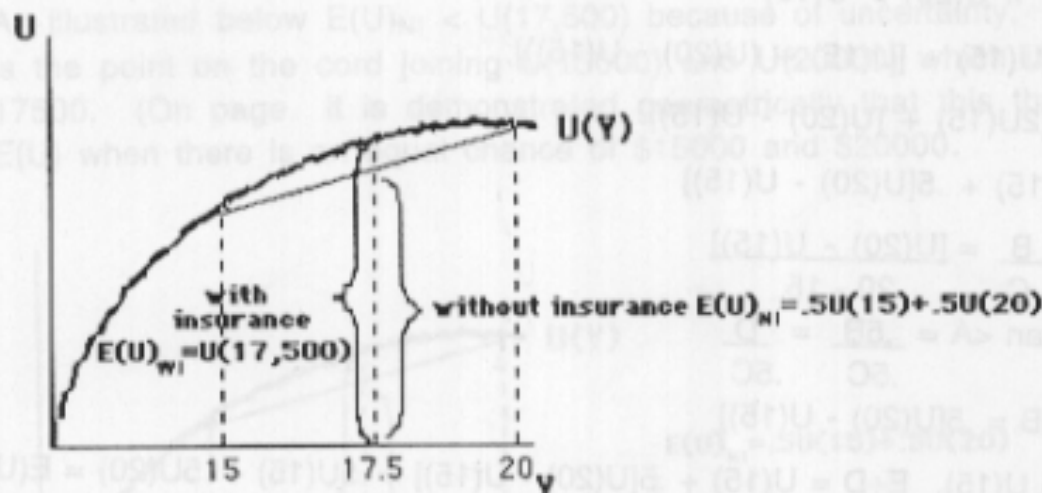
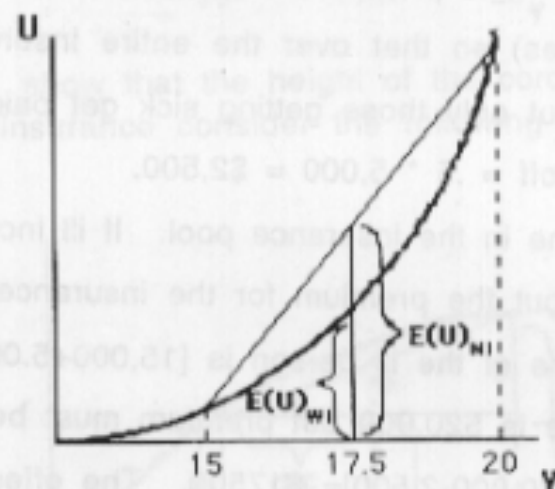




Note if one prefers risk, insurance makes one worse off



$$E(U)_{NI} = .5U(15) + .5U(20)$$