out of your own pocket to your neighbour?	Geographical area				
	North West	North East	Centre	South	Islands
€100	10.3%	9.6%	8.0%	13.7%	20.3%
€200	87.8%	88.5%	87.8%	81.8%	76.1%
€300	2.0%	1.8%	4.3%	4.5%	3.6%

There is a fair correlation in relation to the geographical area: from 88.5% of correct answers in the North East to 76.1% in the Islands. This can be due also to the different schooling present in the geographical areas of the North towards those of the South and Islands.

How much will you have to pay out of your own pocket to your neighbour?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
€100	0.0%	7.8%	9.1%	6.4%	14.2%	30.2%	54.5%
€200	100.0%	89.1%	90.2%	91.7%	81.9%	61.9%	45.5%
€300	0.0%	3.1%	0.7%	1.9%	4.0%	7.9%	0.0%

A significant correlation is found with the educational qualification. It ranges from 100% correct answers in those with a postgraduate degree to 61.9% of those with a primary school diploma.

How much will you have to pay out of your own pocket to your neighbour?	Employment						
	employee	self-employed	student	seeking employment	pensioner	unemployed	housewife
€100	7.8%	6.8%	8.3%	12.3%	18.2%	13.1%	19.6%
€200	89.9%	90.0%	90.9%	86.4%	77.2%	81.6%	77.1%
€300	2.3%	3.2%	0.8%	1.4%	4.6%	5.3%	3.3%

A certain correlation between difficulties in answering correctly is found among pensioners (77.2%) and housewives (77.1%).

QUESTION 42

THROUGH WHICH CHANNELS HAVE YOU TAKEN OUT THE INSURANCE POLICIES YOU CURRENTLY HAVE ...?

Through which channels have you taken out the insurance policies you currently have ...?	%
Online/phone insurance company	16.9%
With an agent / in an insurance agency / broker	75.0%
At the bank/ post office/ financial advisor	17.3%
On an aggregator / comparator site	1.9%
Other channel	1.4%

75% of those interviewed indicated the insurance agent/broker as the main channel through which they underwrote the policies they currently hold. This percentage rises as age increases, from just over 70% for the 18–54-year-old age group to 80% for the 55-65-year-olds, a percentage that rises further to 84.4% for the over 75s. The percentage of choice is homogeneous by geographical area, with only one peak in the South (83.1%).

Through which channels have you taken out the insurance policies you currently have ...?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Online/phone insurance company	20.3%	20.9%	14.2%	12.9%	7.5%
With an agent / in an insurance agency / broker	70.9%	70.7%	80.0%	78.0%	84.4%
At the bank/ post office/ financial advisor	14.0%	20.1%	19.1%	19.2%	10.5%
On an aggregator / comparator site	3.5%	2.4%	1.0%	0.8%	0.0%
Other channel	1.9%	1.5%	1.4%	0.2%	1.7%

Through which channels have you taken out the insurance policies you currently have ...?	Geographical area				
	North West	North East	Centre	South	Islands
Online/phone insurance company	15.2%	16.9%	25.5%	9.7%	22.7%
With an agent / in an insurance agency / broker	77.8%	71.7%	70.4%	83.1%	63.9%
At the bank/ post office/ financial advisor	15.3%	23.8%	21.3%	10.8%	18.1%
On an aggregator / comparator site	3.8%	1.3%	2.0%	0.5%	0.4%
Other channel	1.1%	1.6%	1.0%	1.7%	2.0%

For the categories online insurance company (16.9%) and bank/post office/financial advisers (17.3%) the percentage of choice is similar and much lower. No gender differences were found.

In particular, for the choice of online insurance company the differences are by age, educational qualification, area and type of municipality. It is more selected up to the age of 54 (20.3% in the 18-34 age group and 20.9% for the 35-54 age group), by those who have a bachelor's degree (29.3%) or a master's degree (24.7%): the possession of resources/tools for a direct understanding of policy conditions and costs seems to support greater decision-making autonomy, which leads to avoiding necessarily resorting to intermediation. The percentage choosing this method of underwriting is higher among employees (22.2%) and students (22.8%). It is particularly prevalent in the Centre (25.5%) and on the Islands (22.7%). Finally, in the large cities, people rely slightly less on the agent (58.7%) than in the other municipalities (up to 78.8%), favouring the online mode over other types of cities (35.4% vs. around 14%).

Through which channels have you taken out the insurance policies you currently have ...?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Online/phone insurance company	19.4%	24.7%	29.3%	19.0%	12.1%	10.9%	0.0%
With an agent / in an insurance agency / broker	69.2%	72.1%	67.7%	73.1%	77.5%	83.7%	75.2%
At the bank/ post office/ financial advisor	16.8%	19.9%	21.3%	18.2%	17.9%	6.4%	13.3%
On an aggregator / comparator site	0.0%	2.5%	3.4%	2.4%	1.4%	0.0%	0.0%
Other channel	6.5%	0.3%	2.9%	1.4%	1.0%	2.3%	11.5%

	City		
	Big	Medium	Small
Online/phone insurance company	35.4%	14.7%	14.1%
With an agent / in an insurance agency / broker	58.7%	78.8%	76.9%
At the bank/ post office/ financial advisor	18.2%	17.8%	17.0%
On an aggregator / comparator site	3.4%	1.4%	1.7%
Other channel	1.5%	1.6%	1.4%

Finally, those who have many non-compulsory policies (8 or 9) rely more on the agent and the bank/post office/financial advisor. Those who answered 'other' might refer to channels where product-specific insurance is made.

QUESTION 43

FOR THE INSURANCE POLICIES YOU HAVE TAKEN OUT, DO YOU USUALLY...?

For the insurance policies you have taken out, do you usually...?	%
contact your insurance company/contact person	60.7
search for the most suitable company/contact person on a case-by-case basis	13.5
both, depending on the type of policy	25.8

60.7**%** of the respondents turn to their insurance company/contact person**.** 13.5% search for the company/contact person on a case-by-case basis; 25.8% both, depending on the type of policy.

There are differences by gender, age and type of municipality. First of all, women are slightly more likely to turn only to their own insurance company/contact person than men (63% vs 57%). As far as age is concerned, the tendency to turn to one's own insurance company/contact person increases with age: it goes from 51% in the 18-34 age group and 53.2% in the 35-54 age group to 62.8% in the 55-64 age group, rising to 73.7% in the 65-74 age group and 81.6% in the over 75 age group.

There is also a higher percentage of pensioners (77.7%) and housewives (66.3%) choosing their preferred insurance company/contact person than other occupations.

For the insurance policies you have taken out, do you usually...?	Age				
	18 - 34	35 - 54	55 - 64	65 -74	+74
contact your insurance company / contact person	51.0%	53.2%	62.8%	73.7%	81.6%
search for the most suitable company/contact person on a case-by-case basis	17.6%	16.5%	11.8%	7.9%	6.1%
both, depending on the type of policy	31.4%	30.3%	25.4%	18.4%	12.2%

In the small city, one turns more to one's own trusted insurance company/contact person (64.7%) as well as in the medium city (59.8%), compared to what emerges instead in the big city (40.9%), where one either searches for the most suitable company/contact person on a case-by-case basis (21.9%), or both, in relation to the type of policy (37.2%), revealing

a sort of greater decisional autonomy and active search for information (as also emerged from Q42).

For the insurance policies you have taken out, do you usually...?	City		
	Big	Medium	Small
contact your insurance company / contact person	40.9%	59.8%	64.7%
search for the most suitable company / contact person on a case-by-case basis	21.9%	13.6%	11.9%
both, depending on the type of policy	37.2%	26.6%	23.4%

QUESTION 44

WHEN SUBSCRIBING TO A NEW INSURANCE PRODUCT OR A NEW ANCILLARY GUARANTEE DO YOU USUALLY ...

When subscribing to a new insurance product or a new ancillary guarantee, do you usually ...	%
do so at the suggestion of your insurance contact person	37.9%
do so at your own initiative and you ask for support from your insurance contact person	62.1%

In most cases when subscribing to a new insurance product or a new ancillary guarantee, the initiative is usually taken by the underwriter who asks for support (62.1%). The only differences relate to gender, with women subscribing more at the suggestion of the insurance contact person (42.6% vs. 32.8%), and to age, if we compare the over-65 age group (about 42%) with the 35-64 age group (about 35%).

