

Information versus Persuasion: Experimental Evidence on Salesmanship, Mandatory Disclosure and the Purchase of Income and Loan Payment Protection Insurance*

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Abstract

How malleable are preferences? This paper provides experimental evidence on the extent to which insurance sellers can influence buyers and whether mandatory information disclosure offsets these effects. The experiment involves 214 subjects seeking or recently obtaining unsecured loans and 25 sellers with experience of commission selling and in receipt of substantial performance pay. Potential insurance buyers had up to £5,750 value at risk. Extravert sellers are particularly effective. The most persuasive sellers raise willingness to pay by a substantial amount relative to the least successful. These differences arise even though sellers are only given a couple of minutes to make a “pitch”. Trusting buyers seem the most susceptible to seller influence. Revealing information concerning value for money (the claims ratio) or the seller’s commission is regarded as important by most consumers but is found to have negligible effects on behaviour. Knowing the claims ratio tends to make subjects *less* confident in their decisions. Overall, there is little evidence that disclosure benefits consumers.

1. Introduction

Does more information result in different and better decisions? Can salesmanship counter formal disclosure requirements? This paper reports on an experiment designed to shed light on these questions in the context of the purchase of income and loan payment protection insurance.

According to conventional economic analysis, the question does not require investigation. Individuals take optimal Bayesian decisions. The provision of extra relevant information improves decisions, so the government should ensure that it is delivered in easily digestible

* We would like to thank the FSA for commissioning this experiment and ORC, in particular Martin Grimwood and Chris Marsh, for their professional handling of the logistics.

form as long as this can be cheaply accomplished.^{1,2} In contrast, much research in psychology and more recently in behavioural economics challenges this perspective. Attention is a scarce resource and processing power is limited. More information may deflect attention from what is really important. A pervasive finding (e.g., Kruschke and Johansen, 1999) is that cue competition occurs: more salient cues weaken the effects of less salient ones, and the presence of irrelevant cues causes subjects to make less use of relevant cues and base rates (unconditional frequencies). Introducing additional accurate information may therefore lead to worse outcomes. For example, Kahneman and Tversky (1973) identify a “base rate neglect” bias. If told the proportion of nurses in the population, most people give the correct probability that a randomly chosen individual is a nurse. If people know that most nurses are women, then told someone is a woman, their estimate of the chance she is a nurse tends to reflect this latter proportion rather than the proportion of nurses in the population. Providing information that an individual is a woman in principle improves predictions of whether he or she is a nurse, but in practice tends to lead to more error.³

Even experts may react badly to more information. In a meta-analysis of 136 studies, Grove and Meehl (1996) and Grove et al (2000) report that in activities such as predicting individual health outcomes, college grades or criminal recidivism, experts do worse than simple

¹ For example, OFT (2006, p. 96-97) remark in the PPI context “Where customers are well informed, they are in a position to make efficient choices...in the absence of such information, markets will fail to work efficiently.”

² Li and Madarasz (2007), however show that even with Bayesian decision makers, costless mandatory disclosure may be welfare decreasing.

³ A striking example is the “Linda” problem. People are told that Linda is 31 years old, single, outspoken, and very bright. She majored in philosophy. As a student, she was deeply concerned with issues of discrimination and social justice, and also participated in anti-nuclear demonstrations. People are asked to rate the likelihood that the following statements about Linda are true:

- a) Linda is active in the feminist movement
- b) Linda is a bank teller
- c) Linda is a bank teller and is active in the feminist movement

Many people rate (c) more likely than (a) or (b) though this is a logical impossibility. Their predictions would be better if they knew less about Linda.

statistical methods. Moreover, the performance of experts deteriorates when, in addition to being given written information, the professionals were able to interview the subjects.

In the cases discussed so far, it seems that the extra information provided triggers some psychological bias that leads to worse decisions. Perhaps more pervasive is that people do not react to new information because they are excessively wedded to existing beliefs or powerful inertia. In the first category, Weinstein and Klein (2002) show how difficult it is to shake false beliefs concerning personal risk. In the second category, Choi et al (2006) study whether attending a series of pension planning seminars in the US had any effect on decisions. Almost everyone intended to start a 401(k) pension plan, but whether or not they went to the seminars, few did.

As information provision and acquisition generally involves significant costs, even if it does not lead to worse choices, it is important to know whether there is any effect on decisions.

The sale of payment protection insurance (PPI) and mortgage protection insurance (MPI) in the UK has aroused much controversy. These policies are typically sold as secondary products by lenders, making it hard for buyers to shop around. Clients may not realise that the loan and insurance purchases can be separated and that there are competitive insurance products readily available. The policies typically have many exclusions that buyers may be unaware of. Selling pressure may result in buyers purchasing inappropriate policies at excessive premiums.⁴ It is certainly true that PPI policies offer lower payout ratios (the fraction of premium income paid out to policy holders) than other kinds of insurance, some 15% here compared to 84% for home contents insurance (OFT 2006). So there are two

⁴ OFT (2006, p139) reports anecdotal evidence of “pressurised selling due to lenders’ bonus schemes”. In October 2006 the OFT Chief Executive John Fingleton said: “Following the work we have undertaken it is clear that many consumers are failed by PPI - insurance which gives them a poor deal and often less protection than they think.”

issues: a) given the premiums, are buyers making the wrong choices and would the provision of better information curb these poor decisions; and b) should premiums be lowered by introducing more competition at the point of sale? Our experiment provides evidence on the former question.

On the buying side, the subjects were a cross-section of consumers seeking or recently obtaining unsecured loans. They were presented with the prospect of substantial sums of money and/or valuable items, but told there was a well defined probability that these outcomes would not materialise. Subjects could take out insurance against the chance of loss. So choices were not hypothetical and indeed could have major consequences for the subjects. The experiment was conducted by 25 individuals with retail sales experience. These sellers followed a neutral script but had the opportunity to make a one or two minute “pitch”. They received performance pay according to how much insurance their buyers purchased.

After the experiment, subjects were interviewed concerning a number of issues including whether it was important to have information on the sellers’ incentives and the payout ratio of the policy. Most people rated both as important information to take sensible decisions. We elicited willingness to pay for insurance and investigated whether this was affected by the disclosure of these two pieces of information (payout ratio and seller incentive scheme). A main finding is that despite buyers wanting to have this information, disclosure actually made no material difference to choices. Compulsory disclosure is not an effective remedy, even if sellers could be relied on to comply.⁵

Sellers did though have a big influence on choices. The most successful sellers raised willingness to pay for insurance (WTP) by a substantial amount relative to the least

⁵ A mystery shopping exercise for the FSA (2006) found that only 42% of buyers were provided by their advisers with the mandatory disclosure documents.

successful sellers. This suggests that many more people are persuaded to buy insurance than would do so if less pressured.⁶

Ideally, the effects of disclosure would be studied in the field with actual PPI and MPI policies being sold according to different rules, but the regulatory framework does not allow for this to be done. One alternative is to organise hypothetical sales of real policies. This has the drawback that, knowing that there are no consequences to decisions, buyers may not behave as they would do in reality and sellers may not bother to apply full effort. In parallel with our experiment, a “mock sales” investigation of this sort was undertaken. It also found that information disclosure had no effect on choices. In our experiment, there are substantial financial incentives for agents on both sides of the market to take their choices seriously. Although our policies had to be simpler than those used in practice, there was a significant correlation between whether subjects had bought MPI and PPI policies and their purchase of insurance in the experiment, indicating the experiment does capture key elements of reality.⁷

The plan of the paper is that the next section describes the experimental design, then results are analysed with an emphasis on the effects of disclosure. We also analyse seller effects, buyer trust and seller extraversion. Finally, conclusions are drawn.

2. Experimental Design

Subjects comprised potential buyers of insurance and sellers. All subjects were recruited by ORC, a market research company, which also administered the experiment. The 214 buyers were members of the general public who had either recently obtained an unsecured loan or

⁶ Subjects did not generally report feeling pressured (see Table 2c). This is likely the sign of good salesmanship.

⁷ Our findings would be inconsistent with a perfect correlation. If seller effects are important, purchase in the two situations depends on the effectiveness of the specific sellers encountered. Selling effects are likely to be even more important in the MPI and PPI settings than in the experiment.

were seeking one. All 25 sellers had experience of commission selling, though not of financial products. The experiment was conducted across two successive Saturdays in September 2007 in 5 venues around the UK. Each seller dealt with 7 to 9 buyers.

Buyers were paid an attendance fee of £25 and told that they also stood to win a valuable prize. Once recruited, buyers were sent through the post an illustrated leaflet describing 10 prizes and were told that each was valued at about £2,500. These items included a motorbike, Rolex watches, holidays, a plasma TV, and so forth. Buyers were told that they could win one of these items and asked to think about which one they would prefer. When they arrived at the venue they were asked which prize they had chosen.

Sellers were paid an attendance fee of £180 and were also in receipt of performance pay, the nature of which will be described later.

Buyers met a seller face to face. For the key instructions sellers followed a script. As an example the script for the most complex treatment is reproduced in Appendix A. The corresponding decision sheets supplied to buyers are in Appendix B. Sellers were allowed to make small talk to put the buyers at their ease. At two points that will be identified the sellers were given a minute or two to make a sales pitch.

Buyers were told that they would be asked to make 21 choices. Each choice carries a number and at the end of the session they would draw one of these numbers at random from a bag. The buyer's choice on this numbered question determines their payoff if in addition they are randomly selected as the winner from the two hundred or so participants.

The first set of 11 questions was of the form;

Please tick ONE of the boxes for EACH question indicating your choice.

I prefer:

My chosen item

OR

£x

The value of x goes from £625 to £3,125 in £250 increments. These questions establish the subject's monetary equivalent, v , of the chosen item. v is set equal to the mean of the highest monetary amount rejected and the lowest monetary amount accepted. For subjects that rejected the money in all choices, v was set equal to £500 and if the object was preferred in all choices $v = £3,300$.

The next two sets of five questions concern insurance choices. One involves income protection insurance and the other loan payment protection insurance. Half the subjects received the income protection insurance questions first, and half the loan payment protection insurance questions first.

For the income protection case, the subject had a risky income prospect. After answering the five questions the subjects rolled a die. If they threw anything but a six, the payoff is $v + £2,500$. Throwing a six means that nothing is paid. Subjects could opt for insurance at premium p to protect the v component of income. With insurance, the subject receives v if a six is thrown and $v + £2,500 - p$ for all other numbers. The format of these questions is:

Please tick ONE of the boxes for EACH question indicating your choice.

[] no insurance (i.e. if you throw a '6' you get nothing and if you throw any other number you get $v + £2,500$)

[] insurance at premium p (i.e. if you throw a '6' you get v and if you throw any other number you get $v + £2,500 - p$)

Of course for each subject the numerical values of v and p were filled in. All that differs across these questions is the insurance premium, p . The value of p was chosen to represent payout ratios of 30%, 40%, 50%, 70%, 90%.⁸

⁸ The 30% payout ratio is towards the upper end of what actual PPI policies deliver (OFT, 2006, p. 142 and OFT 2007)

Had the buyers been aware that the income protection insurance questions were coming up, there would have been a strategic incentive to overstate valuations in the first set of questions since doing so provides better opportunities in the income protection insurance questions. In fact buyers were not recruited from a common organisation and were unaware of the questions that would be asked. So in practice all questions were incentive compatible.

