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# On Moral Hazard and Insurance

| Chapter

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**Foundations of Insurance Economics**

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loss, as it allows the insurer to link to the perceived level of care either the insurance premium or the amount of coverage paid in the event of a claim.

I wish to thank L. Weiss for helpful discussion; K. Arrow, P. Diamond, J. Green, L. Kotlikoff, M. Manove, J. Mirrlees, A. M. Polinsky, and A. Robson for comments; and the National Science Foundation (Grant #S0076-20862) for financial support.

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