When subscribing to a new insurance product or a new ancillary guarantee, do you usually...	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
do so at the suggestion of your insurance contact person	39.3%	35.3%	35.5%	42.1%	41.3%
do so at your own initiative and you ask for support from your insurance contact person	60.7%	64.7%	64.5%	57.9%	58.7%

QUESTION 45

PLEASE INDICATE WHICH OF THE FOLLOWING YOU CONSIDER TO BE THE MOST IMPORTANT FACTOR IN CHOOSING AN INSURANCE CONTACT PERSON (POLICYHOLDERS)

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	%
Experience and professionalism	17.4%
Transparency	23.4%
Inspires confidence	17.2%
Referral from acquaintances I trust	6.8%
Cost of policies	11.0%
Ability to understand my needs	12.9%
Simplicity in explaining the policies and products on offer	11.3%

Transparency (23.4%), experience/professionalism (17.4%) and trust (17.2%) are among the factors considered most important in choosing a contact person. Slightly lower are the percentages of choice of the item ability to understand needs (12.9%), simplicity (11.3%) and cost of policies (11%). The percentage of "word of mouth" (referral, 6.8%) was very low. No gender differences were found.

Transparency is homogeneous according to age, and it is interesting to note that trust is instead mainly polarised in the over 65s (24.4% in the 65-74 years old up to 28.7% in the over 75s vs. 11.6% in the 18-34s and 13.2% in the 35-54s): the fact that the older population chooses the insurance contact person on the basis of the trust he inspires could perhaps reveal a tendency to delegate to a language/product that one does not know or is afraid of not understanding sufficiently. Trust also peaks in the Centre (23.6%), as does transparency (27.7%) along with the South (26%). Transparency is significantly lower on the Islands (18.9%).

Finally, the choice of trust is a significantly more important factor in the small city (19.8%) and the medium city (13.8%) than in the big city (8.7%).

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Experience and professionalism	17.9%	18.0%	17.2%	18.3%	14.1%
Transparency	27.9%	22.4%	22.5%	21.3%	22.4%
Inspires confidence	11.6%	13.2%	18.1%	24.4%	28.7%
Referral from acquaintances I trust	7.4%	6.9%	4.2%	6.7%	9.2%
Cost of policies	12.6%	11.6%	9.8%	9.6%	10.4%
Ability to understand my needs	12.4%	15.4%	13.6%	10.2%	8.1%
Simplicity in explaining the policies and products on offer	10.2%	12.5%	14.7%	9.6%	7.2%

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Geographical area				
	North West	North East	Centre	South	Islands
Experience and professionalism	19.3%	18.0%	11.5%	17.6%	20.7%
Transparency	21.9%	21.2%	27.7%	26.0%	18.9%
Inspires confidence	14.7%	17.4%	23.6%	17.3%	12.4%
Referral from acquaintances I trust	5.9%	9.5%	4.6%	6.4%	8.7%
Cost of policies	9.6%	9.3%	13.5%	9.8%	16.9%
Ability to understand my needs	14.7%	13.3%	10.6%	11.4%	14.1%
Simplicity in explaining the policies and products on offer	14.1%	11.2%	8.6%	11.6%	8.2%

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	City		
	Big	Medium	Small
Experience and professionalism	19.0%	19.0%	16.6%
Transparency	19.8%	23.8%	24.0%
Inspires confidence	8.7%	13.8%	19.8%
Referral from acquaintances I trust	7.7%	9.4%	5.8%
Cost of policies	17.3%	10.6%	10.0%
Ability to understand my needs	15.2%	13.4%	12.2%
Simplicity in explaining the policies and products on offer	12.2%	10.0%	11.6%

With regard to the level of education, trust is more important as the level of schooling decreases: secondary school (20.3%), primary school (30.5%), no qualification (38.2%) vs. bachelor's degree (7.1%), master's degree (13.2%) and specialisation (5.1%).

This trend is reversed with regard to the choice of experience and professionalism of the insurance contact person: ranging from 20.4% with a high school diploma to 26.6% with a specialisation, compared to 13.5% with a secondary school diploma, 8.3% with a primary school diploma and 0% with no diploma.

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Experience and professionalism	26.6%	22.9%	19.7%	20.4%	13.5%	8.3%	0.0%
Transparency	14.8%	22.0%	29.8%	24.2%	22.5%	22.5%	22.4%
Inspires confidence	5.1%	13.2%	7.1%	14.2%	20.3%	30.5%	38.2%
Referral from acquaintances I trust	15.3%	7.1%	5.8%	7.5%	4.6%	9.4%	13.1%
Cost of policies	11.0%	9.5%	6.3%	10.4%	12.2%	12.6%	26.4%
Ability to understand my needs	16.0%	13.4%	18.5%	13.0%	13.7%	7.0%	0.0%
Simplicity in explaining the policies and products on offer	11.3%	11.9%	12.8%	10.4%	13.1%	9.7%	0.0%

If within the group of the insured we identify the group that has only compulsory policies we find that the cost is considered important (17.3% second after transparency 22.3%), in contrast to what happens in the group of those who also have non-compulsory policies. The group with only compulsory policies is predominantly in the South and Islands and is composed to a greater extent of employees, pensioners, students, the unemployed and housewives.

QUESTION 46

PLEASE TELL ME WHICH OF THE FOLLOWING YOU CONSIDER TO BE THE MOST IMPORTANT FACTOR IN CHOOSING AN INSURANCE CONTACT PERSON (UNINSURED)

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	%
Experience and professionalism	7.6%
Transparency	29.4%
Inspires confidence	25.1%
Referral from acquaintances I trust	9.2%
Cost of policies	10.8%
Ability to understand my needs	5.8%
Simplicity in explaining the policies and products on offer	12.1%

The uninsured respondents represent a small group (141 out of the total number of respondents). When asked the same question Q45, they also generally indicated transparency (29.4%) and trust (25.1%) as the main factors in choosing a contact person.

In particular, transparency is indicated to a greater extent below the age of 54, reaching peaks of 41.2% (18-34-years-old) and 43.8% (35-54-years-old). It is considered particularly important in the North (West 52.3%, East 36.2%) compared to the Centre (23.5%) and the South (24.2%) and Islands (14.4%).

Confidence on the contrary is indicated in particular in the Centre (28.1%), the South (37.6%) and the Islands (35.7%) compared to the North East (5.6%) and the North West (6.1%) and especially in the over 65s (up to 32.8% for the 65-74 age group and 39.2% for the over 75s).

Simplicity is reported only by the 55-64 age group (26%). Compared to the insured, experience and professionalism is less relevant (with the sole exception of the North-East which chooses this item in 30.9%).

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Experience and professionalism	5.2%	12.3%	9.6%	0.0%	8.5%
Transparency	41.2%	43.8%	29.1%	13.1%	20.4%
Inspires confidence	26.3%	3.5%	3.4%	32.8%	39.2%
Referral from acquaintances I trust	5.2%	9.6%	9.6%	13.1%	9.8%
Cost of policies	7.6%	14.3%	16.4%	16.2%	7.6%
Ability to understand my needs	4.5%	0.0%	6.0%	9.6%	8.2%
Simplicity in explaining the policies and products on offer	10.1%	16.5%	25.7%	15.2%	6.3%

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Geographical area				
	North West	North East	Centre	South	Islands
Experience and professionalism	2.9%	30.9%	8.5%	5.6%	2.7%
Transparency	52.3%	36.2%	23.5%	24.2%	14.4%
Inspires confidence	6.1%	5.6%	28.1%	37.6%	35.7%
Referral from acquaintances I trust	17.4%	13.7%	2.8%	9.7%	2.3%
Cost of policies	7.0%	0.0%	11.1%	9.2%	21.2%
Ability to understand my needs	0.0%	10.4%	6.3%	6.4%	8.0%
Simplicity in explaining the policies and products on offer	14.2%	3.2%	19.7%	7.3%	15.7%

Differences in qualification: transparency and simplicity the most chosen by graduates, who, once again point to the importance of the possibility of directly understanding the information, as opposed to fiduciary delegation to the contact person, revealing a propensity for *boosting,* specifically the possibility of directly knowing the information so as to foster autonomous decision-making, as opposed to *nudging,* receiving more or less indirect guidance from the insurance contact person (Hertwig & Grüne-Yanoff, 2017).