Prior to the buyers making their insurance choices, sellers were allowed a couple of minutes to explain the virtues of insurance. The sellers were told:

“You are allowed to ‘advise’ the subject in your own words after you have read out the text, e.g. you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a ‘6’.”

For the loan payment protection insurance questions subjects were told that they had taken out a loan to buy their chosen object. If all went well they would have enough income to repay the loan and still have £2,500 left over. However, after answering the five questions in this section, they would throw a die. If a six was thrown, it meant they had no income, the loan would not be repaid and the item would be repossessed. So in this event the subject would end up with nothing. However, insurance could be taken out to protect the loan repayment. So if insurance is chosen and a six is thrown the subject still gets to keep the item but has no income. The lender increases the loan to pay the insurance premium, so if a six is not thrown the subject gets the object and the amount left over after repayment of the augmented loan, i.e. £2,500-*p*. For loan payment insurance, the format of the question is:

Please tick ONE of the boxes for EACH question indicating your choice.

[] no insurance (i.e. if you throw a ‘6’ you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)

[] insurance which increases the loan repayment by p (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the $\pounds 2,500-p$ left after repaying the loan)

Subjects again received the appropriate decision sheets with v and p replaced by numerical values. All that differs across the five questions is the magnitude of the premium. Sellers were again allowed to make a short "pitch" prior to the buyers making their choices.

Setting money at risk in the income protection policy equal to v means that in value terms the subjects faced the same choices for both sets of questions. Hence, according to expected utility theory, subjects should make the same choices.⁹

Sellers were given two forms of performance pay in addition to their attendance fee. Each insurance option ticked by a subject (a maximum of ten insurance choices) earned the seller an extra pound. There was also a tournament element. The seller recording the highest average number of ticked insurance options won $\pounds 2,000$.

Two kinds of information disclosure were provided. Half the buyers were told the *payout (claims) ratio* for income protection insurance.¹⁰ Sellers read the following statement:

"We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses. For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders. "

The questions then specified the actual payout ratio.

⁹ At least if the utility function is separable in income and whether the object is acquired. Hsee and Kunreuther (2000) provide evidence that controlling for market value, people are in fact prepared to pay more to insure items they own and like. This endowment effect should also be reflected in v so would not figure in our experiment.

¹⁰ For loan payment protection insurance the market price of the item was not made explicit so as to make the choices easier to comprehend. Thus payout ratios could not be disclosed.

In addition, half the buyers were informed that sellers were on performance pay. For these buyers, sellers read the following statement:

“I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.”

The experiment thus has a 2x2x2 structure with the eight treatments summarised in Table 1.

Table 1 Treatment summary

Seller incentives not revealed

	<i>Income Protection first</i>	<i>Loan Protection first</i>
<i>Claims ratio not revealed</i>	A	B
<i>Claims ratio revealed</i>	C	D

Seller incentives revealed

	<i>Income Protection first</i>	<i>Loan Protection first</i>
<i>Claims ratio not revealed</i>	E	F
<i>Claims ratio revealed</i>	G	H

Once the experiment was completed the subjects were passed to an ORC employee who asked a series of debriefing questions. The post-experiment questions for buyers are reproduced in Appendix C, the questions for sellers are provided in Appendix D. Basic demographic and economic variables had been collected on recruitment.

3. Results

Table 2a provides summary statistics on the general demographic, personality and lifestyle characteristics of the buyers. Table 2b shows some financial characteristics of buyers and Table 2c summarises buyers' views related to the experiment. Table 3 deals with characteristics of sellers.

Table 2a General characteristics of buyers

	number / average	standard deviation
Gender		
Male	103	
Female	111	
Age	40.43	11.66
Marital status		
single	54	
married	108	
living as married	36	
divorced	15	
widowed	1	
Social class		
A	0	
B	24	
C1	87	
C2	59	
D	44	
E	0	
Academic qualification		
O level or equivalent	128	
A levels	59	
University degree	35	
Post graduate degree	25	
Personality (0..10)		
extraversion	6.69	1.96
agreeableness	7.04	2.01
conscientiousness	8.19	1.68
neuroticism	3.96	2.47
openness	6.36	2.21
Employment status		
full time (>16 hrs)	150	
part-time	48	
self employed	5	
retired	8	
Having risky hobbies (risk of injury)	38	

Smoker	63	
Levels of agreement (0..10):		
“I am willing to take risk whilst driving a car”	1.57	2.42
“I am willing to take risk in financial matters”	2.67	2.71
“I tend to have a healthy diet”	6.55	2.58
“I am willing to take risk in sports and leisure”	4.12	3.21
“I am willing to take risk in my career”	4.93	3.23
“I have a tendency to worry”	5.92	3.21
“I am willing to take risk with my health”	2.65	2.96
“I would consider myself to be a risk taker”	3.26	2.65

Table 2b Financial characteristics of buyers

	number / average	standard deviation
Financial sophistication		
high	26	
middle	113	
low	75	
Income	20,326	14,369
Wealth (93 observations)	114,435.50	83,366
Mortgage holders	124	
Mortgage holders with MPI	61	
Loan holders (unsecured)	79	
Loan holders with payment protection	31	
Currently considering taking out a loan	214	
Levels of agreement (1..10):		
“Insurance is generally over priced”	6.32	2.34
“Insurance offers value for money”	4.94	2.31
“I tend to buy insurance for peace of mind”	7.86	2.30
“I only buy insurance if I have to, i.e., a legal requirement, required by mortgage company”	4.03	3.35
“I tend to shop around for car or home contents insurance.”	8.08	2.81

Table 2c Views on the experiment stated by buyers

	Average score	standard deviation
Perceived pressure exerted by seller (0..10)	1.58	2.03
Concern about repossession of object (0..10)	3.83	2.94
Concern about losing income (1..10)	4.47	2.81

Confidence in decision (1..10)	7.82	2.25
Usefulness of knowing sellers commission (0..10)	5.24	3.74
Usefulness of knowing payout percentage (0..10)	5.76	3.25

Table 3 Characteristics of sellers

	number / average	standard deviation
Gender		
Male	12	
Female	13	
Age	36.68	11.95
Social class		
A	0	
B	3	
C1	22	
C2	0	
D	0	
E	0	
Personality (0..10)		
extraversion	7.88	2.03
agreeableness	7.12	2.03
conscientiousness	8.56	1.58
neuroticism	2.52	1.61
openness	6.84	2.03
Employment status		
full time (>16 hrs)	20	
part-time	4	
self employed	1	
retired	0	
Financial sophistication		
high	3	
middle	22	
low	0	
Fulfilled a sales role in the last 5 years	25	

To measure personality traits, we used a 10-item short version (BFI-10) of the established Big Five Inventory (John and Srivastava 1999; Rammstedt and John 2007). The score for each trait is obtained from two items. A brief characterisation of the considered traits and the corresponding items are provided in Table 4.

Table 4 BFI-10

Traits	Items (R = item is reversed-scored)	Brief characterisation of trait
	“I see myself as someone who...”	
Extraversion	“... is reserved” (R) “... is outgoing, sociable”	encompasses such more specific traits as talkative, energetic, and assertive
Agreeableness	“... is generally trusting” “... tends to find fault with others” (R)	includes traits like sympathetic, kind, and affectionate
Conscientiousness	“... tends to be lazy” (R) “... does a thorough job”	people high in Conscientiousness tend to be organised, thorough, planful
Neuroticism	“... is relaxed, handles stress well” (R) “... gets nervous easily”	characterised by traits like tense, moody, and anxious
Openness	“... has few artistic interests” (R) “... has an active imagination”	includes having wide interests, and being imaginative and insightful

Fewer than 5% of question sets were filled in inconsistently in the sense of opting for insurance when the premium is high but not doing so when the premium is lower. If buyers made inconsistent choices sellers were asked to make a remark along the lines of “I notice that when the premium is higher you are more inclined to choose insurance. Is this what you intend?” If the choice was revised in the light of this prompt, this was recorded. In fact only 22 revised choices were made including one buyer who revised both choices.

The distribution of the maximum payout ratios subjects are willing to buy insurance at is shown in Figure 1. Switch points are the critical payout ratios:

- 1. Don’t insure even when claim ratio 90%.
- 2. Insure if claim ratio better than 70%.
- 3. Insure if claim ratio better than 50%.
- 4. Insure if claim ratio better than 40%.

- 5. Insure if claim ratio better than 30%.
- 6. Insure if claim ratio 30%.

The modal choice is that insurance is taken whatever the payout ratios but about 50% of subjects drop out at a payout ratio above 30%. As Figure 1 indicates, and a Wilcoxon signed rank test confirms, there is no difference between the distribution of insurance demand to protect the chosen item or to protect an amount of money considered equivalent by the subjects. This indicates a basic consistency in choices.

Figure 1

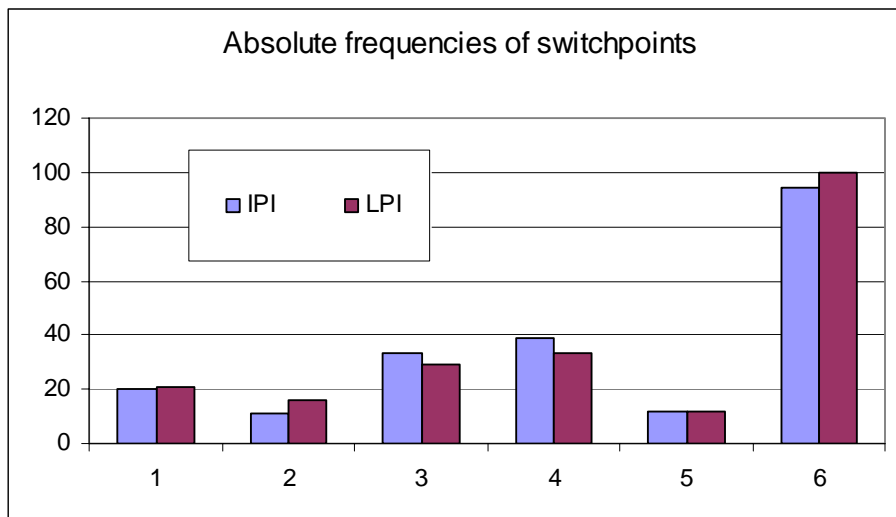


Figure 2 shows the distribution of insurance choices by treatment. As will be analysed further in the succeeding sections, no particular pattern is evident.

