

(MS584) CONSUMER ATTITUDES SURVEY

Q1_1

[Not required]

Homeowners can buy insurance that covers losses due to flooding. There is debate over whether the cost should vary depending on the flood risk of the home being insured.

Do you think a homeowner should pay more for flood insurance if:

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
The home is at higher risk of flooding than other homes? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The home is at higher risk of flooding than other homes, but the household has low income and limited assets? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The homeowner has lived in the home for many years and flood risk recently increased due to sea level rise? (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The homeowner has lived in the home for many years and flood risk recently increased due to nearby development? (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There has been prior flood damage at the property suggesting greater risk of future flooding? (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1_2

[Not required]

Likewise, there is much debate about whether health insurance cost should vary across individuals with different health profiles.

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
Assume that annual health care costs are higher for women. Do you think that women should pay more for health insurance? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for certain races. Do you think that people of these races should pay more for health insurance? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for older people. Do you think that older people should pay more for health insurance? (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for people with certain genetic diseases. Do you think that people with these genetic diseases should pay more for health insurance? (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for heavy drinkers. Do you think that heavy drinkers should pay more for health insurance? (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for illegal drug users. Do you think that illegal drug users should pay more for health insurance? (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
Assume that annual health care costs are higher for smokers. Do you think that smokers should pay more for health insurance? (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for people who are obese. Do you think that people who are obese should pay more for health insurance? (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for people with prior health problems such as asthma, diabetes, or cancer. Do you think that people with prior health problems should pay more for health insurance? (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that annual health care costs are higher for people who live in heavily polluted areas. Do you think that people who live in heavily polluted areas should pay more for health insurance? (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1_3

[Not required]

In return for a fixed annual or monthly payment, term life insurance pays a set amount to the beneficiaries if the policyholder dies during the period covered by the policy. A typical term for such a policy is 20 years.

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
Assume that the chance of dying during the policy period is higher for men. Do you think that men should pay more for life insurance? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for certain races. Do you think that people of these races should pay more for life insurance? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for older people. Do you think that older people should pay more for life insurance? (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for people with certain genetic diseases. Do you think that people with these genetic diseases should pay more for life insurance? (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for heavy drinkers. Do you think that heavy drinkers should pay more for life insurance? (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for illegal drug users. Do you think that illegal drug users should pay more for life insurance? (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for smokers. Do you think that smokers should pay more for life insurance? (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for people who are obese. Do you think that people who are obese should pay more for life insurance? (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
Assume that the chance of dying during the policy period is higher for people with prior health problems such as asthma, diabetes, or cancer. Do you think that people with prior health problems should pay more for life insurance? (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of dying during the policy period is higher for people who live in heavily polluted areas. Do you think that people who live in heavily polluted areas should pay more for life insurance? (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1_4

[Not required]

The final question in this section asks your opinion regarding how the cost of car insurance should vary depending on factors that can affect the chance of causing an accident or of a car being stolen.

	Strongly Support (1)	Support (2)	Neither Support nor Oppose (3)	Oppose (4)	Strongly Oppose (5)
Assume that the chance of causing an accident is higher for younger drivers. Should younger drivers pay more for car insurance? (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of causing an accident is higher for drivers with more speeding tickets. Should drivers with more speeding tickets pay more for car insurance? (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of causing an accident is higher for people who drive faster cars. Should people who drive faster cars pay more for car insurance? (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of causing an accident is higher for drivers with low credit scores. Should drivers with low credit scores pay more for car insurance? (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of causing an accident is higher for men. Should men pay more for car insurance? (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of causing an accident is higher for people of certain races. Should people of certain races pay more for car insurance? (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assume that the chance of a vehicle being stolen is higher in certain neighborhoods. Should drivers who live in these neighborhoods pay more for car insurance? (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2_1

[Not required ♦ Ranking]

John has a type of leukemia that requires regular medical monitoring and treatment. If the amount he is required to pay for health insurance were set to equal his expected medical costs during the policy period, John would pay \$30,000 per year. The expected medical costs for a healthy person John's age is \$10,000 per year.

Insurers and insurance regulators are considering different approaches for pricing health insurance coverage. In Plan A, each person pays their risk-based premium. In Plan B, the risk is spread across all people covered by the insurance. In Plan C, there is some risk sharing across the policyholders.

Insurance Rating Category	Percent of Population	Plan A: Risk-Based Insurance Premium	Plan B: Equal Insurance Premium	Plan C: Partial Risk Sharing
People with leukemia John's age	10%	\$30,000	\$12,000	\$20,000
Healthy people John's age	90%	\$10,000	\$12,000	\$11,000

Which plan do you prefer? Please rank the plans with “1” indicating your first choice, “2” indicating your second choice, and “3” indicating your third choice. This example assumes there are 9 healthy people for each person with leukemia, and insurance “premium” refers to the amount John pays for his health insurance.

To enter ranking, click plans in order of preference. To change rankings, re-click option(s).

- Plan A: Risk-Based Insurance Premium (1)
- Plan B: Equal Insurance Premium (2)
- Plan C: Partial Risk Sharing (3)

Q2_2

[Not required ♦ Ranking]

Now instead of leukemia, assume that John has drunk heavily for many years. Heavy drinking has been shown to be associated with higher lifetime health care costs. Again, the proposed plans are constructed assuming heavy drinkers make up 10% of the population.