Which of the following do you consider to be the most important factor in choosing an insurance contact person?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Experience and professionalism	0.0%	0.0%	14.1%	7.4%	8.8%	8.4%	0.0%
Transparency	0.0%	5.7%	72.2%	38.7%	33.9%	17.9%	16.3%
Inspires confidence	0.0%	28.1%	0.0%	8.1%	22.7%	35.6%	68.6%
Referral from acquaintances I trust	100.0%	17.2%	13.7%	7.7%	5.6%	14.3%	0.0%
Cost of policies	0.0%	8.3%	0.0%	20.2%	8.5%	10.6%	0.0%
Ability to understand my needs	0.0%	0.0%	0.0%	4.5%	10.0%	0.0%	15.1%
Simplicity in explaining the policies and products on offer	0.0%	40.7%	0.0%	13.3%	10.4%	13.2%	0.0%

QUESTION 47

PLEASE TELL ME WHETHER, BEFORE SIGNING AN INSURANCE CONTRACT, YOU USUALLY PAUSE TO READ THE INFORMATION SET OR REQUEST INFORMATION ON EACH ASPECT.

Before signing an insurance contract, you usually pause and read the information set or request information on each aspect	%
deductibles, excesses, exclusions, coverage	77.6%
after-sales services (claims management)	52.4%
duration of contracts	82.5%
insurance premium to be paid	91.5%
other costs to be incurred (remuneration for the intermediary, periodic management costs...)	63.1%

As far as communication in particular is concerned, those interviewed, before signing an insurance contract, dwell or request information mainly on the following aspects: insurance premium to be paid (91.5%) and duration of contracts (82.5%), followed by deductibles, excesses, exclusions (77.6%), other costs to be incurred (63.1%) and finally claims management (52.4%).

In particular: deductibles are chosen in inverse proportion to age (65-74-years-old in 72.3% and over 75 in 64.9%) and in the South (68.8%) and Islands (69.7%). Moreover, deductibles and duration also decrease as educational qualifications decrease, especially for the conditions "primary school degree" (57.5%) and "no qualification" (20%) (mainly made up of the elderly, with less basic insurance skills). It should also be noted that those who have no expertise in the concept of deductible choose it in 76.3% compared to those who do have expertise, who choose it in 87.1%. If we also consider the choice of this item in relation to the degree of general insurance competence, it goes from a minimum of 72.8% to 87% of those who demonstrate general insurance competence. We find similar differences about the premium: those who have a higher degree of competence choose this item to a greater extent (95%) than those who do not know the meaning of the term (89.5%).

Do you usually pause or request information about	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
deductibles, excesses, exclusions, coverage	81.5%	80.7%	79.7%	72.3%	64.9%
after-sales services (claims management)	55.0%	48.7%	56.2%	57.4%	47.8%
duration of contracts	86.3%	86.7%	78.8%	82.0%	70.1%
insurance premium to be paid	93.9%	93.0%	90.9%	90.4%	85.5%
other costs to be incurred (remuneration for the intermediary, periodic management costs, etc.).	68.4%	66.6%	60.6%	62.5%	48.2%

Do you usually pause or request information about	Geographical area				
	North West	North East	Centre	South	Islands
deductibles, excesses, exclusions, coverage	82.1%	84.8%	78.3%	68.8%	69.7%
after-sales services (claims management)	49.6%	57.0%	59.8%	46.4%	51.9%
duration of contracts	82.0%	83.0%	87.4%	79.8%	81.0%
insurance premium to be paid	88.4%	94.0%	95.2%	91.0%	90.2%
other costs to be incurred (remuneration for the intermediary, periodic management costs, etc.).	60.8%	61.2%	67.8%	62.6%	66.3%

Do you usually pause or request information about	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
deductibles, excesses, exclusions, coverage	79.6%	82.3%	84.2%	82.9%	73.9%	57.5%	20.0%
after-sales services (claims management)	61.0%	55.0%	55.7%	53.7%	51.2%	46.8%	11.5%
duration of contracts	80.2%	82.0%	84.1%	85.9%	81.1%	72.2%	37.7%
insurance premium to be paid	87.1%	91.4%	91.3%	93.7%	89.3%	90.6%	59.4%
other costs to be incurred (remuneration for the intermediary, periodic management costs, etc.).	73.6%	64.0%	69.7%	67.1%	58.3%	56.5%	20.0%

Those with the highest number of non-compulsory policies pay significantly more attention to after-sales services (83.8%) and other costs (92.6%) than the other respondents, revealing a greater awareness of possible problems/implicit costs in insurance contracts.

QUESTION 48

HOW IMPORTANT DO YOU CONSIDER THE ELEMENT OF TRUST TO BE WHEN TAKING OUT A POLICY?

How important do you consider the element of trust to be when taking out a policy?	%
Very	65.5%
Fairly	27.8%
So-so	3.9%
Little	1.9%
Not at all	0.8%

Most respondents indicate trust as a very (65%) or fairly (28%) important factor when taking out a policy. No significant differences were found.

If we consider only those who answered Very, we find a lower selection in the age group of 18-34 years (52.8%) and in the public employment sector (55.3%) than in the private one (65.9%).

Finally, it should be noted that the trust factor seems to be less important when compared with other factors than when evaluated in isolation, showing a focusing effect.

QUESTION 49

IF YOUR INSURANCE AGENT / INTERMEDIARY WERE TO CHANGE COMPANIES, WOULD YOU FOLLOW HIM?

If your insurance agent/intermediary were to change companies, would you follow him?	%
Yes	50.9%
No	43.2%
I HAVE TAKEN OUT ALL POLICIES ONLINE	5.9%

50.9% of respondents would follow the contact person if he or she moved. The fact that more than half of the people would follow the agent if he or she were to change companies highlights their loyalty to the intermediary, regardless of the company he or she works for.

This aspect deserves attention as it reveals that the insured does not seem to consider that the rights and obligations arising from the insurance contract exist with the company and not with the intermediary itself.

This question also reveals the presence of the group of those who only take out policies online: they represent 5.9% of the total, are aged between 18 and 54 (18-34, 7.7%; 35-54, 8.4%), live mainly in the big city (13.9% vs. medium 4.2% and small cities 5%) and have a high school diploma (7.3%), a bachelor’s degree (11.3%) or a master's degree (9%) (see Q 42).

QUESTION 50

DO YOU THINK THAT THE INFORMATION SET OF INSURANCE PRODUCTS IS GENERALLY UNDERSTANDABLE?

Do you think that the information set of insurance products is generally understandable?	%
Very	7.3%
Fairly	34.0%
So-so	28.9%
Little	19.8%
Not at all	10.1%

The information set of the insurance products is considered quite understandable by only 34% of the respondents, and, aggregating the negative evaluations (not at all 10.1%, a little 19.8%, so-so 28.9%) we find that more than 50% express dissatisfaction with the understandability.

Data to be noted: those who have a bachelor’s degree (67.1%) or a master's degree (69.7%) report greater dissatisfaction with comprehensibility, thus revealing a greater awareness of the difficulty of interpretation, the result of a greater capacity for in-depth study of the information itself. At the opposite end of the scale were those who had no educational qualifications at all (57.2%) and a secondary school diploma (53.4%).

Those employed in the public sector also report greater dissatisfaction with comprehensibility (68.7%) than those in the private sector (employed or self-employed 56.8%).

QUESTION 51

THINK ABOUT THE POLICIES YOU DID SUBSCRIBE TO: WERE YOU GENERALLY CLEARLY INFORMED OF THE EXCLUSIONS AND LIMITATIONS OF COVER OR OF THE RESIDUAL RISK YOU HAD TO BEAR BEFORE SUBSCRIBING THE POLICY?

Think about the policies you did subscribe to: were you generally clearly informed of the exclusions and limitations of cover or of the residual risk you had to bear before subscribing the policy?	%
Yes	71.1%
No	28.9%

Apparently in contrast to the general perception of poor policy comprehensibility illustrated above, with respect to the policies they have taken out, most respondents (71.1%) state that they had a clear explanation of the exclusions and limitations of cover or of the residual risk. Although the percentage remains high, it decreases in the South (66.6%) and the Islands (63.1%) and decreases even more among those who have a bachelor's degree (58.3%-see Q49), live in a large city (54.3%) and mainly take out policies online (53%) vs. those who go through an intermediary (67.5%).