3.1 Disclosure Effects

In OFT (2006, p. 139) it was speculated that pressurised selling may result from lenders' bonus schemes although it proved impossible to verify the existence of such schemes. Evidence is available on the Daily Mail Thisismoney site. Staff at NatWest and Royal Bank

of Scotland earn three times the number of bonus points for selling a loan with PPI than for selling the loan on its own.^{11,12} Were customers aware of this, they might treat the sales pitch more sceptically and be less inclined to buy PPI or MPI. The reason for such bonuses is no surprise when it is realised that of the £5.4bn received in PPI premiums, some £4bn may be profits.¹³ Revealing this in the form of a low payout ratio may be expected to depress demand for PPI, both because it indicates the policies are in some sense poor value for money and due to resentment at the exploitation. The experiment looks into these issues.

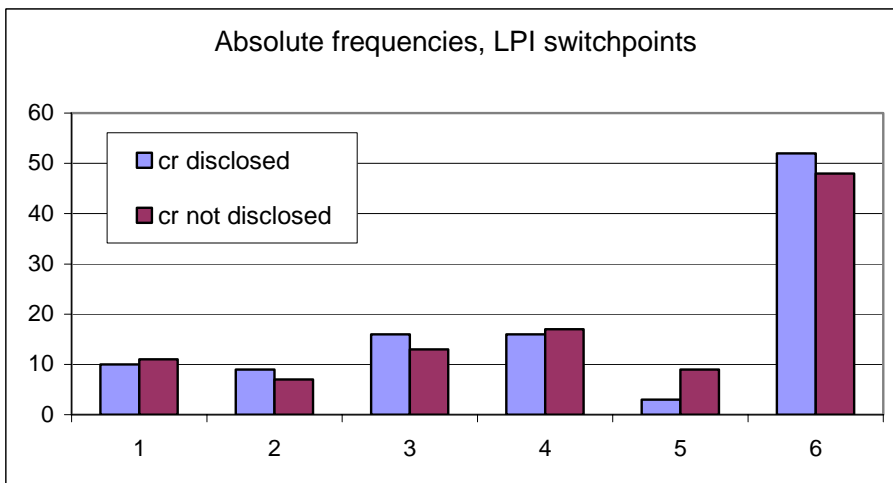
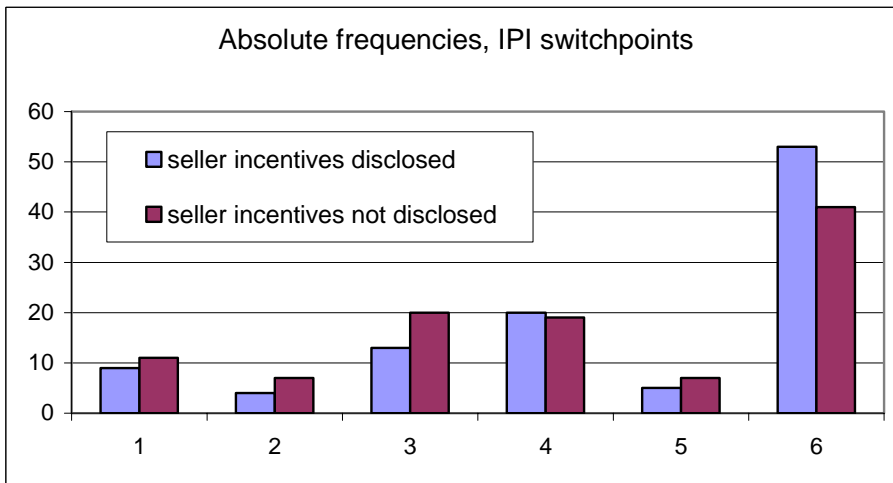
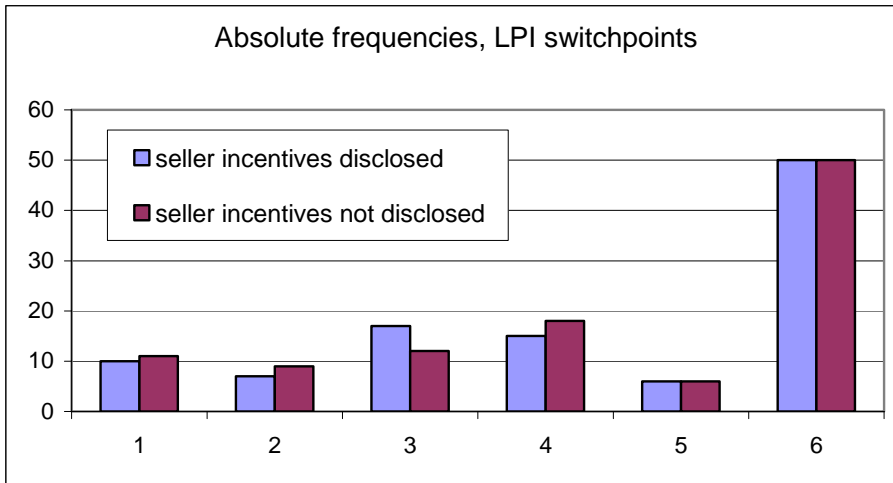
With more than 100 subjects randomly selected to have payout ratios (seller incentives) disclosed, and an equal number with payout ratios (seller incentives) not disclosed, buyer and seller characteristics that may affect insurance choice should be equally distributed across the disclosure and non disclosure groups. A prime factor influencing insurance demand is value at risk. A standard Mann-Whitney test confirms that the distribution of v is not significantly different between the various disclosure treatments. The basic test of disclosure effects is therefore to compare the distributions of willingness to pay between the treatments. As Figures 2 indicates and the formal tests confirm, neither kind of disclosure has significant effects on insurance demand.

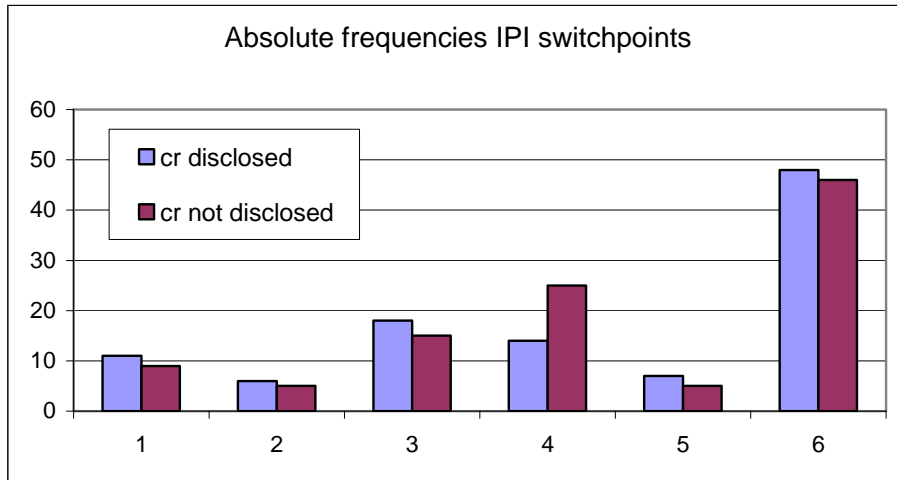
¹¹ http://www.thisismoney.co.uk/campaigns/article.html?in_article_id=412313&in_page_id=163

¹² Looking at what is received by firms rather than individual sellers, median average commission rates for single premium policies vary from 50% for first charge mortgages to 66% for those selling unsecured loans and motor finance PPI. Median average commission rates for regular premium PPI policies varied from 35% for first charge mortgages to 70% for retail credit (FSA 2007).

¹³ http://www.thisismoney.co.uk/campaigns/article.html?in_article_id=412482&in_page_id=163

Figure 2





The regressions and probits in the next section control for various buyer characteristics as well as seller effects and include dummy variables for the two forms of disclosure. Again, no significant effect of disclosure is found. However, it could be claimed that whatever the methodology, the failure to detect significant effects is due to the sample size being too small. Our criterion for accepting that there is a significant effect is the standard one of requiring that the probability of the obtained coefficient being this large (in absolute value) when there is really no effect is less than 5%. This does not preclude there being a substantial chance of generating the observed data if the true effect is large. To check this out, we calculated the probability that disclosure of one or both types reduces the take up rate of insurance at a 30% payout ratio by at least 10%. The likelihood is only 18% for LPI and 10% for IPI. It is very much odds against that disclosure makes insurance less attractive.

Finding 1: *Neither disclosure of the payout ratio nor of seller incentives affects demand for insurance.*

Although there is little evidence that disclosure changes behaviour, it does appear to have an unsettling effect on buyers. In the post experiment debriefing, subjects were asked to indicate on a ten point scale how confident they were in their decisions. Confidence levels were accounted for in OLS regression (1). As to be expected, the more highly a subject rated themselves as trusting others, the more confident they were in their decision. However, subjects who were told the claims ratio were significantly less confident in their decisions. Presumably they were either confused by the information, or else experienced cognitive dissonance if they were inclined to buy insurance but the claims ratio revealed that it was really rather poor value for money.

$$\begin{array}{l}
 \text{Confidence} = -0.28 \text{ cr revealed} + 0.18 \text{ buyer trust} + 0.000008 \text{ income} \quad (1) \\
 \text{(t-values)} \quad (-1.82) \qquad \qquad (2.69) \qquad \qquad (1.41)
 \end{array}$$

Similarly, the confidence of subjects to whom both disclosures were made was significantly lower at the 10% level than subjects to whom neither disclosure was made. This finding is consistent with the different way subjects rate the value of disclosure conditional on whether they actually have had access to the information. Despite it having no noticeable effect on choice, in general subjects rated it important to know the claim ratio, on average rating it 5.2 in importance on a (0-10) scale.

Finding 2: *Disclosure tends to make subjects less confident that they have made the right decisions.*

It is somewhat surprising that disclosure appears to be ineffectual. One possibility is that sellers can neutralise the effects of greater transparency. More generally insurance choice may not so much reflect intrinsic risk preferences as susceptibility to salesmanship. As the adage has it, insurance is sold not bought. It is to this question that we now turn.

3.2 Seller effects

In order to establish whether sellers have a significant effect on subjects' willingness to pay for insurance or take out insurance at low payout ratios, we performed a series of tests.

Table 5 below gives definitions of the variables used in our estimations.

Table 5 Definition of variables

WTP object	subject's WTP for loan payment protection insurance
WTP money	subject's WTP for income protection insurance
all object insurance	dummy variable = 1 if subject is willing to buy loan payment protection insurance at 30% payout ratio
all money insurance	dummy variable = 1 if subject is willing to buy income protection insurance at 30% payout ratio
all insurance	dummy variable = 1 if subject is willing to buy loan payment protection AND income protection insurance at 30% payout ratio
crrevealed	dummy variable = 1 if the claims ratio is revealed
sellerincrevealed	dummy variable = 1 if the seller incentives are revealed
v	subject's valuation of the item at risk
income	subject's income
female	gender dummy variable = 1 if subject is female
risk aversion	dummy variable = 1 if subject chooses £2,500 for sure in 'Would you rather be given £2,500 for sure or toss a fair coin and be given £8,000 for heads but nothing for tails?'
agreeableness	'I see myself as someone who is generally trusting' (score 0-5) + 5 - 'I see myself as someone who tends to find fault with others' (score 0-5)
concern repossession	how concerned were you that if you made the wrong decision the item you had chosen could be repossessed? (scale 0-10)
concern loss of income	how concerned were you that you could lose some of the income that you were given? (scale 0-10)
learning	dummy variable = 1 for first 4 subjects of seller
tired	dummy variable = 1 for subjects 8 and 9 of seller
selleri	dummy variable = 1 if subject allocated to seller i
seller perf object	the % of other subjects for the same seller who bought loan payment protection insurance at 30% payout ratio
seller perf money	the % of other subjects for the same seller who bought income protection insurance at 30% payout ratio
seller perf all	the % of other subjects for the same seller who bought both loan payment protection and income protection insurance at 30% payout ratio

We did a number of OLS regressions of willingness to pay (WTP) on several buyer characteristics using dummy variables for each seller (fixed effects). Since many (about 60%) subjects are in the end categories of ‘no insurance at all’ and ‘insurance even at 30% payout ratio’ we experimented with various estimates for WTP for these categories and the results are robust with respect to the choice of estimate.

