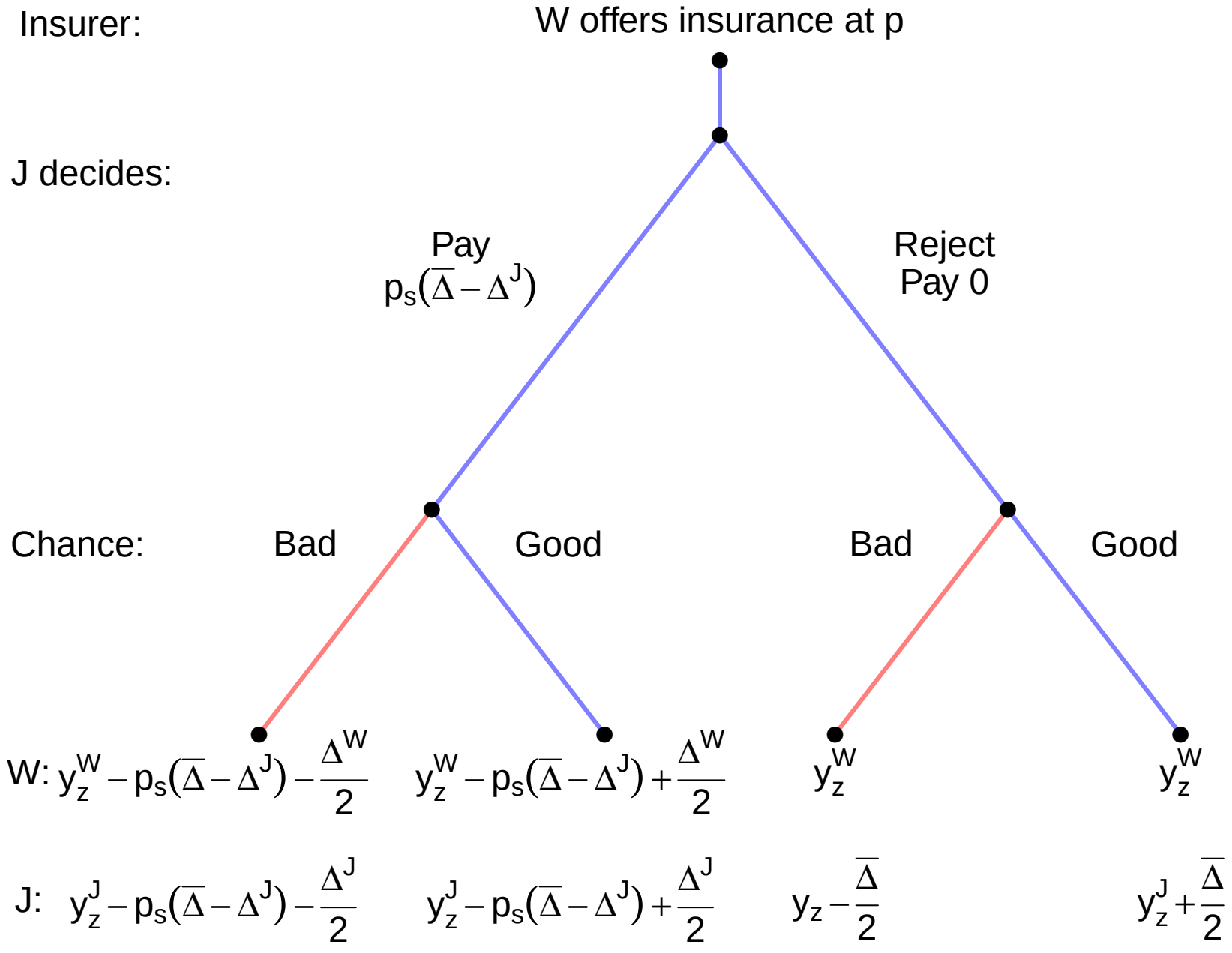
Insurer:
W offers insurance at p
J decides:
Pay
$p_s(\overline{\Delta}-\Delta^J)$
Reject
Pay 0
Chance:
Bad
Good
Bad
Good
W: $y_z^W-p_s(\overline{\Delta}-\Delta^J)-\frac{\Delta^W}{2}$
$y_z^W-p_s(\overline{\Delta}-\Delta^J)+\frac{\Delta^W}{2}$
y_z^W
y_z^W
J: $y_z^J-p_s(\overline{\Delta}-\Delta^J)-\frac{\Delta^J}{2}$
$y_z^J-p_s(\overline{\Delta}-\Delta^J)+\frac{\Delta^J}{2}$
$y_z-\frac{\overline{\Delta}}{2}$
$y_z^J+\frac{\overline{\Delta}}{2}$