

## MARKUS PETER FELS

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### ACADEMIC POSITIONS

Since 2012      Research Assistant, Prof. J. Philipp Reiß, Chair of Industrial Organization,  
Institute of Economics, Karlsruhe Institute of Technology, Germany

### EDUCATION

2014              Ph.D. in Economics, University of Bonn (Germany),  
Committee: Paul Heidhues, Daniel Krähmer  
DISSERTATION: *“On Avoidance and Neglect as Barriers to Informed  
Decision-Making: Three Essays in Behavioral Economics”*

2007              M.A. in Economics, University of Wisconsin-Milwaukee (USA)

2002-2006       Undergraduate and Graduate Studies of Economics, University of Potsdam  
(Germany)

### REFERENCES

Prof. Paul Heidhues  
European School of Management  
and Technology  
Berlin, Germany  
+49 (0)30 212 31 1536  
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Prof. Daniel Krähmer  
Economics Department, University of Bonn  
Bonn, Germany  
+49 (0)228 73 6147  
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Prof. Dezsö Szalay  
Economics Department, University of Bonn  
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## **RESEARCH AND TEACHING FIELDS**

Primary field: Behavioral Economics.

Secondary fields: Microeconomic Theory, Information Economics, Game Theory, Industrial Organization.

## **TEACHING EXPERIENCE**

- Winter 2012 – Teaching Assistant for Prof. J. Philipp Reiss, Karlsruhe Institute of  
Technology, Principles of Economics, Game Theory (Undergraduate),  
Winter 2015 Industrial Organization (Undergraduate), Advanced Game Theory (Graduate),  
Seminars on Behavioral Economics (Undergraduate/ Graduate), Behavioral  
Game Theory (Undergraduate/ Graduate), and Auction Experiments  
Summer 2012 (Undergraduate/ Graduate)
- Teaching Assistant for Prof. E. Kovac, University of Bonn, Industrial  
Organization (Undergraduate)
- Winter 2011 Teaching Assistant for Prof. D. Krähmer, University of Bonn, Game Theory  
(Undergraduate)
- Summer 2011 Teaching Assistant for Dr. N. Szech & Dr. A. Westkamp, University of Bonn,  
Mechanism Design & Social Choice (Graduate)
- Winter 2009 – Teaching Assistant for Prof. Tatur, Dr. Wichardt, Dr. Westkamp, University  
Winter 2010 of Bonn, Microeconomics 1 & 2 (Undergraduate)
- Fall 2007, Teaching Assistant, University of Wisconsin-Milwaukee, Independent  
Spring 2008 Lecture, Econ 100 (Principles of Economics, Undergraduate)
- Winter 2004 – Teaching Assistant for Prof. W. Fuhrmann, University of Potsdam,  
Summer 2006 Macroeconomics 1& 2 (Undergraduate).

## **SCHOLARSHIPS, HONORS AND AWARDS**

- Oct 2008 – Sep 2012 Bonn Graduate School of Economics, Ph.D. Scholarship
- Sep 2006 – Oct 2007 Scholarship provided by the DAAD (German Foreign Exchange  
Service) to pursue graduate studies in Economics at the University of  
Wisconsin-Milwaukee, USA.
- June 2007 Chancellor's Graduate Student Award of the University of  
Wisconsin-Milwaukee, USA, for the academic year 2007-08

## **PUBLICATIONS**

*On the Value of Information: Why People Reject Medical Tests* (2015, Journal of Behavioral and Experimental Economics, Vol. 56)

*Product Lines, Product Design, and Limited Attention* (joint with Carsten Dahremöller, 2015, Journal of Economic Behavior and Organization, Vol. 119)

## **RESEARCH PAPERS**

### *Limited Attention and the Demand for Health Insurance*

We analyze how customers with limited attention value and choose among health plans. We show how the model can accommodate four observations regarding plan choice. First, people overweight the premium and thus underappreciate the value of health insurance. Second, insurance companies have a strong incentive to reduce quality and to hide these shortcomings in the fine print while attracting customers with insufficiently lower premiums. Third, customers may choose dominated alternatives. Finally, the willingness-to-pay for insurance is subadditive creating an incentive for providers to unbundle comprehensive plans. We discuss how these effects may result in a fundamental dilemma for policy makers.