Table 6 below gives the OLS results for WTP for loan payment protection (WTP object) and income protection (WTP money) insurance. We find no effects of disclosure on WTP; the treatment dummy variables, “crrevealed” and “sellerincrevealed” are not significant. Clearly, the value at risk, v , is an important determinant of WTP for insurance. For a £1,000 increase in v , subjects are on average willing to pay about £500 more for insurance. ‘Agreeableness’ of buyers has a consistently significant effect on WTP. We will return to this observation later on. Concern about the prize being repossessed, perhaps not surprisingly, also has a significant effect on WTP for loan payment protection.

Table 6 OLS results for WTP

	WTP object	WTP money
crrevealed	-9.898 (-0.16)	9.569 (0.15)
sellerincrevealed	-28.77 (-0.43)	18.02 (0.27)
v	496.5*** (11.44)	533.2*** (12.08)
income	-3.767 (-1.48)	-3.644 (-1.41)
female	35.06 (0.48)	4.110 (0.06)
risk aversion	177.7* (1.93)	135.49 (1.45)
agreeableness	43.99*** (2.67)	59.12*** (3.53)
concern repossession	33.5*** (2.89)	
concern loss of income		-0.7183 (-0.06)
learning	-63.42 (-0.83)	-192.4** (-2.49)
tired	-45.75 (-0.54)	-204.8** (-2.42)
seller1	-654.9*** (-2.70)	-459.0* (-1.89)
seller2	-688.6*** (-2.83)	-641.4** (-2.56)
seller3	-641.1** (-2.45)	-452.0* (-1.71)
seller4	-761.3***	-571.1**

	(-3.07)	(-2.2)
seller5	-742.4*** (-3.04)	-870.7*** (-3.53)
seller6	-998.9*** (-3.95)	-891.4*** (-3.48)
seller7	-733.5*** (-3.02)	-277.7 (-1.11)
seller8	-787.2*** (-3.22)	-747.7*** (-3.02)
seller9	-981.0*** (-4.10)	-967.5*** (-4.02)
seller10	-745.8*** (-3.01)	-627.6** (-2.52)
seller11	-414.3 (-1.60)	-370.7 (-1.42)
seller12	-264.6 (-1.10)	-175.4 (-0.72)
seller13	dropped	dropped
seller14	-554.5** (-2.32)	-452.9* (-1.89)
seller15	-565.0** (-2.31)	-432.8* (-1.75)
seller16	-564.6** (-2.32)	-389.6 (-1.60)
seller17	-683.6*** (-2.81)	-590.1** (-2.40)
seller18	-425.6* (-1.69)	-578.3** (-2.28)
seller19	-1008*** (-4.11)	-923.4*** (-3.71)
seller20	-554.0** (-2.20)	-760.6*** (-3.01)
seller21	-823.3*** (-3.31)	-593.7** (-2.37)
seller22	-519.6** (-2.08)	-561.2** (-2.17)
seller23	-786.5*** (-3.25)	-520.9** (-2.15)
seller24	-205.8 (-0.79)	-476.0* (-1.90)
seller25	-697.9*** (-2.77)	-484.1* (-1.88)
constant	246.8 (0.95)	198.1 (0.74)
Adj R-squared	0.537	0.532
n	190	187

Note: t-values in brackets
 *p<0.1 **p<0.05 ***p<0.01

We performed F-tests to check whether the seller effects are significant. For LPI, the F statistic equals 2.16 with significance level 0.002. For IPI the F-statistic equals 2.11 with significance level 0.003. These results indicate that seller effects are indeed very important in explaining WTP.

The seller effects are not only statistically significant, they are also large. For example, for LPI, WTP of subjects allocated to sellers 6, 9 and 19 was on average close to £1,000 less than

the WTP of subjects allocated to seller 13 (controlling for other determinants of demand). For IPI their WTP was about £900 less than WTP of those allocated to seller 13.

The seller dummy coefficients allow us to estimate what the effect on WTP would have been if all subjects had been allocated to the best/worst sellers. The average seller effects are -£632 for WTP object and -£553 for WTP money. The average effects of the 3 best (sellers 12, 13 and 24) and worst (sellers 6, 9 and 19) sellers for WTP object are £-157 and £-996 respectively. The average effects of the 3 best (sellers 7, 12 and 13) and worst (sellers 6, 9 and 19) sellers for WTP money are £-151 and £-927 respectively. Assuming all sellers processed an equal number of subjects (in practice there is slight variation due to no-shows, elimination of subjects who made inconsistent choices and missing data), we can conclude that if all subjects had been allocated to the best sellers, the average WTP would have been approximately £475 higher for loan payment protection insurance and £402 higher for income payment protection insurance. If all subjects had been allocated to the worst sellers the average WTP would have been approximately £364 less for loan payment protection insurance and £374 less for income payment protection insurance. These effects are very large relative to overall average WTP of 1,108 for loan payment protection insurance and 1,106 for income payment protection insurance.

Additional evidence for seller effects is provided by the significant results for 'tired' and 'learning' in the WTP money regression. The first four and the last one or two subjects allocated to a seller on average pay about £200 less for income protection insurance. Sellers apparently perfect their selling technique during the day long session - at least until exhaustion decreases their performance. How much buyers are willing to pay for insurance is clearly to a large extent determined by how effective the seller is.

Finding 3: Willingness to pay for insurance depends on sellers

Given the high fraction of subjects willing to buy insurance even at 30% payout ratio we ran probit analyses with dependent variable ‘object/money insurance at all payout ratios/not’. This variable takes the value 1 if the subject ticks all the insurance boxes (0 otherwise). Table 7 presents the probit results.

For this exercise, rather than using the seller dummies, we defined a seller performance variable which indicates, for each subject, the seller’s success with other subjects i.e., for each subject, “sellerperf” equals the fraction of the seller’s *other* subjects who bought insurance at all payout ratios. If insurance choices only depend on intrinsic risk preferences, others’ decisions regarding insurance purchase from a particular seller should not affect a subject’s insurance choice. However, it is evident from Table 7 that a seller’s success in selling to others is a good predictor of the chance that a subject buys insurance at 30% payout ratio. This again provides evidence that sellers differ in their ability to persuade buyers to take out insurance policies. Rather than basing their insurance purchase decision on the objective characteristics of policies, buyers appear to be highly susceptible to seller influence. This conclusion is consistent with ‘agreeableness’ playing a significant role in all three probits. Agreeable types tend to agree with sellers that buying insurance even at low payout ratios is a good idea.

Table 7 Probit results for take up of insurance at 30% payout ratio

	All object insurance	All money insurance	All insurance
crrevealed	0.134 (0.67)	-0.001 (-0.01)	-0.024 (-0.11)
sellerincrevealed	-0.170 (-0.81)	0.121 (0.57)	0.021 (0.09)
v	-0.233* (-1.87)	-0.117 (-0.87)	-0.232* (-1.70)
income	-0.010 (-1.23)	-0.014 (-1.52)	-0.007 (-0.77)
female	0.091 (0.40)	-0.032 (-0.13)	0.040 (0.16)
risk aversion	0.585** (2.15)	0.297 (1.06)	0.878*** (2.71)
agreeableness	0.096** (1.90)	0.186*** (3.24)	0.152** (2.56)
concern	0.048		0.097**

repossession	(1.39)		(2.04)
concern loss of income		-0.057 (-1.49)	-0.131*** (-2.60)
learning	-0.418* (-1.77)	-0.674*** (-2.65)	-0.608** (-2.28)
tired	-0.158 (-0.60)	-0.359 (-1.31)	-0.251 (-0.88)
seller perf object	1.75*** (4.16)		
seller perf money		2.525*** (5.26)	
seller perf all			2.550*** (5.18)
constant	-1.40** (-2.27)	-1.764** (-2.53)	-2.045*** (-2.83)
Prob>chi2	0.0001	0.00000	0.00000
n	190	187	186

Note: z-values in brackets
*p<0.1 **p<0.05 ***p<0.01

Again there is evidence that sellers' performance improves after the first four subjects. The chance of getting a subject to tick all the insurance boxes significantly increases for the seller's second batch of subjects.

Providing buyers with additional information on payout ratios or the seller's incentive pay does not dissuade them from buying insurance. The disclosure treatment variables do not appear to affect the probability that a subject will buy insurance at payout ratio 30%.

Finding 4: Willingness to buy insurance at low payout ratio depends on sellers

Given the significance of seller effects, we examined whether successful sellers differed from their less effective colleagues according to the 'Big Five' personality dimensions. We found that sellers' scores on 'Extraversion' correlate with seller performance. Extraversion is constructed from the answers to the following two post-experiment questionnaire items (scale 0-5) by adding 5 to (b) and subtracting (a):

- (a) I see myself as someone who is reserved
- (b) I see myself as someone who is outgoing and sociable

Since extraversion measures an individual's impact in social interaction, it is perhaps not surprising that in a sales setting this seller characteristic plays a role. As is indicated in Table 3 our seller subjects who are recruited on the basis of real sales experience are markedly more extravert than our buyer subjects. However, even within this highly extravert seller sample we detect positive effects of extraversion on sales performance. The correlations between average WTP of a seller's subjects and the seller's extraversion are high: 0.26 for loan payment insurance and 0.34 for income protection insurance. Average WTP for loan payment insurance is £1,016 for low extraversion sellers and £1,192 for high extraversion sellers. This difference is significant ($p=0.07$). Average WTP for income protection insurance is £984 for low extraversion sellers and £1,210 for high extraversion sellers. This difference is significant ($p=0.06$). These findings suggest that, independently of the financial parameters of particular insurance policies, at least in a face-to-face sales setting, buyers are more or less persuaded to buy insurance according to various aspects of the social interaction with the seller. The more extravert sellers have higher ability to steer this interaction towards purchase.

Finding 6: Extravert sellers sell more insurance

'Agreeableness' is one of the 'Big Five' personality dimensions and is constructed from the answers to the following two post-experiment questionnaire items (scale 0-5) by adding 5 to (a) and subtracting (b):

(a) "I see myself as someone who is generally trusting"

(b) "I see myself as someone who tends to find fault with others"

Agreeableness, like extraversion, deals with personality characteristics which are relevant in social interaction. It measures to what extent people are motivated to maintain positive relations with others and to minimise interpersonal conflict. Agreeable types tend to generate

more positive perceptions and attributions than do individuals low in agreeableness (Jensen-Campbell and Graziano, 2001).