Geographical area	They were clearly illustrated
North West	72.7%
North East	77.1%
Centre	72.2%
South	66.6%
Islands	63.1%

Degree	They were clearly illustrated
Postgraduate specialisation	70.7%
Master's	64.3%
Bachelor's	58.3%
High school	71.0%
Secondary school	73.9%
Primary school	73.1%
None	73.6%

City	They were clearly illustrated
Big	54.3%
Medium	71.5%
Small	74.1%

QUESTION 52

I WOULD LIKE YOU TO TELL ME THE 3 MOST IMPORTANT COMMUNICATION FEATURES FOR YOU IN RELATION TO AN INSURANCE CONTRACT

I would like you to tell me the 3 most important communication features for you in relation to an insurance contract	%
Clarity on deductibles and excesses	53.2%
Clarity on cases covered/not covered	42.5%
Details of the composition of the premium between coverage costs, intermediary remuneration, management costs	35.3%
Understandability of contractual language	54.1%
Clear indication of the duration of the contract	44.1%
Presence of a summary outline of the contract offered	39.5%

When asked about the most important communicative features that an insurance contract should have, the most important ones were comprehensibility of the contract language (54.1%) and clarity on deductibles and excesses (53.2%), followed by the indication of the duration of the contract (44.1%) and clarity on cases covered/ not covered (42.5%).

Regarding age, respondents under the age of 54 (39.4% in the 18-34 age group and 44.7% 35-54) reported the importance of the presence of a summary outline.

Most important features in relation to an insurance contract	Age				
	18 - 34	35 - 54	55 - 64	65 - 74	+74
Clarity on deductibles and excesses	50.4%	57.1%	56.5%	52.0%	43.2%
Clarity on cases covered/discovered	51.1%	41.0%	39.8%	40.7%	38.1%
Details of the composition of the premium between coverage costs, intermediary remuneration, management costs	38.4%	36.2%	36.8%	31.5%	29.3%
Understandability of contractual language	53.3%	52.9%	57.1%	53.8%	55.4%
Clear indication of the duration of the contract	43.7%	41.6%	43.2%	50.1%	46.4%
Presence of a summary outline of the contract offered	39.4%	44.7%	36.7%	33.8%	34.4%

About educational qualifications, clarity on deductibles and excesses is less felt by those with a primary school leaving certificate (40%) or no certificate at all (41%), as is the presence of a summary outline, at 27.8% and 13.1% respectively.

Most important features in relation to an insurance contract	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Clarity on deductibles and excesses	59.2%	54.5%	52.4%	55.5%	52.8%	40.1%	41.0%
Clarity on cases covered/not covered	36.0%	47.1%	41.8%	44.1%	40.8%	38.4%	21.7%
Details of the composition of the premium between coverage costs, intermediary remuneration, management costs	41.3%	32.7%	33.3%	38.3%	32.7%	31.9%	13.1%
Understandability of contractual language	56.0%	49.8%	54.9%	55.3%	51.7%	61.0%	51.3%
Clear indication of the duration of the contract	30.3%	36.6%	41.7%	42.2%	46.8%	52.3%	75.9%
Presence of a summary outline of the contract offered	42.2%	44.6%	45.4%	42.0%	37.1%	27.8%	13.1%

ONLINE vs INTERMEDIARY: The comprehensibility of the contractual language is considered less important for those who have taken out all policies online (46.3%) than for those who use an intermediary (54.7%). The former considers important the presence of a summary outline of the contract offered (47% online vs. 39% with an intermediary), which is typical of the information mode of online information notes.

Most important features in relation to an insurance contract	Type of subscriptions	
	I HAVE TAKEN OUT ALL POLICIES ONLINE	I have also taken out policies with an intermediary
Clarity on deductibles and excesses	51.1%	53.2%
Clarity on cases covered/not covered	44.7%	42.4%
Details of the composition of the premium between coverage costs, intermediary remuneration, management costs	32.8%	35.4%
Understandability of contractual language	46.3%	54.7%
Clear indication of the duration of the contract	48.3%	43.8%
Presence of a summary outline of the contract offered	47.0%	39.0%

QUESTION 53

DO YOU THINK THE INSURANCE CULTURE IN ITALY IS ADEQUATE?

In your opinion, is the insurance culture adequate in Italy?	%
Very adequate	2.6%
Fairly	26.2%
So-so	31.7%
Little	28.8%
Not at all	10.7%

Finally, regarding the general assessment of insurance culture in Italy, many respondents do not consider it adequate, adding not at all (10.7%) a little (28.8%) and so-so (31.7%). This negative consideration becomes more pronounced as the level of education (bachelor's and master's degree) increases.

In your opinion, is the insurance culture adequate in Italy?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
Not at all, not much, so-so	66.9%	76.8%	75.2%	73.3%	66.4%	69.0%	92.7%
Fairly	31.4%	22.6%	24.0%	24.4%	30.1%	27.3%	7.3%
Very	1.6%	0.6%	0.7%	2.3%	3.5%	3.7%	0.0%

QUESTION 54

IN YOUR OPINION, WHO SHOULD HAVE THE TASK OF INCREASING THE INSURANCE CULTURE OF OUR FELLOW CITIZENS? TELL ME, AMONG THOSE I WILL READ TO YOU, THE TWO ACTORS WHO SHOULD HAVE THE MAIN ROLE IN INCREASING THE INSURANCE CULTURE OF OUR CITIZENS.

In your opinion, who should have the task of increasing the insurance culture of our fellow citizens? Tell me, among those I will read to you, the two actors who should have the main role in increasing the insurance culture of our citizens.	%
Family	13.0%
School	27.5%
insurance companies/banks/insurance intermediaries	45.5%
the mass media (internet/television/newspapers etc....)	25.5%
public institutions (IVASS, Consob, Bank of Italy, Ministry of Economic Development...)	60.0%

This knowledge gap should be filled primarily by public institutions (60%) (IVASS, Consob, Bank of Italy, Ministry of Economic Development) and by insurance companies, banks and insurance intermediaries (45.5%). This result could reveal a tendency to delegate the dissemination of technical and therefore elitist knowledge to the institutions that are considered the repositories of this specialist knowledge (Sperber, 2010; Sperber and Wilson, 1995), which thus perform a reassuring function of guaranteeing the truth and transparency of communication. A much smaller percentage believe that the media (25.5%) and schools (27.5%) can also perform this function. Even those who have children do not attribute a role to schools in the process of insurance literacy. Although increasing skills in finance, insurance, pensions and taxation should include the involvement of schools as well as the media, there seems to be a lack of perception of the importance of this function. An exception is represented by bachelor's graduates who point to schools (39.6%) and the media (32.7%) as institutions that should also have the task of increasing insurance literacy.

who should have the task of increasing the insurance culture of our fellow citizens?	Degree						
	Postgraduate specialisation	Master's	Bachelor's	High school	Secondary school	Primary school	none
family	22.6%	14.6%	8.8%	12.7%	12.6%	13.8%	25.5%
school	27.5%	26.0%	39.6%	28.9%	27.0%	21.0%	14.6%
insurance companies/ banks/ insurance intermediaries	42.6%	48.9%	37.8%	46.3%	46.6%	39.8%	25.0%
the mass media (internet/television/ newspapers etc....)	14.5%	21.9%	32.7%	28.1%	24.1%	21.1%	17.3%
public institutions (IVASS, Consob, Bank of Italy, Ministry of Economic Development...)	69.5%	65.9%	61.6%	62.8%	56.8%	51.9%	43.2%

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Annex 2 - The Questionnaire

Q1- Q3. Region, centre size, gender, age

Q4. Who decides on insurance cover in the family?

1. exclusively you
2. you together with some other family members
3. exclusively another family member
4. none

INSURANCE SELF-PROFILE

Q5. Are you or any other member of your family currently protected by any of the following types of insurance policy? Please refer only to policies subscribed personally and not to those taken out by your employer, sports club, condominium, etc.

		YES	NO
Q5.1	motor liability policy	1	2
Q5.2	mortgage-linked home fire and explosion policy	1	2
Q5.3	payment protection policy: to protect yourself in case you are unable to pay your mortgage or loan instalments (e.g., due to serious illness or job loss)	1	2
Q5.4	Household Liability	1	2
Q5.5	home policy	1	2
Q5.6	natural disaster policy (e.g., earthquakes, floods)	1	2
Q5.7	accident policy	1	2
Q5.8	health policy	1	2
Q5.9	policy to ensure financial support in the event of dependency when you are elderly	1	2
Q5.10	death policies	1	2
Q5.11	life insurance policy for savings or supplementary pensions	1	2
Q5.98	other specify ___ _____	1	

To all insured persons protected with products other than only motor third party liability or/and only mortgage-linked fire/explosion (at least one Yes, code 1 in Q5.3- Q5.11and Q5.98)

Q6. You have also taken out non-mandatory policies. Why did you decide to take out <u>non-mandatory policies as well</u>? I will read out the options to you, then I will read them again and for each one I will ask you to tell me if it fits your choices.

