



[Registration No.] 196

[Author] Thomas Dudek

[E-mail] thomas.dudek@vuw.ac.nz

[Abstract No.] 06070

[Abstract Title]

The association of personality with insurance decisions

[Abstract]

Personality plays a big role in people's decisions and behavior and hence affects their overall lives. For example, economic preferences and personality traits are important predictors of adult wellbeing and socioeconomic outcomes. Furthermore, personality traits are just as predictive of socioeconomic outcomes as cognitive measures. We know little about the importance of personality with regards to financial decisions (Brown and Taylor 2014; Nyhus and Webley 2001; Salamanca et al.2016). However, imprudent financial decisions can result in life disrupting problems: For example, lack of home insurance can lead to the loss of one's home, which in turn leads to many other problems. If personality is a significant predictor of insurance decisions, then we would be wise to invest resources into promotion of those types of personality traits that are conducive to prudent financial decision-making, not only in the context of home insurance. In this study I elicit the big five personality traits and locus of control from participants who make insurance decisions in an incentivized online experiment. The goal of this study is to find out whether there is a connection between these traits and insurance decisions, and whether they add to our understanding of insurance decisions beyond risk tolerance.



[Keywords]

Big five personality, locus of control, insurance decisions