Our OLS and probit results above indicate that agreeableness has a significant effect on insurance purchase decisions. Table 8 confirms that experimental insurance buyers are significantly more agreeable than those who buy less or no experimental insurance. Furthermore, the agreeableness effect also applies to real life insurance purchase. Subjects with mortgages who have mortgage payment protection insurance (MPI) and those with unsecured loans who have loan payment insurance (LPI) are also more agreeable (although not significantly so) than those who do not have these types of insurance.

A possible objection to our findings here is that perhaps agreeableness is a proxy for risk aversion. Splitting our sample according to our independent indicator of risk aversion (i.e. the choice in the post-experiment questionnaire between £2,500 for sure and an equal chance of £8,000 or nothing) shows that ‘non-gamblers’ (those who prefer £2,500 for sure) are significantly more agreeable than the ‘gamblers’. However, when we consider average trust levels there is no significant difference between these two groups. (The uncomfortable finding that gamblers are less agreeable is possibly due to their significantly higher score on ‘finding faults with others’; the average score for gamblers is 2.78 and for non gamblers 1.95.) This suggests that at least the trust component of agreeableness is not strongly correlated with risk aversion and that therefore agreeable subjects, because they are more trusting, are more susceptible to seller manipulation.¹⁴ Table 8 shows that subjects who buy experimental insurance and those who buy real insurance (MPI and LPP) have higher levels of trust.

Finding 7: Agreeable buyers buy more insurance

¹⁴ This interpretation is reinforced by a probit of risk aversion on trust and sellerperf in the insurance choices. Neither variable is significant and better seller performance in insurance sales implies if anything a greater inclination to take the gamble.

Table 8 Agreeableness, trust and insurance

	Average trust (st. dev.) [# obs.]	p-value difference	Av. Agreeableness (st. dev.) [# obs.]	p-value difference
All insurance	4.34 (0.86) [79]	0.2367	7.42 (1.76) [79]	0.0435
Not all insurance	4.03 (1.29) [128]		6.79 (2.10) [128]	
No insurance	3.00 (1.84) [14]	0.0096	5.86 (1.88) [14]	0.0167
Not no insurance	4.23 1.05 [193]		7.11 (1.98) [193]	
All object insurance	4.32 (0.98) [100]	0.0782	7.29 (1.94) [100]	0.0673
Not all object insurance	3.99 (1.28) [111]		6.78 (2.05) [111]	
All money insurance	4.35 (0.81) [94]	0.2188	7.43 (1.79) [94]	0.0170
Not all money insurance	3.98 (1.35) [115]		6.72 (2.11) [115]	
Risk averse	4.16 (1.16) [173]	0.5622	7.21 (1.93) [173]	0.0120
Not risk averse	4.07 (1.13) [41]		6.29 (2.18) [41]	
MPI	4.25 (1.14) [61]	0.0767	6.98 (1.99) [61]	0.3049
Not MPI	3.84 (1.35) [63]		6.67 (2.08) [63]	
LPP	4.39 (0.99) [31]	0.1058	7.16 (2.18) [31]	0.2222
Not LPP	4.02 (1.12) [48]		6.79 (1.65) [48]	

3.3 Consistency with field choices

124 of our subjects had mortgages and of these 61 had bought MPI. If the experiment captures factors that influence real insurance choices, willingness to insure in the experiment should help predict whether MPI is bought. Since we find that there is a great deal of heterogeneity in seller effectiveness and we do not have information about the MPI sellers, a close fit is perhaps not to be expected.

To test the relationship, we measured the insurance demand revealed in the experiment by the individual's implied coefficient of relative risk aversion (crra) in the income protection choices. That is, if an individual is indifferent between no insurance and insurance at premium p , then crra is the value of r that solves

$$\frac{v^{1-r}}{6(1-r)} + \frac{5(v+2,500-p)^{1-r}}{6(1-r)} = \frac{5(v+2,500)^{1-r}}{6(1-r)}$$

In measuring risk attitudes the crra takes into account how risk exposure depends on v .¹⁵ The probit of MPI take up is:

$$-0.6 + 1.06 \text{ crra} + 0.017 \text{ buyeragreeable} + 0.003 \text{ riskaverse} \quad (2)$$

$$(z\text{-values}) \quad (-1.27) \quad (2.14) \quad (0.28) \quad (0.1)$$

($n=122$)

As can be seen, the experimental income protection choices reflected in crra are significant in explaining MPI choices.¹⁶

Finding 8 *Insurance choices in the experiment are aligned with the choice of MPI.*

4. Conclusion

The experiment paints a consistent picture of insurance choice. Seller pressure, not just intrinsic risk preference, is a major influence on purchase decisions. Whether an individual is insured depends on which seller they are matched with. Extravert sellers are particularly

¹⁵ In principle income and wealth should also be included in the calculation of crra. However, for each individual these variables are the same for the choice of MPI and experimental insurance. Moreover there is evidence that people often "edit" prospects into stand alone opportunities rather than incorporating them into their overall financial position.

¹⁶ The fact that risk aversion as measured by the gamble is not significant suggests that susceptibility to persuasion is important for both MPI and experimental insurance. However, crra and risk aversion are correlated.

effective and there is some evidence that agreeable or trusting buyers are especially susceptible to seller influence. In this light, perhaps it is not surprising that the main effect of information disclosure is if anything to make subjects less confident in their decisions rather than counteracting seller influence.

The experiment presents buyers and sellers with substantial incentives. Results cannot easily be dismissed on the grounds that participants did not take their roles seriously. With over 200 buyers, statistical theory indicates that numbers are sufficient to have a very high probability of detecting effects if they are present. Indeed, for many variables significant effects are found, however there is little evidence that disclosure matters.

Relative to the typical MPI and LPP purchase environment, buyers in the experiment were less exposed to seller pressure. It therefore seems likely that our results would be at least as strong for actual (face to face) sales.¹⁷ The policies offered in the experiment were considerably simpler than real MPI and LPP products. This seems likely to curtail the ability of sellers to sway choices; in more complicated real insurance settings seller influence is probably even more important.¹⁸ The experiment therefore appears relevant in identifying the determinants of demand for the policies available in the market. This is confirmed by the finding that subjects' choices regarding experimental insurance are good predictors of whether they bought MPI or LPP. The experiment does seem to provide a useful basis for judging how policy reform will impact on real world choices.

¹⁷ Some 55% of PPI purchases are made in face-to-face sales (FSA 2007)

¹⁸ In a survey of PPI purchase it was reported "Respondents showed virtually no engagement with the product and relied on whatever they were told by the sales adviser" (FSA 2007)

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Appendix A

Instruction sheets H

for sellers

Ask the participant which item he/she has chosen. Make sure that all items are filled in on the cover page of the decision sheets.

Read the following instructions aloud to the participant...

Thank you for agreeing to participate in this experiment on financial decision making being run for the Financial Services Authority by the London School of Economics and implemented by ORC.

In addition to your participation fee of £25, which is yours for sure, you could win a substantial amount of cash and/or your selected item.

The procedure is that you will be asked to answer twenty one numbered questions involving choices between money amounts and/or your selected prize item. In this bag there are 21 numbers (from 1 to 21), one for each question. At the end of the session I will ask you to draw one number at random. The number on it identifies the question that will determine your outcome if you are the person selected as the overall winner. What you will get if you are the winner is the option you selected in that question.

The overall winner will be selected at random from about two hundred participants once the experiment is completed. If you are the winner you will be notified by mid-October.

When answering each of the 21 questions, you should therefore think carefully about your answers since one of them will determine what you obtain if you are the overall winner.

The first set of questions involves choosing between your selected prize item and amounts of money. In successive questions the cash alternative is increased so you have to decide when the amount of money is high enough to become the preferred option.

SHEET 1:



HAND SHEET 1 TO BUYER

➤ **Ask the participant to look at decision sheet 1.**

Go through all the questions with the participant, explicitly mentioning the actually chosen item in each question, e.g., if they have chosen the motorbike, refer specifically to it rather than the ‘item’

➤ **Let the participant make his/her choice for each question.**

➤ **Either after all choices have been made, or as they are making them, you should make sure that their choices are logically consistent,** i.e.

they have one of the following three patterns:

- **Pattern 1:** all ticks are on the right hand side (atrs), i.e., participant chooses cash in all questions
- **Pattern 2:** ticks have one “switchpoint”, i.e., they start on the left hand side with question 1 and continue till, for example, question 4. Then there is a switch to the right hand side at question 5 and all following ticks are on the right hand side. Such a pattern will be denoted by “sp4-5”. So, if the switch from the left column to the right column occurs between question 2 and 3, we call this “sp2-3”, etc.
- **Pattern 3:** all ticks are on the left hand side (atls), i.e., participant chooses item in all questions

If the ticks do not follow one of these patterns explain the inconsistency to the participant and ask him/her to revise until the pattern is logically consistent.

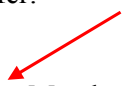
➤ **If the subject requires prompting for decisions to be consistent please tick the “r”-box – for *revised* – at the bottom of decision sheet 1.**

SHEET 2:

- Now you have to provide the participant with the right instructions for **decision sheet 2**. There are different versions of instructions, i.e., one for each “switchpoint” from decision sheet 1. The acronyms will help you to find the right ones. Examples...
- If on sheet 1 they have ticked all of the cash amounts then for sheet 2 they should be taken to the one labelled ‘atrs’ (i.e. ‘all ticks on the right hand side’)
 - If on sheet 1 they have ticked all of their prize item (e.g. the motorbike, Rolex watch, cruise etc.) then for sheet 2 they should be taken to the one labelled ‘atls’ (i.e. ‘all ticks on the left hand side’)
 - If the point at which they switch from the item to the cash amount or vice versa is after trade-off 3 for example, they should be taken to the sheet 2 labelled ‘sp3-4’ (switch point between q’s 3 and 4)
 - ...see below for examples...

Sheet 1

Please **tick ONE of the boxes for EACH question** indicating your choice.

- I prefer:
- If all ticks for each of the 11 options are in the left hand side boxes, then the buyers should be asked sheet 2 labelled atls*
- 1) My chosen item OR £625
- 2) My chosen item OR £875
- 3) My chosen item OR £1,125
- 4) My chosen item OR £1,375
- 5) My chosen item OR £1,625
- 6) ...etc.
- 


Sheet 1

Please **tick ONE of the boxes for EACH question** indicating your choice.

I prefer:

- 1) My chosen item OR £625
- 2) My chosen item OR £875
- 3) My chosen item OR £1,125
- 4) My chosen item OR £1,375
- 5) My chosen item OR £1,625
- 6) ...etc.

If all ticks for each of the 11 options are in the right hand side boxes, then the buyers should be asked sheet 2 labelled atrs




Sheet 1

Please **tick ONE of the boxes for EACH question** indicating your choice.