		YES	NO
Q6.1	were proposed to you by the insurance agent / financial intermediary	1	2
Q6.2	You were influenced by advertising	1	2
Q6.3	You signed up after a critical event happened to you or your acquaintances	1	2
Q6.4	You were influenced by reading statistical data on the increase in the claims frequency	1	2
Q6.5	it was a personal initiative, based on the perception of a need, not influenced by other people or external events	1	2

To all insured persons protected with products other than only motor third party liability or/and only mortgage-linked fire/explosion (at least one Yes in Q5.3- Q5.11and Q5.98)

Q7. How much do you agree with the following statements?

		Very	Fairly	So, so	Little	Not at all
Q7.1	I evaluate different offers before taking out insurance cover	1	2	3	4	5
Q7.2	I have a lot of confidence in the proposals of my insurance agent / contact person on whom I rely	1	2	3	4	5
Q7.3	I feel competent in the field of insurance (I am able to assess the risks to be insured and the policy conditions).	1	2	3	4	5

All the subjects insured (at least one Yes inQ5.1- Q5.11and Q5.98)

Q8. How comfortable do you feel about facing life's unexpected events after taking out an insurance product?

1. very
2. fairly
3. so-so

4. little
5. not at all

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q9. In the event of a claim, do you think the procedure for obtaining the benefit due from the insurer would be:

1. very easy
2. fairly easy
3. so-so
4. not very easy
5. not at all easy

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q10. Think of all the insurance products you have taken out in your family, did you happen to use them for accidents, damages, collections (including pensions) or other benefits?

1. yes, it happened to us
2. no, never used
3. no, because I realised after the deadlines had expired that there was a guarantee I could have activated

If Yes in Q10

Q10x. Has this happened in the last 2 years?

1. Yes, in the last 2 years
2. No, over 2 years ago

If it happened in the last two years (Q10X = 1)

Q11. In general, how satisfied are you with the insurance cover you have used over the last two years? If you used more than one cover please refer to the largest claim.

1. very
2. fairly

3. so-so
4. little
5. not at all

KNOWLEDGE OF INSURANCE

Q12. Let's talk about motor liability insurance in general *[if in Q5.1 cod.2 NO:* **even if you have not taken it out***]***. In your opinion, when choosing between proposals from different insurance companies, it is more important to assess:**

1. only the cost you have to pay: the lower the better because it is cheaper
2. only the cost you have to pay: the higher the better because it is of higher quality
3. only the policy conditions, irrespective of the cost to be paid
4. both the cost paid and the policy conditions: the policy with the lowest or highest price is not necessarily the best one

Q13. I will now read you some statements, tell me if they correspond to what you think about insurance. Answer Yes/No

		YES	NO
Q13.1	insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	1	2
Q13.2	insurance does not make sense because the probability of damage occurring is very low	1	2
Q13.3	insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high	1	2
Q13.4	insurance makes sense because it allows you to cover yourself against the possibility of damage occurring even if this probability is very low	1	2

If more than one Yes (cod.1) in questions Q13.1-Q13.4 - show only the Yes in Q13

Q13X. I will read back to you the statements you told me correspond to what you think, tell me which of these most closely reflects your thoughts on insurance.

		Only YES in Q13
Q13X.1	insurance makes no sense because you pay anyway even when no damage occurs: it's "wasted money".	1
Q13X.2	insurance does not make sense because the probability of damage occurring is very low	2
Q13X.3	insurance makes sense because it allows you to cover yourself against the possibility of damage occurring, but only when this probability is high	3
Q13X.4	insurance makes sense because it allows you to cover yourself against the possibility of damage occurring even if this probability is very low	4

Q14. Let's talk about health policies. It is well known that individual health insurance policies do not cover events that can be traced back to previous illnesses that were not declared at the time the policy was taken out. How do you consider this condition: fair or unfair?

1. Fair
2. Unfair

Q15. If the company insures you against previous illnesses, do you think that this could increase the cost of the policy?

1. Yes, it may increase the cost of the policy
2. No, it cannot increase the cost of the policy

Q16. Let's talk about accident policies. Do you know what cover is available under an accident policy?

1. Yes
2. No

If Yes in Q16 ask Q16X, all items

Q16X. I will now read you some possible guarantees, tell me if you think they are offered by the accident policy. I'll read them all first and then go through them one by one.

I am now going to read through the possible guarantees and for each one tell me whether, in your opinion, they are offered by the accident policy. Answer yes / no

		YES	NO	I don't know
Q16X.1	hospitalisation in the event of an accident	1	2	3
Q16X.2	permanent disability resulting from illness	1	2	3
Q16X.3	death, permanent disability, medical expenses resulting from the accident	1	2	3
Q16X.4	death, permanent disability, medical expenses resulting from a serious illness	1	2	3

Q17. Let's talk about term life insurance. Do you know what cover is available under a term life insurance policy?

1. Yes
2. No

If Yes in Q17 ask Q17X, all items

Q17X. I will now read some possible guarantees, tell me if, in your opinion, they are offered by the term life insurance policy? I'll read them all first and then go through them one by one.

I am now going to read through the possible guarantees and for each one please tell me whether, in your opinion, they are offered by the term life insurance policy. Please answer yes / no

		YES	NO	I don't know
Q17X.1	payment of a sum in the event of death within the policy period, even if resulting from an accident at work	1	2	3
Q17X.2	payment of a lump sum in the event of death during the policy period.	1	2	3
Q17X.3	payment in the event of death, at whatever time this occurs	1	2	3
Q17X.4	Payment of an annuity to beneficiaries in the event of death within the policy's validity date.	1	2	3

Q18. Let's talk about supplementary pension policies. Do you know for what purpose a supplementary insurance policy is taken out?

1. Yes
2. No

If Yes in Q18 ask Q18X, all items

Q18X. What do you think are the benefits of a supplementary pension policy? I will read the possible benefits first and then I will read them again one by one. A supplementary pension policy could allow you to ...

Let me read it again: tell me whether, in your opinion, a supplementary pension policy allows you to ... Answer yes / no

		YES	NO	I don't know
Q18X.1	set aside money for short- and medium-term needs	1	2	3
Q18X.2	supplement the public pension with a private provision	1	2	3
Q18X.3	protect yourself in case of illness and accident	1	2	3
Q18X.4	protecting yourself in case of loss of income from work or in case of unemployment	1	2	3

Q18bis Speaking of life insurance policies, do you think the capital that the company pays out on maturity is at least equal to the sum of the premiums paid?

1. Yes, always
2. No, never
3. Yes, if it is a with-profit policy
4. I do not know

Q18ter In your opinion, is it possible to obtain the capital before maturity in a life insurance policy?

1. No, you have to wait for the deadline
2. Yes, you can receive it at any time without penalties
3. Yes, but you may receive less than the premiums paid
4. I don't know

Q19. Do you know what is meant by INSURANCE PREMIUM?

1. Yes
2. No

If Yes in Q19 - ask all items Q19X.1 -4

Q19X. The PREMIUM is ...? True or False

		TRUE	FALSE
Q19X.1	the price you pay for taking out a policy	1	2
Q19X.2	the return of a policy	1	2
Q19X.3	the capital on repayment	1	2
Q19X.4	the amount you obtain in case the accident does not occur	1	2

Q20. Do you know what is meant by DEDUCTIBLE in an insurance policy?

1. yes
2. no

If Yes in Q20 - ask all items Q20X.1-4

Q20X. THE DEDUCTIBLE IS ...? True or False

		TRUE	FALSE
Q20X.1	the amount of the damage that remains to be borne by the customer who signed the contract	1	2
Q20X.2	the maximum amount of compensation	1	2
Q20X.3	the minimum amount of compensation	1	2
Q20X.4	the amount beyond which the damage is not compensated	1	2

Q21. Do you know what is meant by MAXIMUM AMOUNT OF COVER in an insurance policy?

1. yes
2. no

If Yes in Q21 - ask all items Q21X.1-3

Q21X. The MAXIMUM AMOUNT OF COVER is ...? True or False

		TRUE	FALSE
Q21X.1	The maximum amount indicated in the policy that the insurer undertakes to pay in the event of a claim	1	2
Q21X.2	The amount reimbursed by the insurer in the event of a claim	1	2
Q21X.3	The fixed amount to be borne by the insured	1	2

Q22. In your opinion, is a policy that provides for a DEDUCTIBLE, i.e., that a part of the loss is borne by the insured, more or less expensive on average than one that does not?

1. more expensive
2. equal
3. less expensive

Q23. In addition to the events covered, which of the following elements of the policy would you find particularly useful to focus on?