### *Mental Accounting, Access Motives, and Overinsurance*

Consumers frequently overinsure modest risks. I argue that confining consumers' insurance motives to a single motive - risk aversion - is responsible for the difficulty to rationalize this behavior. People who perform mental accounting have an additional motive for buying insurance. They perceive a risk of having insufficient means to self-insure. This complements behavioral approaches to explain the profitability of warranties and the dislike of deductibles. It accounts for several empirical regularities that are difficult to reconcile within existing models. Finally, it suggests that the way in which an insurer pays benefits influences the value and the cost of insurance.

### *When the affordable has no value and the valuable is unaffordable: The U.S. market for long-term care insurance and the role of Medicaid*

The crowding-out by Medicaid has been identified as an important reason for the slow development of the U.S. market for private long-term care insurance. This argument rests on a wrong counterfactual comparison. The size and scope of crowding-out change dramatically once the proper benchmark is used. Furthermore, crowding-out is argued to be particularly undesirable as Medicaid offers little value itself. I challenge this argument as it is based on a wrong understanding of what constitutes the value of insurance and of a government assistance program in this market. I show that the analysis neglects a large value of the program in providing access to care and that private insurance is unable to offer a similar value. I finally posit that the low take-up of private insurance is a result of an unattractive choice set. Insurance policies that prescribe a high deductible may be affordable, but offer little to no value. In contrast, policies that prescribe a low deductible are simply unaffordable for many customers. Several empirical patterns in insurance uptake and lapsing behavior can be explained by considering the issue of limited affordability.

Research Papers are available for download at <http://ssrn.com/author=1717329>.

## **RESEARCH IN PROGRESS**

*The Right of First Refusal in Asymmetric First-Price Auctions,  
Limited Attention and Project Failure: On Multitasking and Delegation*

## **REFeree ACTIVITY**

American Economic Review, International Economic Review, European Economic Review,  
Review of Economic Studies

## **CONFERENCE & SEMINAR PRESENTATIONS**

### **2015**

University of Alicante, 8<sup>th</sup> Maastricht Behavioral and Experimental Economics Symposium (Maastricht, The Netherlands), EARIE 2015 (Munich, Germany), 10<sup>th</sup> Nordic Conference on Behavioral & Experimental Economics (Tampere, Finland)

### **2014**

European Health Economics Workshop (Lausanne, Switzerland), EARIE 2014 (Milan, Italy), Jornadas de Economía Industrial (Barcelona, Spain), SITE Summer Workshop (Stanford University, USA), 9<sup>th</sup> Nordic Conference on Behavioral & Experimental Economics (Arhus, Denmark), Copenhagen Workshop on Attention in Economics (Copenhagen, Denmark)

### **2013**

Royal Economic Society Annual Conference (Royal Holloway, UK), Thurgau Experimental Economics Meeting (Kreuzlingen, Switzerland), EEA-ESEM 2013 (Gothenburg, Sweden), EARIE 2013 (Évora, Portugal), Verein für Socialpolitik (German Economic Association) Annual Meeting (Düsseldorf, Germany), EBIM Workshop 2013 (Bielefeld, Germany), CEAR/MRIC Workshop on Behavioral Insurance (Atlanta, USA)

### **2012**

7<sup>th</sup> PhD Presentation Meeting with the Royal Economic Society (London, UK), 8<sup>th</sup> International Meeting on Experimental and Behavioral Economics (Castellón, Spain), Royal Economic Society Annual Conference (Cambridge, UK), 5<sup>th</sup> Maastricht Behavioral and Experimental Economics Symposium (Maastricht, The Netherlands), SABE 2012 (Granada, Spain), EEA-ESEM 2012 (Málaga, Spain), Verein für Socialpolitik (German Economic Association) Annual Meeting (Göttingen, Germany)

### **2011**

Berlin Behavioral Economics Workshop (ESMT Berlin, Germany), 4th RGS Doctoral Conference in Economics (Dortmund, Germany), 7<sup>th</sup> International Meeting on Experimental and Behavioral Economics (Barcelona, Spain), Florence Workshop on Behavioral and Experimental Economics (Florence, Italy), 4<sup>th</sup> Maastricht Behavioral and Experimental Economics Symposium (Maastricht, The Netherlands), 6<sup>th</sup> Nordic Conference on Behavioral & Experimental Economics (Lund, Sweden)