I prefer:

- 1) My chosen item OR £625
- 2) My chosen item OR £875
- 3) My chosen item OR £1,125
- 4) My chosen item OR £1,375
- 5) My chosen item OR £1,625
- 6) ...etc.

If the item is chosen for say the first 2 trade offs (i.e. on the left hand side), but they continue to tick all the cash amounts on the right hand side from then on, then the switch point is between 2 and 3, so the buyer would be taken to sheet 2 labelled sp2-3



- After deriving the correct sheet 2 to take the buyer through read the instruction which matches their decision pattern from sheet 1 i.e. were they arts, atls, sp1-2, sp2-3 etc. (see next pages).

atrs: ('all ticks on the right hand side')

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £3,000.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £500 to compensate for the loss of income.*
- *any other number your income is £3,000 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp1-2

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £3,250.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £750 to compensate for the loss of income.*
- *any other number your income is £3,250 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp2-3

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £3,500.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £1,000 to compensate for the loss of income.*
- *any other number your income is £3,500 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp3-4

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £3,750.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £1,250 to compensate for the loss of income.*
- *any other number your income is £3,750 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp4-5

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £4,000.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £1,500 to compensate for the loss of income.*
- *any other number your income is £4,000 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp5-6

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £4,250.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £1,750 to compensate for the loss of income.*
- *any other number your income is £4,250 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp6-7

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £4,500.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £2,000 to compensate for the loss of income.*
- *any other number your income is £4,500 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp7-8

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £4,750.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £2,250 to compensate for the loss of income.*
- *any other number your income is £4,750 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp8-9

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £5,000.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £2,500 to compensate for the loss of income.*
- *any other number your income is £5,000 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp9-10

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £5,250.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £2,750 to compensate for the loss of income.*
- *any other number your income is £5,250 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

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For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Sp10-11

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £5,500.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £3,000 to compensate for the loss of income.*
- *any other number your income is £5,500 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

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- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

atls: ('all ticks on the left-hand side')

- **Ensure you have the correct decision sheet 2 for the buyer** (i.e. the arts, atls, sp1-2 etc. as derived from the sheet 1 answers) and make sure you encourage the subject to read the questions and smallprint carefully.

HAND SHEET 2 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

Now you are facing a decision situation in which your chosen item does not figure.

Your income depends on your throw of the die. If you roll a '6' your income will be zero.

Otherwise your income is £5,750.

You can now buy an income protection policy. If you buy an income protection policy and you throw

- *a '6' the policy pays you £3,250 to compensate for the loss of income.*
- *any other number your income is £5,750 minus the insurance premium.*

In successive questions the premium is increased so you have to decide when it is sufficiently high that not taking insurance becomes the preferred option.

We also provide the payout percentage for each policy. This is the percentage of the insurance company's premium income that on average it pays out to policyholders to compensate for their losses.

For example, a payout percentage of 15% means that for every pound of premium income, on average the insurance company pays out 15 pence to policy holders.

I am required to tell you that in addition to my payment per interview I get a bonus depending on how much insurance I sell (i.e. the number of ticked insurance boxes I hand in). The salesperson who sells the most insurance will also get a prize.

- You are allowed to 'advise' the subject in your own words after you have read out the text, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a '6'.
- Subjects must fill out the sheet themselves
- Whilst the buyer is filling out their sheet you are now only allowed to talk if the subject asks a question or makes inconsistent choices, e.g., switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the "r"-box – for revised – at the bottom of decision sheet 2.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

SHEET 3:

- Now you have to provide the participant with the right **decision sheet 3**.

There are different versions of the decision sheet 3, i.e., one for each “switchpoint” from decision sheet 1. The acronyms will help you to find the right ones.

HAND SHEET 3 TO BUYER & READ OUT FOLLOWING TEXT TO THEM

The situation in the next set of questions is that you have taken out a loan to buy your selected item. You are expecting an income that is high enough to repay the loan with £2,500 left over. However, there is a chance that, due to bad luck, you will have no income at all and will be unable to repay the loan. The lender will then repossess the item. So you end up with no income and no item. To protect against repossessing the item, the lender offers you payment protection insurance. To enable you to pay the premium on the insurance, which is due immediately, the lender will increase the loan. In the event of losing your income, the insurance pays off the loan (including the extra repayment for the insurance premium), so at least you get to keep the item.

After you have answered the questions on the next page about whether you would choose to buy insurance, you will throw a die to determine your income. Throwing a six represents bad luck i.e. your income is zero. Throwing any other number gives you the high income. So choosing insurance means you get to keep the item even if you throw a six but if you do not throw a six there is less money left over after you have repaid the larger loan.

The next five questions ask if you want to buy insurance. Successive questions increase the insurance premium and hence the size of the loan repayment if you choose to insure, but that is all that differs between them. In each case we specify what you will end up with for each choice and how it depends on the number you throw.

Again I am required to tell you that my compensation depends on how much insurance I sell.

SHEET 3:

- You are now allowed to ‘advise’ the subject in your own words, e.g., you might tell the subject to consider how he/she would feel if he/she had not bought insurance and had thrown a ‘6’.
- Make sure you encourage the subject to read the questions and smallprint carefully. Subjects must fill out this sheet themselves.
- Whilst the buyer is filling their sheet out, you are now only allowed to talk if they ask a question or if they make inconsistent choices, e.g. they switch between insurance and no insurance twice.
- **If the subject requires prompting for decisions to be consistent please tick the “r”-box – for *revised* – at the bottom of decision sheet 3.**
- When all choices are made, ask the participant to throw the die. Enter the thrown number in the box at the bottom of the decision sheet.

Now ask the participant to pick a number from the bag and note down the number on the cover of the decision sheet.

Appendix B

Decision sheets H

Date:

Time:

Participant's name: _____

Participant's number: _____

Seller's name: _____

Seller's number: _____

Participant has chosen the following item:

Number drawn: _____

Sheet 1

Please **tick ONE of the boxes for EACH question** indicating your choice.

I prefer:

- 1) My chosen item OR £625
- 2) My chosen item OR £875
- 3) My chosen item OR £1,125
- 4) My chosen item OR £1,375
- 5) My chosen item OR £1,625
- 6) My chosen item OR £1,875
- 7) My chosen item OR £2,125
- 8) My chosen item OR £2,375
- 9) My chosen item OR £2,625
- 10) My chosen item OR £2,875
- 11) My chosen item OR £3,125



Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,000)

insurance at premium £111 (payout percentage 90%)

(i.e. if you throw a '6' you get £500 and if you throw any other number you get £2,889)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,000)

insurance at premium £143 (payout percentage 70%)

(i.e. if you throw a '6' you get £500 and if you throw any other number you get £2,857)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,000)

insurance at premium £200 (payout percentage 50%)

(i.e. if you throw a '6' you get £500 and if you throw any other number you get £2,800)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,000)

insurance at premium £250 (payout percentage 40%)

(i.e. if you throw a '6' you get £500 and if you throw any other number you get £2,750)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,000)

insurance at premium £333 (payout percentage 30%)

(i.e. if you throw a '6' you get £500 and if you throw any other number you get £2,667)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,250)

insurance at premium £167 (payout percentage 90%)

(i.e. if you throw a '6' you get £750 and if you throw any other number you get £3,083)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,250)

insurance at premium £214 (payout percentage 70%)

(i.e. if you throw a '6' you get £750 and if you throw any other number you get £3,036)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,250)

insurance at premium £300 (payout percentage 50%)

(i.e. if you throw a '6' you get £750 and if you throw any other number you get £2,950)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,250)

insurance at premium £375 (payout percentage 40%)

(i.e. if you throw a '6' you get £750 and if you throw any other number you get £2,875)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,250)

insurance at premium £500 (payout percentage 30%)

(i.e. if you throw a '6' you get £750 and if you throw any other number you get £2,750)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,500)

insurance at premium £222 (payout percentage 90%)

(i.e. if you throw a '6' you get £1,000 and if you throw any other number you get £3,278)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,500)

insurance at premium £286 (payout percentage 70%)

(i.e. if you throw a '6' you get £1,000 and if you throw any other number you get £3,214)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,500)

insurance at premium £400 (payout percentage 50%)

(i.e. if you throw a '6' you get £1,000 and if you throw any other number you get £3,100)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,500)

insurance at premium £500 (payout percentage 40%)

(i.e. if you throw a '6' you get £1,000 and if you throw any other number you get £3,000)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,500)

insurance at premium £667 (payout percentage 30%)

(i.e. if you throw a '6' you get £1,000 and if you throw any other number you get £2,833)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,750)

insurance at premium £278 (payout percentage 90%)

(i.e. if you throw a '6' you get £1,250 and if you throw any other number you get £3,472)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,750)

insurance at premium £357 (payout percentage 70%)

(i.e. if you throw a '6' you get £1,250 and if you throw any other number you get £3,393)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,750)

insurance at premium £500 (payout percentage 50%)

(i.e. if you throw a '6' you get £1,250 and if you throw any other number you get £3,250)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,750)

insurance at premium £625 (payout percentage 40%)

(i.e. if you throw a '6' you get £1,250 and if you throw any other number you get £3,125)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £3,750)

insurance at premium £833 (payout percentage 30%)

(i.e. if you throw a '6' you get £1,250 and if you throw any other number you get £2,917)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,000)

insurance at premium £333 (payout percentage 90%)

(i.e. if you throw a '6' you get £1,500 and if you throw any other number you get £3,667)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,000)

insurance at premium £429 (payout percentage 70%)

(i.e. if you throw a '6' you get £1,500 and if you throw any other number you get £3,571)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,000)

insurance at premium £600 (payout percentage 50%)

(i.e. if you throw a '6' you get £1,500 and if you throw any other number you get £3,400)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,000)

insurance at premium £750 (payout percentage 40%)

(i.e. if you throw a '6' you get £1,500 and if you throw any other number you get £3,250)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,000)

insurance at premium £1,000 (payout percentage 30%)

(i.e. if you throw a '6' you get £1,500 and if you throw any other number you get £3,000)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,250)

insurance at premium £389 (payout percentage 90%)

(i.e. if you throw a '6' you get £1,750 and if you throw any other number you get £3,861)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,250)

insurance at premium £500 (payout percentage 70%)

(i.e. if you throw a '6' you get £1,750 and if you throw any other number you get £3,750)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,250)

insurance at premium £700 (payout percentage 50%)

(i.e. if you throw a '6' you get £1,750 and if you throw any other number you get £3,550)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,250)

insurance at premium £875 (payout percentage 40%)

(i.e. if you throw a '6' you get £1,750 and if you throw any other number you get £3,375)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,250)

insurance at premium £1,167 (payout percentage 30%)

(i.e. if you throw a '6' you get £1,750 and if you throw any other number you get £3,083)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,500)

insurance at premium £444 (payout percentage 90%)

(i.e. if you throw a '6' you get £2,000 and if you throw any other number you get £4,056)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,500)

insurance at premium £571 (payout percentage 70%)

(i.e. if you throw a '6' you get £2,000 and if you throw any other number you get £3,929)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,500)

insurance at premium £800 (payout percentage 50%)