1. the maximum amount of cover in the event of a claim, i.e., the maximum amount indemnifiable under the policy
2. the amount of the premium, i.e., the underwriting cost
3. exclusions, i.e., contractual limitation clauses

RISK PERCEPTION AND RISK APPETITE

Q24. I'll read you a list of possible fears, for the present or the future, tell me which ones you share a lot, which ones fairly, which ones a little, and which ones not at all?

		A lot	Fairly	Little	Not at all
Q24.1	loss of employment	1	2	3	4
Q24.2	reduced income when retired	1	2	3	4
Q24.3	health problems due to illness or accident	1	2	3	4
Q24.4	thefts, muggings, assaults...	1	2	3	4
Q24.5	not being able to provide for the welfare of children/grandchildren	1	2	3	4
Q24.6	having to support dependent loved ones	1	2	3	4
Q24.7	damage to houses	1	2	3	4
Q24.8	natural disasters (e.g., floods, earthquakes, etc.)	1	2	3	4
Q24.9	cyber risks when surfing or shopping online	1	2	3	4
Q24.10	damage that you or your family members may unintentionally cause to others	1	2	3	4

If at least one fear is felt "A LOT" in Q24.1-10 - maximum 3 answers

Q25. I'll read you some reasons, tell me among them, which are the 3 main ones why you have not insured yourself although you perceived the risk?

1. cost of the policy
2. lack of comprehensibility of the policy
3. negative experience during an accident
4. mistrust of insurance
5. although I have perceived the risk, it is unlikely to happen to me.

RISK ASSESSMENT, PROBABILITY CALCULATIONS, DECISION MAKING IN THE INSURANCE FIELD

Q26. In your opinion, after an accident, what is the average probability of having a similar accident in the following year?

1. more likely than average
2. less likely than average
3. same probability as average

------beginning of section differentiated by sub-samples------

*Sample **A** (50% of the sample)*

Q27_A. An accident will occur 25 times out of 100. Would you subscribe to an insurance policy to protect yourself against the risk of that accident?

1. yes
2. no

*Sample **B** (50% of the sample)*

Q27_B. No accident will occur 75 times out of 100. Would you subscribe to an insurance policy to protect yourself against the risk of that accident?

1. yes
2. no

*Sample **A** (50% of the sample)*

Q28_A. Given the annual probability of 1 in 1,000 of losing €50,000 due to domestic accidents would you prefer:

1. paying a policy of €100 per year

2. risking and not paying for a policy

*Sample **B** (50% of the sample)*

Q28_B. Given the 0.1% annual probability of losing €50,000 due to domestic accidents would you prefer:

1. paying a policy of €100 per year
2. risking and not paying for a policy

*Sample **A** (50% of the sample)*

Q29_A. How do you rate the probability of 1 in 1,000 of having your home burgled?

1. insignificant
2. extremely low
3. very low
4. low
5. not so low

*Sample **B** (50% of the sample)*

Q29_B. How would you rate the probability of 1 in 1,000 of winning a lottery?

1. insignificant
2. extremely low
3. very low
4. low
5. not so low

To all, both sample A and sample B

Q30. In the case of possible damage to the house (burst pipes, mould, infiltration etc.) quantifiable at €2,000 would you prefer:

1. having paid an insurance premium of €200 per year which covers you for 10 years
2. pay €2,000 out of your own pocket when the event occurs

*Sample **A** (50% of the sample)*

Q31_A. Assuming that you currently pay €200 per year for theft insurance, how much more would you be willing to pay knowing that the risk of theft has doubled in your city?

1. 100€
2. 200€
3. 300€
4. 400€
5. ZERO, I would pay nothing more

*Sample **B** (50% of the sample)*

Q31_B. Assuming that you currently pay €200 per year for theft insurance, how much more would you be willing to pay knowing that the risk of theft has increased from 1 in 1,000 to 2 in 1,000?

1. 100€
2. 200€
3. 300€
4. 400€
5. ZERO, I would pay nothing more

*Sample **A** (50% of the sample)*

Q32_A. What is the annual probability of experiencing any kind of theft outside the home? Please indicate a probability from 0 to 100

register _ _ (min "0", max. 100)

Q33_A. How much would you be willing to pay per year for a policy to cover any kind of theft outside the home? Please indicate a figure between 0 and €1,000

register _ _ _ _ (min "0", max. €1,000)

*Sample **B** (50% of the sample)*

Q32_B. I am now going to read you a list of possible thefts that you could suffer outside your home.

I will now read them again, for each one tell me what is the annual probability of suffering one of the following thefts outside the home?

Q32_B1 of the wallet (0 to 100)

Q32_B2 of the watch (0 to 100)

Q32_B3 of the mobile phone (0 to 100)

Q32_B4 of a jewel (0 to 100)

Q32_B5 of a bicycle (0 to 100)

Q32_B6 of a motor vehicle (0 to 100)

*Sample **B** (50% of the sample)*

Q33_B. How much would you be prepared to pay per year for a policy covering all these risks of theft? Please indicate a figure between 0 and €1,000

register _ _ _ (min "0", max. €1,000)

----- end of section differentiated by sub-samples------

Q34. If we assume that the standard of living will deteriorate in retirement, do you think people should take out a supplementary policy to prevent this?

1. Yes
2. No

Q35. In your opinion, can you give an estimate of the probability of occurrence to phenomena such as epidemics, earthquakes, financial crises, military conflicts, etc.?

1. Yes, you can
2. No, you can't

Q36. How would you define the concept of uncertainty of an event, I will read you three definitions, tell me which are true and which false in your opinion.

The uncertainty of an event is defined...

		TRUE	FALSE
Q36.1	... by the total impossibility of establishing the probability of the event	1	2
Q36.2	... by the difficulty of establishing the probability of the event, which can be overcome by collecting statistical data	1	2
Q36.3	... by the lack of certainty of the event for which it is only possible to estimate the probability of the event	1	2

If more than one TRUE in Q36 - show true items in Q36

Q36X. And which of these definitions do you think is more correct?

The uncertainty of an event is defined ...

Q36X.1	... by the total impossibility of establishing the probability of the event	1
Q36X.2	... by the difficulty of establishing the probability of the event, which can be overcome by collecting statistical data	2
Q36X.3	... by the lack of certainty of the event for which it is only possible to make an estimate the probability of the event	3

Q37. Which of the following information about the risk of a contagious disease would you be most concerned about?

1. out of 1,500 infected people 15 developed the disease
2. there is a 1% chance of manifesting the disease after contagion

Q38. With respect to the effectiveness of a medical treatment, which of the two expressions is more informative?

1. increases healing by 100% compared to previous therapies
2. in a sample of 10,000 patients, the therapy cured 2 people compared to 1 in previous therapies

Q39. Even if you did not have any, suppose you had to subscribe to accident insurance for children. How much more would you be willing to pay as a percentage to insure two children against accidents compared to insuring one child? Please, indicate a percentage from 0 to 100

1. register _ _ _ (min "0", max. 100)

Q40. Would you prefer a health policy that…?

1. has high premiums that remain constant throughout the contract term
2. has lower premiums at the beginning, which increase over the life of the contract.

Q41. Imagine that you have caused a damage of €1,000 to your neighbour and that you are insured, but with a 20% excess to be deducted from the compensation. How much will you have to pay out of your own pocket to your neighbour?

1. €100
2. €200
3. €300

COMMUNICATION AND RELATIONSHIP WITH COMPANY/INTERMEDIARIES

All the subjects insured (at least one Yes in Q5.1-Q5.11and Q5.98)

Q42. Through which channels have you taken out the insurance policies you currently have ...?

1. online / telephone insurance company
2. with an agent/ insurance agency/ broker
3. bank/ post office/ financial advisor
4. on an aggregator/comparator site
5. other channel

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q43. For the insurance policies you have taken out, do you usually...?

1. contact your insurance company / contact person
2. search for the most suitable company / contact person on a case-by-case basis

3. both, depending on the type of policy

If the person uses the physical channel and has a trusted contact person (Q42. at least one cod. 2-7, or 98 and Q43 cod. 1)

Q44. When you subscribe to a new insurance product or a new ancillary guarantee do you usually ...

1. do so on the proposal of your insurance contact person
2. do so at your own initiative and you ask for support from your insurance contact person

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q45. I will now read out to you some important factors when choosing an insurance contact person.

I will now read them again. Which of these do you consider to be the most important factor in choosing an insurance contact person?