Insurance Rating Category	Percent of Population	Plan A: Risk-Based Premium	Plan B: Equal Premium	Plan C: Partial Risk Sharing
People who drink heavily and are John's age	10%	\$30,000	\$12,000	\$20,000
Premium for healthy people John's age	90%	\$10,000	\$12,000	\$11,000

Which plan do you now prefer? Please rank the programs with “1” indicating your first choice, “2” indicating your second choice, and “3” indicating your third choice.

To enter ranking, click plans in order of preference. To change rankings, re-click option(s).

- Plan A: Risk-Based Premium (1)
- Plan B: Equal Premium (2)
- Plan C: Partial Risk Sharing (3)

Q2_3

[Not required ♦ Ranking]

Imagine a town which sometimes floods. The flood risk varies considerably across the town. If insurance premiums reflect the flood risk at each home,

- the cost of flood insurance for a home in the low-risk areas of the town would be \$500 per year,
- the cost for a similar home in the high-risk areas would be \$2,500 per year,
- the average premium across the whole town would be \$1,500 per year.

There are equal numbers of homes in the low-risk and high-risk parts of this community.

Insurers and insurance regulators are considering different approaches for pricing insurance coverage, and insurance “premium” refers to the amount the homeowner pays for flood insurance.

- In Plan A, each homeowner pays the risk-based premium for his or her home
- In Plan B, the risk is spread across all homes in the town
- In Plan C, there is some risk sharing across the town.

Insurance Rating Category	Percent of Homes in Community	Plan D: Risk-Based Premium	Plan E: Equal Premium	Plan F: Partial Risk Sharing	Plan G: Federal Subsidy
Homes in low-risk areas	50%	\$500	\$2,000	\$1,000	\$500
Homes in high-risk areas	50%	\$3,500	\$2,000	\$3,000	\$2,500
Subsidy paid by federal taxpayers for each home in the high-risk area		0	0	0	\$1,000

Which plan do you prefer? Please rank the programs with “1” indicating your first choice, “2” indicating your second choice, and “3” indicating your third choice.

To enter ranking, click plans in order of preference. To change rankings, re-click option(s).

- Plan A: Risk-Based Insurance Premium (1)
 Plan B: Equal Insurance Premium (2)
 Plan C: Partial Risk Sharing (3)

Q2_4

[Not required ♦ Ranking]

Insurers and insurance regulators decide to go with Plan A in the previous question; thus, the premium in the low-risk areas is \$500 and the premium in the high-risk areas is \$2,500.

Ten years later, the same people are living in each home, but sea level rise has caused flood risk to increase in the high-risk areas. If insurance premiums reflect flood risk at each home, the premium in the high-risk areas would now be \$3,500 and the premium in the low-risk areas would remain at \$500.

Insurers and regulators are now considering the following new plans. The first three plans are similar to those you saw in the previous question. The fourth plan provides a subsidy for the homeowners in the high-risk area. The subsidy would require the federal government to increase tax revenue enough to cover the overall amount paid in subsidies.

Insurance Rating Category	Percent of Homes in Community	Plan D: Risk-Based Premium	Plan E: Equal Premium	Plan F: Partial Risk Sharing	Plan G: Federal Subsidy
Homes in low-risk areas	50%	\$500	\$2,000	\$1,000	\$500
Homes in high-risk areas	50%	\$3,500	\$2,000	\$3,000	\$2,500
Subsidy paid by federal taxpayers for each home in the high-risk area		0	0	0	\$1,000

Which plan do you prefer? Please rank the programs with “1” indicating your first choice, “2” indicating your second choice, “3” indicating your third choice, and “4” indicating your fourth choice

To enter ranking, click plans in order of preference. To change rankings, re-click option(s).

- Plan D: Risk-Based Premium (1)
- Plan E: Equal Premium (2)
- Plan F: Partial Risk Sharing (3)
- Plan G: Federal Subsidy (4)

Q2_5

[Not required ♦ Ranking]

Insurers and insurance regulators are leaning toward a subsidy for homeowners in the high-risk areas that are facing the higher risk due to sea level rise and are considering which homeowners in the high-risk areas should receive the subsidy. If fewer households receive the subsidy, there would be less burden on federal taxpayers.

Which of the following is the best approach, in your opinion? Please rank the approaches with “1” indicating your first choice, “2” indicating your second choice, and “3” indicating your third choice.

- All homeowners in the high-risk areas should receive the subsidy, which would reduce their premium from \$3,500 to \$2,500. (1)
- All homeowners in the high-risk areas should receive a subsidy, but the amount of the subsidy should be less for those households with higher incomes or substantial assets. (2)
- Only those homeowners with incomes and assets below a certain level should receive the subsidy. (3)

Q3_1

What hazards are you concerned about in your area?

Check all that apply.

- Flood (1)
- Hurricane (2)
- Tornado (3)
- Strong wind (4)
- Earthquake (5)
- Wildfire (6)
- Terrorism (7)
- Landslide (8)
- Hail (9)
- Ice storm (10)
- Other, Specify: (11)_____ [Other]

CS_001 - CS_001

[Not required]

Could you tell us how interesting or uninteresting you found the questions in this interview?

- Very interesting (1)
- Interesting (2)
- Neither interesting nor uninteresting (3)
- Uninteresting (4)
- Very uninteresting (5)