(i.e. if you throw a '6' you get £2,000 and if you throw any other number you get £3,700)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,500)

insurance at premium £1,000 (payout percentage 40%)

(i.e. if you throw a '6' you get £2,000 and if you throw any other number you get £3,500)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,500)

insurance at premium £1,333 (payout percentage 30%)

(i.e. if you throw a '6' you get £2,000 and if you throw any other number you get £3,167)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,750)

insurance at premium £500 (payout percentage 90%)

(i.e. if you throw a '6' you get £2,250 and if you throw any other number you get £4,250)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,750)

insurance at premium £643 (payout percentage 70%)

(i.e. if you throw a '6' you get £2,250 and if you throw any other number you get £4,107)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,750)

insurance at premium £900 (payout percentage 50%)

(i.e. if you throw a '6' you get £2,250 and if you throw any other number you get £3,850)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,750)

insurance at premium £1,125 (payout percentage 40%)

(i.e. if you throw a '6' you get £2,250 and if you throw any other number you get £3,625)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £4,750)

insurance at premium £1,500 (payout percentage 30%)

(i.e. if you throw a '6' you get £2,250 and if you throw any other number you get £3,250)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,000)

insurance at premium £556 (payout percentage 90%)

(i.e. if you throw a '6' you get £2,500 and if you throw any other number you get £4,444)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,000)

insurance at premium £714 (payout percentage 70%)

(i.e. if you throw a '6' you get £2,500 and if you throw any other number you get £4,286)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,000)

insurance at premium £1,000 (payout percentage 50%)

(i.e. if you throw a '6' you get £2,500 and if you throw any other number you get £4,000)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,000)

insurance at premium £1,250 (payout percentage 40%)

(i.e. if you throw a '6' you get £2,500 and if you throw any other number you get £3,750)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,000)

insurance at premium £1,667 (payout percentage 30%)

(i.e. if you throw a '6' you get £2,500 and if you throw any other number you get £3,333)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,250)

insurance at premium £611 (payout percentage 90%)

(i.e. if you throw a '6' you get £2,750 and if you throw any other number you get £4,639)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,250)

insurance at premium £786 (payout percentage 70%)

(i.e. if you throw a '6' you get £2,750 and if you throw any other number you get £4,464)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,250)

insurance at premium £1,100 (payout percentage 50%)

(i.e. if you throw a '6' you get £2,750 and if you throw any other number you get £4,150)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,250)

insurance at premium £1,375 (payout percentage 40%)

(i.e. if you throw a '6' you get £2,750 and if you throw any other number you get £3,875)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,250)

insurance at premium £1,833 (payout percentage 30%)

(i.e. if you throw a '6' you get £2,750 and if you throw any other number you get £3,417)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,500)

insurance at premium £667 (payout percentage 90%)

(i.e. if you throw a '6' you get £3,000 and if you throw any other number you get £4,833)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,500)

insurance at premium £857 (payout percentage 70%)

(i.e. if you throw a '6' you get £3,000 and if you throw any other number you get £4,643)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,500)

insurance at premium £1,200 (payout percentage 50%)

(i.e. if you throw a '6' you get £3,000 and if you throw any other number you get £4,300)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,500)

insurance at premium £1,500 (payout percentage 40%)

(i.e. if you throw a '6' you get £3,000 and if you throw any other number you get £4,000)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,500)

insurance at premium £2,000 (payout percentage 30%)

(i.e. if you throw a '6' you get £3,000 and if you throw any other number you get £3,500)

Now throw the die.

Outcome of throwing the die:

Sheet 2

Please **tick ONE of the boxes for EACH question** indicating your choice.

*The **payout percentage** is the percentage of insurance company's premium income that on average it pays out to compensate for policyholders' losses.*

12) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,750)

insurance at premium £722 (payout percentage 90%)

(i.e. if you throw a '6' you get £3,250 and if you throw any other number you get £5,028)

13) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,750)

insurance at premium £929 (payout percentage 70%)

(i.e. if you throw a '6' you get £3,250 and if you throw any other number you get £4,821)

14) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,750)

insurance at premium £1,300 (payout percentage 50%)

(i.e. if you throw a '6' you get £3,250 and if you throw any other number you get £4,450)

15) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,750)

insurance at premium £1,625 (payout percentage 40%)

(i.e. if you throw a '6' you get £3,250 and if you throw any other number you get £4,125)

16) no insurance

(i.e. if you throw a '6' you get nothing and if you throw any other number you get £5,750)

insurance at premium £2,167 (payout percentage 30%)

(i.e. if you throw a '6' you get £3,250 and if you throw any other number you get £3,583)

Now throw the die.

Outcome of throwing the die:

Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £111**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,389 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £143**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,357 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £200**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,300 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £250**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,250 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £333**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,167 left after repaying the loan)

Now throw the die.
 Outcome of throwing the die:

Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
(i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £167**
(i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,333 left after repaying the loan)
- 18) **no insurance**
(i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £214**
(i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,286 left after repaying the loan)
- 19) **no insurance**
(i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £300**
(i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,200 left after repaying the loan)
- 20) **no insurance**
(i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £375**
(i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,125 left after repaying the loan)
- 21) **no insurance**
(i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £500**
(i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,000 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:

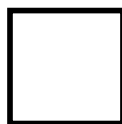
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £222**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,278 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £286**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,214 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £400**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,100 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,000 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £667**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,833 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



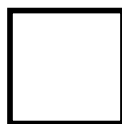
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £278**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,222 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £357**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,143 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,000 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £625**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,875 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £833**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,667 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £333**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,167 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £429**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,071 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £600**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,900 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £750**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,750 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,000**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,500 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:

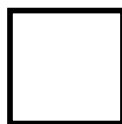
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £389**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,111 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,000 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £700**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,800 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £875**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,625 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,167**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,333 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



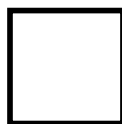
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £444**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,056 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £571**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,929 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £800**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,700 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,000**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,500 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,333**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,167 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



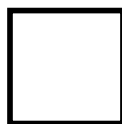
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £2,000 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £643**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,857 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £900**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,600 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,125**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,375 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,000 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



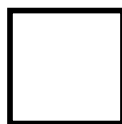
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £556**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,944 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £714**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,786 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,000**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,500 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,250**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,250 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,667**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £833 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



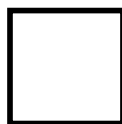
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £611**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,889 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £786**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,714 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,100**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,400 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,375**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,125 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,833**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £667 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £667**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,833 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £857**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,643 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,200**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,300 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,500**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,000 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £2,000**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £500 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:

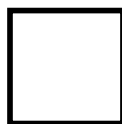
Sheet 3

Please tick **ONE** of the boxes for **EACH** question indicating your choice.

- 17) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £722**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,778 left after repaying the loan)
- 18) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £929**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,571 left after repaying the loan)
- 19) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,300**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £1,200 left after repaying the loan)
- 20) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £1,625**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £875 left after repaying the loan)
- 21) **no insurance**
 (i.e. if you throw a '6' you get nothing and if you throw any other number you get your chosen item plus the £2,500 left after repaying the loan)
- insurance which increases the loan repayment by £2,167**
 (i.e. if you throw a '6', you get your chosen item but no money and if you throw any other number you get your chosen item plus the £333 left after repaying the loan)

Now throw the die.

Outcome of throwing the die:



Appendix C

Debriefing Questions

for buyers

FOR HEAD OFFICE USE ONLY

<i>Job No.:</i>	<i>Job Name:</i>	<i>Version</i>	<i>Coder</i>	<i>Keyer</i>	<i>Serial No.</i>
94317	FSA Experiments – Post Experiments Interview (Consumers)	V6 FINAL			

INTRODUCTION

The final stage of the research process is to ask you a few questions about the experiment you just took part in and to gather some information about you so that we can put your responses into context.

I would like to assure you that any comments you make will not be attributed to you and that all the interviews we conduct will be aggregated with responses from other participants. This will take approximately 10 minutes

IF NECESSARY Re-assure respondent that this is a genuine market research project and not a sales call. If necessary refer respondent to freephone market research society. (telephone MRS: 0500 396999)

RECORD DETAILS WHEN RECRUITED		
Respondent's name _____		
Respondent ID number _____		
Interviewer Name _____		
Interviewers Number _____		
Interviewer Signature _____		
Date _____		
I have conducted this interview according to my instructions and within the Market Research Society's Code of Conduct and to the best of my ability. I declare that this respondent was previously unknown to me.		
RECORD QUOTA DETAILS		
<u>Location</u>	<u>Appointment slot during the day</u>	<u>Saturday</u>
Burgess Hill.....1	First.....1	22 nd Sep.....1
Plymouth.....2	Second.....2	29 th Sep.....2
Walsall.....3	Third.....3	
Newcastle.....4	Fourth.....4	
Manchester.....5	Fifth.....5	
	Sixth.....6	
	Seventh.....7	
	Eighth.....8	
	Ninth.....9	

PART 1: EXPERIMENT DEBRIEF

READ OUT: I would first like to ask you a few questions about the experiment you just took part in.

Q1 During the exercise what level of pressure did the sales person place you under to buy insurance? Could you please express this using a scale of 0 to 10 where 0 is no pressure and 10 is a lot of pressure?

	No pressure					A lot of pressure					
Pressure from the sales person	0	1	2	3	4	5	6	7	8	9	10

Q2 During the exercise when you were asked to make decisions how concerned were you that if you made the wrong decision the item you had chosen could be repossessed? Could you please express this using a scale of 0 to 10 where 0 is no not at all concerned and 10 is very concerned?

	Not at all concerned					Very concerned					
Concern about repossession	0	1	2	3	4	5	6	7	8	9	10

Q3 During the exercise when you were asked to make decisions how concerned were you that you could loose some of the income that you were given? Could you please express this using a scale of 0 to 10 where 0 is no not at all concerned and 10 is very concerned?

	Not at all concerned					Very concerned					
Concern about losing income	0	1	2	3	4	5	6	7	8	9	10

Q4 And finally in this section, how confident are you that you made the right decisions during the experiment? Again, using the same scale of 0 -10 where 0 is no not at all concerned and 10 is very concerned?

	Not at all confident					Very confident					
Confidence in decision	0	1	2	3	4	5	6	7	8	9	10

PART 2: ATTITUDES TO RISK, INSURANCE AND SOCIO-ECONOMIC VARIABLES

SHOW CARD A

Q5a Which of the following types of insurance do you currently hold? **RECORD PRODUCTS HELD BELOW. MULTI CODE**

Q5b Still thinking about this list of insurance products, which of these have you ever made an insurance claim against in the last 5 years? **MULTI CODE**

(Interviewer: respondents can mention policies they do not currently hold but against which they had in the past made a claim)

FOR EACH INSURANCE CLAIM MADE ASK:

Q5c Did you succeed in the claim?