1. experience and professionalism
2. transparency
3. inspires confidence
4. referral from acquaintances I trust
5. cost of policies
6. ability to understand my needs
7. simplicity in explaining the policies and products on offer

All the subjects not insured (not Yes in Q5.1-Q5.11and Q5.98)

Q46. I will now read out to you some important factors when choosing an insurance contact person.

I will now read them again, please tell me which of these do you consider to be the most important factor in choosing an insurance contact person?

1. experience and professionalism
2. transparency
3. inspires confidence

4. referral from acquaintances I trust
5. cost of policies
6. ability to understand my needs
7. simplicity in explaining the policies and products on offer

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q47. Before signing an insurance contract, do you usually stop to read the information set or request information in relation to the following aspects. I read them all first and then I will read them again one by one.

I will now read them again. Please tell me if, before signing an insurance contract, you usually pause to read the information set or request information on each aspect. Please answer yes / no

		YES	NO
Q47.1	deductibles, excesses, exclusions, coverage	1	2
Q47.2	after-sales services (claims management)	1	2
Q47.3	duration of contracts	1	2
Q47.4	insurance premium payable	1	2
Q47.5	other costs to be borne (remuneration for the intermediary, periodic management costs...)	1	2

All the subjects insured (at least one Yes in Q5.1- Q5.11andQ5.98)

Q48. How important do you consider the element of trust to be when taking out a policy?

1. very
2. fairly
3. so-so
4. little
5. very little

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q49. If your insurance agent / broker were to change company / bank would you follow him?

1. Yes
2. No
3. (*I HAVE TAKEN OUT ALL POLICIES ONLINE)*

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98)

Q50. Do you think that the information set of insurance products is generally understandable?

1. very
2. fairly
3. so-so
4. little
5. not at all

All the subjects insured (at least one Yes in Q5.1-Q5.11and Q5.98)

Q51. Thinking about the policies you have taken out, in general, were the exclusions and limitations of cover or the residual risk borne you had to bear clearly explained to you before taking out the policy?

1. Yes
2. No

All the subjects insured (at least one Yes in Q5.1- Q5.11and Q5.98) - max 3 answers

Q52. In your opinion, what communication features should an insurance contract have so that you can underwrite it independently? I will read the list of possible features a first time.

I will now read them again and ask you to tell me the 3 most important communication features for you in relation to an insurance contract

1. clarity on deductibles and excesses
2. clarity on cases covered/not covered
3. details on the composition of the premium between coverage costs, intermediary remuneration, management costs
4. comprehensibility of contractual language
5. clear indication of the duration of the contract

6. presence of a summary outline of the contract offered

Q53. In your opinion, is the insurance culture adequate in Italy?

1. very adequate
2. fairly
3. so-so
4. little
5. not at all

Q54. In your opinion, who should have the task of increasing the insurance culture of our citizens? Tell me, among those I will read to you, the 2 actors who should have the main role in increasing the insurance culture of the citizens

(max 2 answers)

1. family
2. school
3. insurance companies/banks/insurance intermediaries
4. the mass media (internet/television/newspapers etc....)
5. public institutions (IVASS, Consob, Bank of Italy, Ministry of Economic Development...)

PERSONAL DATA

Q55. What is your educational degree?

1. postgraduate specialisation
2. master's degree
3. bachelor's degree
4. high school
5. secondary school
6. primary school
7. none

Q56. In your family you are

1. head of the household
2. partner of the head of the household
3. son/daugther of the head of the household
4. other family member

Q57. Can you tell me what your current employment status is?

1. employee;
2. self-employed;
3. student;
4. seeking employment;
5. pensioner;
6. unemployed
7. housewife
8. earner/wealthy
9. other condition than the above

Q58. Can you tell me what your current job position is?

If employed in Q57

1. director/officer/manager
2. employee/teacher
3. factory worker/saleswoman/agriculturalist military
4. other employee

If self-employed in Q57

1. entrepreneur
2. freelancer
3. craftsman
4. trader/shopkeeper
5. other self-employed person

Q59. Do you work in the public or private sector?

1. public sector
2. private sector

If not the head of the household

Q60. Can you tell me what is the profession of the head of the household?

1. entrepreneur
2. freelancer
3. craftsman
4. trader/shopkeeper
5. other self-employed person
6. director/officer/manager
7. employee/teacher
8. military
9. factory worker/saleswoman/agriculturalist
10. housewife
11. student
12. pensioner
13. unemployed

Q61. Including yourself, how many people are in your family (if more than 8, record 8)

1. n. members:

Q62. Do you have children still living with you in the family?

1. Yes
2. No

If you have children in your family

Q63. How old are these children?

1. less than 3-years-old
2. 3-5-years-old
3. 6-15-years-old
4. 16-18-years-old
5. Over 18-years-old

Q64. Can you tell me your marital status?

1. Single
2. Married
3. Cohabitant
4. Entered in the register of unmarried couples
5. Widower/widower
6. Separated / divorced

Q65. The house you live in is...?

1. Owned by you
2. Rented
3. Other

Q66. Were you born in Italy or abroad ...?

1. In Italy
2. In Europe
3. In a non-European country

Annex 3 - The IVASS survey on Italians' insurance knowledge and behaviour - Methodological note

Definition of the questionnaire

The survey on the insurance knowledge and behaviour of Italians was commissioned by IVASS as part of its strategic objective to promote insurance education. The project is financed with funds made available by the Ministry of Economic Development.

The design of the structured survey, aimed at assessing Italians' insurance skills and awareness of the risks to which they are exposed, was carried out in collaboration between IVASS, Università degli Studi di Milano-Bicocca and BVA-Doxa, with the support of the Herbert Simon Society.

Prior to the construction of this measurement tool, a conceptual model of insurance literacy was defined based on various contributions from the social and economic sciences and on the field experience of market participants and users. Underlying insurance literacy are fundamental skills in probabilistic calculation, the ability to assess risks and the consequent ability to make decisions. For this purpose, a qualitative analysis was conducted involving insured citizens, insurance agents and representatives of insurance companies.

The survey, defined on the basis of the information from this first phase, was tested by means of three levels of pilot interviews:

- Initially, 6 pilot interviews were conducted with individuals with a good mix of age, gender and schooling, managed in collaboration by the University of Milano-Bicocca and BVA-Doxa. This first phase revealed some initial difficulties in understanding the texts of some questions and allowed a first verification of the durations;
- After revising the survey, four additional pilot interviews were conducted with individuals with a good mix of age, gender and schooling, to whom IVASS, the University of Milan-Bicocca and BVA-Doxa spectated. This second pilot phase gave further indications for the development of the final version of the questionnaire;
- Prior to the start of the fieldwork, a further 20 pilot interviews were conducted, equally distributed over the country in the four macro-geographical areas (North West, North East, Centre, South and Islands). The interviews conducted on the territory confirmed

the effectiveness of the defined survey, which was not further modified. The average interview duration was 27 minutes.

Selection and training of interviewers

Interviewers with the following qualifications were selected to conduct the field survey:

- average of 10 years' experience in conducting interviews in statistical survey activities;
- more than three years' experience in conducting surveys based on the CAPI (Computer Assisted Personal Interviewing) system with tablet support;
- experience in conducting surveys based on stratified random samples with name extraction from official sources (e.g., electoral registers);
- higher education level with high school diploma or university degree.

The interviews were preceded by briefings for interviewers, held by BVA-Doxa and attended by representatives of IVASS and the University of Milan-Bicocca.

The collective briefing sessions were conducted via the web and involved a maximum of 20 participants per session.

The briefing programme was as follows:

- presentation of the survey promoter
- sharing of survey content and objectives
- illustration of the procedures for drawing names from the electoral roll and management of the list of names
- illustration of the first contact procedure (handling of brochures and letter of presentation)
- sharing of materials provided to the interviewer
- explanation of the questionnaire and interview techniques
- exemplification by means of a simulated interview, during the meeting
- collection of feedback: time for questions and insights.

The briefings were held by the researchers responsible for the survey and the field officers. All the people who acted as instructors have extensive expertise in interviewer training contexts.

In addition, each interviewer was provided with the *Interviewers' Manual*, which illustrates the purpose of the study and deals in detail with all phases of the survey activities. More specifically, the manual was divided into five sections, each referring to a specific phase of the fieldwork:

Phase 1. Drawing names from the electoral roll
Phase 2. Delivery of information materials to potential interviewees
Phase 3. Contact with respondents
Phase 4. Techniques for encouraging participation
Phase 5. Conducting the interview

The pandemic situation required the interviewer team to be expanded and replacements made during the survey. The criteria for selecting interviewers remained unchanged and each new interviewer received dedicated training by the field manager.

