

## QUIZ 4, INSURANCE AND SOCIAL SECURITY

**Part 1. True or false, Whenever we have risk aversion and actuarially fair prime the individual does not fully insurance.**

False, we cover a Theorem that proved the opposite

**Part 2. Does Social Security smooths consumption?**

It partially does, recall that there could be some crowding out effects.

**Part 3. True or false, if birth rate is higher than the death rate, social security will be in danger.**

False

**Part 4. Individually: Write down 3 things you like about discussion and 3 things you don't like.**