Q5d Approximately how much was this claim worth/how much were you awarded (nearest pound)

	Q5a	Q5b	Q5c		Q5d How much awarded
			Yes	No	
Home contents insurance (i.e. insurance for household possessions)	1	1	1	2	£
Buildings insurance (i.e. insurance for damage to your property)	2	2	1	2	£
Car/motorbike insurance	3	3	1	2	£
Life insurance (either for a fixed term or for whole of life)	5	5	1	2	£
Mortgage protection insurance	6	6	1	2	£
Income protection insurance	7	7	1	2	£
Critical illness insurance	8	8	1	2	£
Loan payment protection	9	9	1	2	£
Travel insurance	10	10	1	2	£
Pet insurance	11	11	1	2	£
Private Medical Insurance	12	12	1	2	£
Dental insurance	13	13	1	2	£

SHOW CARD B

Q6 Still thinking about the insurance products we have been talking about, using a scale of 0 to 10, where 0 means disagree strongly and 10 means agree strongly, to what extent do you agree or disagree with the following statements. **READ OUT. SINGLE CODE**

	Disagree strongly										Agree strongly											
Insurance is generally over priced	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
Insurance offers value for money	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I tend to buy insurance for peace of mind	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I only buy insurance if I have to i.e. a legal requirement, required to do so by mortgage company	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I tend to shop around for car and or home contents insurance	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10

READ OUT: I would now like you to think about your attitude to risk, firstly in terms of day-to-day issues.

Q7a Do you have any risky hobbies, by which I mean there is a risk that you may be injured/hurt? **DO NOT PROMPT FURTHER (WE NEED TO UNDERSTAND WHAT THEY CONSIDER TO BE RISKY)**

Yes	1
No	2
Don't know	3

IF YES AT Q7a, ask Q7b

Q7b What risky hobbies do you do?

STILL SHOW CARD C

Q8 To what extent would you agree or disagree with the following statements, again using the rating scale where 0 means disagree strongly and 10 means agree strongly. **READ OUT. SINGLE CODE**

	Disagree strongly										Agree strongly											
I am willing to take risks whilst driving a car	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I am willing to take risks in financial matters	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I tend to have a healthy diet	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I am willing to take risks in sport and leisure	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I am willing to take a risk in my career	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I have a tendency to worry	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I am willing to take a risk with my health	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10
I would consider myself to be a risk taker	0	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5	6	7	8	9	10

- Q8b In deciding whether to buy insurance how useful is it to know how much commission the seller receives? Could you please express this using a scale of 0 to 10 where 0 is not at all useful and 10 is very useful.

	Not useful										Very useful
Usefulness of knowing sellers commission	0	1	2	3	4	5	6	7	8	9	10

- Q8c In deciding whether to buy an insurance policy, how useful is it to know for this sort of policy the percentage of its premium income the company pays out in claims in an average year? Could you please express this using a scale of 0 to 10 where 0 is no not at all useful and 10 is very useful.

	Not useful										Very useful
Usefulness of knowing payout percentage	0	1	2	3	4	5	6	7	8	9	10

- Q8d Would you rather be given £2,500 for sure **or** toss a fair coin and be given £8000 for heads but nothing for tails?

Take the £2500	1
Toss the coin	2

- Q8e Suppose you won your preferred item from the prize list. Would having this item affect your preference between being given £2,500 for sure **or** being given £8000 for heads and nothing for tails?

Make the choice of £2,500 relatively more attractive	1
Have no effect	2
Make the choice of £2,500 relatively less attractive	3

Q9 To what extent do you agree or disagree with the following statements. Please use a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

READ OUT. SINGLE CODE.

	Disagree strongly			Agree Strongly		
I see myself as someone who is reserved	0	1	2	3	4	5
I see myself as someone who is generally trusting	0	1	2	3	4	5
I see myself as someone who tends to be lazy	0	1	2	3	4	5
I see myself as someone who is relaxed and handles stress	0	1	2	3	4	5
I see myself as someone who has few artistic interests	0	1	2	3	4	5
I see myself as someone who is outgoing and sociable	0	1	2	3	4	5
I see myself as someone who tends to find fault with others	0	1	2	3	4	5
I see myself as someone who does a thorough job	0	1	2	3	4	5
I see myself as someone who gets nervous easily	0	1	2	3	4	5
I see myself as someone who has an active imagination	0	1	2	3	4	5

PART 3: DEMOGRAPHIC VARIABLES

READ OUT: Before we close can I quickly ask you some demographic questions to be used at the analysis stage. I would first like to ask you some health related questions.

D1a Do you smoke?

Yes	1
No	2
Refused	3

IF YES AT D1a, ASK D1B

D1b How many cigarettes do you smoke a day? **WRITE IN**

SHOW CARD D

D2a Could you please have a look at this chart and let me know on average how many units of alcohol you drink per week. **WRITE IN (CODE 1 IF RESPONDENT DOES NOT DRINK ALCOHOL)**

Never drink 1

IF CONSUME ALCOHOL AT D2a, ASK D 2b

D2b Would you consider your alcohol consumption to be above or below the recommended limit?

Below	1
Above	2
DON'T KNOW (DO NOT READ OUT)	3

D3 How many hours do you exercise per week? **READ OUT. SINGLE CODE ONLY**

Other than walking to the shops etc I do very little exercise	1
I do sport from time to time, but nothing regular	2
I exercise at least 1 - 2 hours a week	3
I exercise between 2 - 5 hours a week	4
I exercise between 5 – 10 hours per week	5
I exercise over 10 hours per week	6
DON'T KNOW (DO NOT READ OUT)	7
REFUSED (DO NOT READ OUT)	8

SHOW CARD E

D4 And approximately how much do you weigh?

Write in weight code	
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

SHOW CARD F

D5 And finally what height are you?

Write in height code	
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

READ OUT: And now some quick questions about your personal circumstances

DO NOT ASK:

D6 Record gender

Male	1
Female	2

D7 Could you please tell me your age?

Write in age	
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

D8 What is your marital status?

Married	1
Living as married	2
Separated	3
Divorced	4
Widowed	5
Single	6
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

D9a Do you have any children?

Yes	1
No	2
Refused	3

IF YES AT D9a, ASK D9b

D9b How many children do you have aged under 22 and aged 22 and over?

Write in number of children – less than 22 years old	
Write in number of children – aged 22 years and over	
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

ASK ALL

D10 Which of the following academic qualifications do you have?

O level or equivalent	1
A levels	2
University/polytechnic degree	3
Post graduate degree/diploma	4
None of the above	5
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

D11 What is your employment status?

Employed full time – that is more than 16 hours per week	1	CONTINUE
Employed part-time – that is 16 hours or less per week	2	CONTINUE
Self employed	3	CONTINUE
Retired	5	CONTINUE

D12 What is/was your occupation? **PROBE IN FULL WRITE IN**

D13 And what is your annual income (before tax)? Is it..... **READ OUT RANGES**

Under £10,000 per year	1
£10,000 - £14,999	2
£15,000 - £19,999	3
£20,000 - £24,999	4
£25,000 - £29,999	5
£30,000 - £34,999	6
£35,000 - £39,999	7
£40,000 - £50,999	8
£60,000 - £69,999	9
£70,000 - £70,999	10
£80,000+	11
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

D14a Thinking now about the property you live in, do you....**READ OUT OPTIONS.**

Rent the property (private landlord, housing association, local authority)	1
Have bought your property and have a mortgage	2
Own your property outright (no mortgage to repay)	3
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

IF CODE 2 AT D14a, ASK D14b

D14c And what is the total value of the property you own (this can include the property you live in as well as other properties you own)?

Under £100,000	1
£100,000 - £149,999	2
£150,000 - £199,999	3
£200,000 - £249,999	4
£250,000 - £299,999	5
£300,000 - £349,999	6
£350,000 - £399,999	7
£400,000 - £449,999	8
£450,000 - £499,999	9
£500,000 - £549,999	10
£550,000 - £599,999	11
£600,000 - £699,999	12
£700,000 - £799,999	13
£800,000 - £899,999	14
£900,000 - £99,999	15
£1m +	16
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

IF CODE 2 AT D14a, ASK D14b

D14b And approximately how large is your mortgage on this property (these properties)? Is it **READ OUT**

Under £25,000	1
£25,000 - £49,999	2
£50,000 - £74,999	3
£75,000 - £99,999	4
£100,000 - £149,999	5
£150,000 - £199,999	6
£200,000 - £249,999	7
£250,000 - £299,999	8
£300,000 - £399,999	9
£400 - £499,999	10
£500,000+	
DON'T KNOW (DO NOT READ OUT)	98
REFUSED (DO NOT READ OUT)	99

- D15 And finally thinking about your household, what is the size of any savings and investments you currently hold (excluding any property you own)?
- D16 And still thinking about your household, what is the size of any debts you may have i.e. credit card bills, loans etc (excluding your mortgage). Is it..... **READ OUT RANGES**

	D15a	D15b
Under £10,000	1	1
£10,000 up to - £19,999	2	2
£20,000 - £29,999	3	3
£30,000 - £39,999	4	4
£40,000 - £49,999	5	5
£50,000 - £59,999	6	6
£60,000 - £79,999	7	7
£80,000 - £99,999	8	8
£100,000 +	9	9
DON'T KNOW (DO NOT READ OUT)	98	98
REFUSED (DO NOT READ OUT)	99	99

Thank you very much for your time.

INTERVIEWER DECLARATION:

I have conducted this interview according to my instructions and within the Market Research Society Code of Conduct to the best of my ability and declare that the respondent was previously unknown to me.

Signature: _____ Date: _____

Appendix D

Debriefing Questions

for sellers

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 Angel Corner House, 1 Islington High Street, London N1 9AH
 Tel: 020 7675 1000 / Fax: 020 7675 1903

FOR HEAD OFFICE USE ONLY

<i>Job No.:</i>	<i>Job Name:</i>	<i>Version</i>	<i>Coder</i>	<i>Keyer</i>	<i>Serial No.</i>
94317	FSA Experiments – Interview (Sellers)	V1			

INTRODUCTION

When you have some free time today, please ensure that you complete the following, very short questionnaire, making sure you include your name below and hand it back to the research supervisor present on the day. The questionnaire will take approximately 2 minutes to complete.

I would like to assure you that any comments you make will not be attributed to you personally and that all the information we gather will be aggregated with responses from other participants.

SELLER DETAILS:

FOR SELLER TO COMPLETE:

Name _____

FOR RESEARCH SUPERVISOR TO COMPLETE:

Seller ID number _____

Location:

- Burgess Hill.....1
- Plymouth.....2
- Walsall.....3
- Newcastle.....4
- Manchester.....5

Saturday of fieldwork

- 22nd Sep.....1
- 29th Sep.....2

Q1a Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who is reserved.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1b Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who is generally trusting.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1c Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who tends to be lazy.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1d Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who is relaxed and handles stress well.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1e Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who has few artistic interests.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1f Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who is outgoing and sociable.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1g Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who tends to find fault with others.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1h Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who does a thorough job.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1h Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who gets nervous easily.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	

Q1i Please indicate the degree to which you agree or disagree with the following statement, using a scale of 0 to 5, where 0 is disagree strongly and 5 agree strongly?

Please circle the score that best applies to you.

“I see myself as someone who has an active imagination.”

Disagree Strongly						Agree Strongly
0	1	2	3	4	5	