A total of 112 interviewers contributed to the study.

All the interviewers were equipped with a tablet, on which the questionnaire was installed, as well as the specialised programmes for managing the interviews and transmitting them - electronically - to the BVA-Doxa data processing centre. The interviewer conducted the interviews by reading the questions that appeared on the computer screen and recorded the answers by typing them on the screen.

Controlling the work of interviewers

Checks on the quality of the interviewers' work were carried out on an on-going basis at two levels:

- offsite, by critically examining the flow of the interviews carried out;
- onsite, by conducting telephone follow-up interviews with the respondents.

The purpose of *offsite checks is* to verify the formal correctness of the interview procedure by checking reports of any anomalies or incidents in the conduct of the interviews or in the interview environment that the interviewer is required to observe.

Onsite checks are conducted by telephone interview. Specifically, a group of interviewers specialised in telephone interviews, independent from the team of face-to-face interviewers and adequately trained on the content of the surveys to be checked, recontacts some of the

interviewees by telephone to verify the correct execution of the interview. The interviews to be checked are drawn randomly from the total number of interviews carried out, or on the basis of the outcome of offsite checks.

When issues arose, the interviewer was contacted and the interview procedure was reviewed with him/her. Interviews that did not meet the standards of conduct were cancelled and interviewers found to be unsuitable were replaced. A total of 69 interviews were cancelled (3.2% of the total interviews collected). There were 2,053 valid interviews.

Telephone checks were conducted on 100% of the interviewers and 39.1% of the interviews.

Definition of the sample

The survey involved a sample of 2,053 individuals representative of a universe of about 50.7 million Italians over the age of 18 (Source: ISTAT, 2020).

The sample was stratified by gender, geographical area and size of settlement.

males	48%
females	52%

big cities	13%
medium cities	22%
small cities	65%

north west	28%
north east	20%
centre	17%
south and islands	34%

The survey was extended to 173 municipalities.

The sample was drawn from the lists of the electoral sections: the interviewers, equipped with identification card, presentation document, letter of presentation of the initiative signed by the IVASS President and information brochure, went to the electoral offices of the sampled municipalities.

In order to make the random draw of the names of the potential respondents, they had the men's sectional register and the women's sectional register of the electoral section assigned to them by the sample plan.

The extraction of the names of potential interviewees was carried out randomly on the basis of the 'extraction steps' instructions provided during the briefing sections and detailed in the *Interviewers' Manual.*

The progress of the survey was checked daily and summarised weekly in field report documents shared with the whole team.

Interview procedure

The study envisaged that all potential respondents would receive advance notice of the survey, prior to contact by the interviewer. Each potential respondent received the IVASS letter of presentation and information brochure in their mailbox.

The delivery was partly done by the interviewer and partly by dispatch. In the first case, the first contact for carrying out the interview could be made after one week from the date of delivery, in the second case after 15 days from the date of dispatch.

The brochure included e-mail contacts and a toll-free number dedicated to this initiative to which the potential respondent could address questions.

Although the information material was anticipated in the mail, the interviewers, equipped with an identification card, showed a copy of it at the first contact in order to promote recall and facilitate a successful outcome.

The first contact was always made in person. Subsequent contacts to handle any appointments were made by telephone.

The visits for the first contact were carried out on different days of the week and at different times, at least one of the contact attempts took place after 6 p.m. on a weekday or during weekends.

The interviews were all conducted face-to-face in suitable, private areas, taking all necessary precautions in the pandemic context (mask and distance), e.g., by favouring conducting the interview in private and confidential places, but outdoors (e.g., in the garden, courtyard or lobby of the house).

Before the interview was carried out, the privacy policy was read and consent to take part in the study was obtained.

Annex A

Letter of presentation of the initiative signed by the IVASS President

IVASS
ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI

Il Presidente

Gentile Signora/ Signore,

La invito a partecipare ad un'indagine volta a misurare il livello di conoscenza assicurativa degli italiani. L'indagine è promossa dall'IVASS (Istituto per la Vigilanza sulle Assicurazioni), Autorità pubblica indipendente che opera per garantire l'adeguata protezione degli assicurati perseguendo la sana e prudente gestione delle imprese di assicurazione e la loro trasparenza e correttezza nei confronti della clientela. L'iniziativa è finanziata dal Ministero dello Sviluppo Economico ed è condotta in collaborazione con l'Università degli Studi di Milano-Bicocca e con l'Istituto di ricerche di mercato BVA-Doxa.

I dati serviranno all'Istituto a rilevare il grado di comprensione dei concetti assicurativi di base da parte dei cittadini e il livello di consapevolezza dei rischi cui sono esposti. L'obiettivo ultimo è quello di individuare le iniziative di educazione assicurativa più adeguate per la tutela degli interessi dei consumatori.

Il Suo nominativo è stato estratto dalle liste elettorali con un procedimento casuale finalizzato a creare un campione rappresentativo dell'intera popolazione italiana.

La Sua partecipazione, insieme a quella degli altri componenti del campione, è essenziale per disporre di un quadro affidabile dell'atteggiamento verso il rischio e della propensione degli italiani a utilizzare gli strumenti assicurativi per governarlo.

Confido che Lei voglia partecipare a questa iniziativa e accogliere presso la Sua abitazione l'intervistatore della società di rilevazione BVA-Doxa, incaricata delle interviste, accuratamente selezionato dalla società stessa. L'intervistatore si identificherà mostrando un cartellino simile a quello riprodotto a lato e le proporrà di rispondere a una serie di domande. Se ritiene, potrà verificarne l'identità chiamando BVA-Doxa al numero verde 800.828109 o scrivendo all'indirizzo ivass@bva-doxa.com, utilizzabili anche per fissare un appuntamento per l'intervista nel caso in cui Lei non sia in casa al momento del contatto.

I dati raccolti saranno anonimizzati e trattati nel rispetto della legge che tutela la riservatezza dei dati personali (Regolamento UE GDPR 2016/679). Maggiori informazioni sono disponibili sul sito internet dell'IVASS all'indirizzo: www.ivass.it

La ringrazio fin d'ora per la preziosa collaborazione e per il tempo che vorrà dedicarci.

Con i miei più cordiali saluti,

Daniele Franco

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Annex B

Information brochure

Annex C

When designing the test to assess insurance literacy, the focus group represented the first step, since this instrument generally involves the preliminary discussion of a pre-established topic, with the aim of determining the basic ideas and orientations of a wider set of people. In the context of our research, the focus group aimed to gather information regarding the understanding of the concept of insurance, the information possessed about insurance products, the knowledge of the risks against which individuals want to insure themselves and the ability to apply this knowledge to evaluate different insurance options in order to make insurance decisions in line with the perceived risks. The discussion also involved exploring the understanding of basic insurance concepts such as 'premium', 'deductible' and the concept of insurance itself, and then investigating all those constituent aspects of insurance that were to appear in the test items. To this end, open-ended questions were developed based on the theoretical model of reference, consisting of 4 macro areas:

1. Insurance culture identified with the insurance profile and insurance competence, from asset protection to risk and resource planning.
2. The level of Risk Literacy, understood as the ability of probabilistically reasoning in association with risk assessment and risk appetite.
3. The emotions and motivations involved in choosing insurance products and structuring one's insurance identity.
4. Values components such as users' consideration of the public or private pension system and the social influence of the reference group in determining individuals' insurance choices.

In light of the previous premises, it was decided to organise three focus groups in November 2019, two of them mediated by Prof. Macchi and one by Prof. Pietroni, consisting of an average of 6 people per group, equally distributed by gender, age and education and lasting no longer than 120 minutes.

The focus group, as usual, had four sequential phases. In the first, so-called warming-up phase, the conductors, through a friendly and non-judgmental approach, facilitated the presentations, in order to subsequently structure the communication on the specific content, object of the Focus, stimulating the participants with a turn of the table. In the second phase,

the moderators devoted themselves to recognising the group atmosphere and willingness to participate, asking questions on topics of common interest in order to give everyone the opportunity to speak. This was followed by the consolidation phase in which the moderators used the pre-defined set of questions related to insurance literacy to brainstorm. This phase was relevant to collect information on some hot topics that were then used in the construction of the questionnaire items. For a further in-depth study, a group work and an individual work were proposed, respectively dedicated to the perception of possible communicative ambiguities of insurance contracts and to the detection of competences linked to probabilistic reasoning and risk propensity.

In conclusion, the phase of gradual departure was set up, partly taking up the key points touched upon by the group during the interview.