(a) All

(b) $I_M \leq 0.2$

(c) $I_V \leq 0.1$

(d) $I_M - I_v \leq 0.1$

Figure 1: Representative Decision Patterns

1

1 Rationality Extension

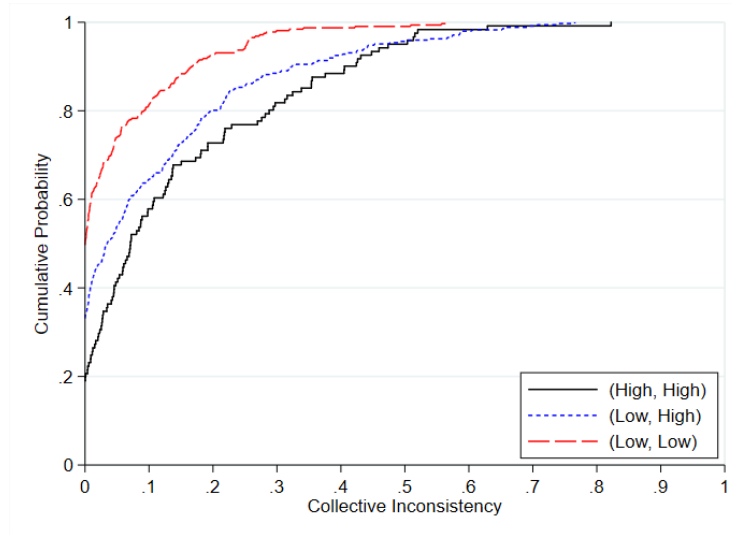Figure 2: Illustration of rationality extension by first-order stochastic dominance
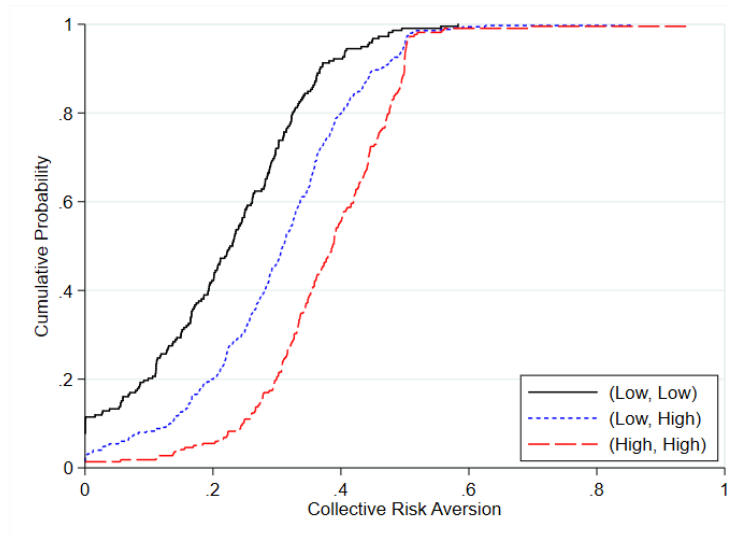
2 Preference Aggregation

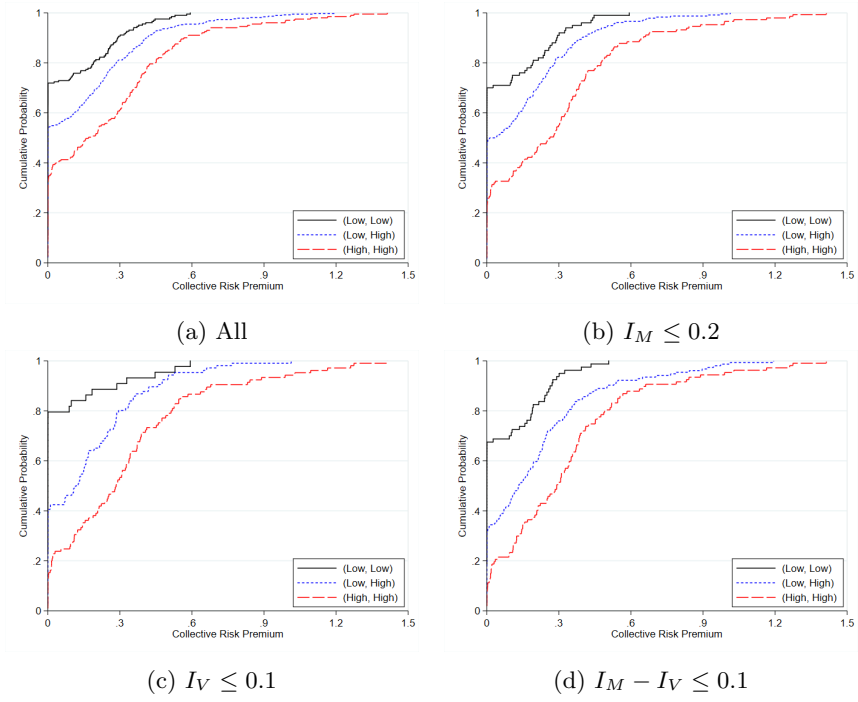Figure 3: Illustration of risk aversion aggregation by first-order stochastic dominance

(a) All

(b) $I_M \leq 0.2$

(c) $I_V \leq 0.1$

(d) $I_M - I_V \leq 0.1$

Figure 4: Illustration of risk premium aggregation by first-order stochastic dominance
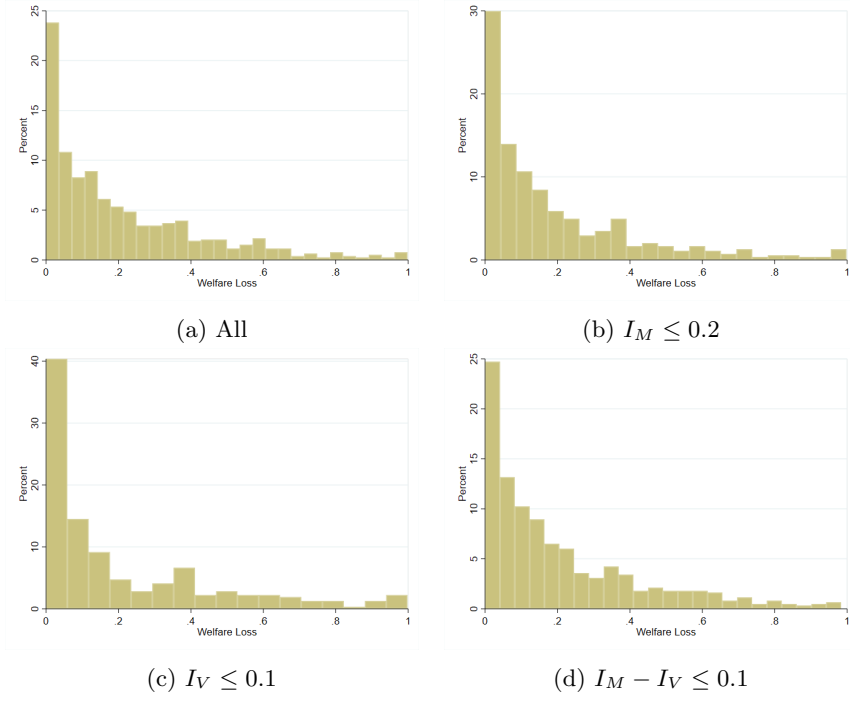
3 Welfare Assessment

4 Simulation Results

(a) All

(b) $I_M \leq 0.2$

(c) $I_V \leq 0.1$

(d) $I_M - I_V \leq 0.1$

Figure 5: Distribution of Welfare Loss

(a) All

(b) $I_M \leq 0.2$

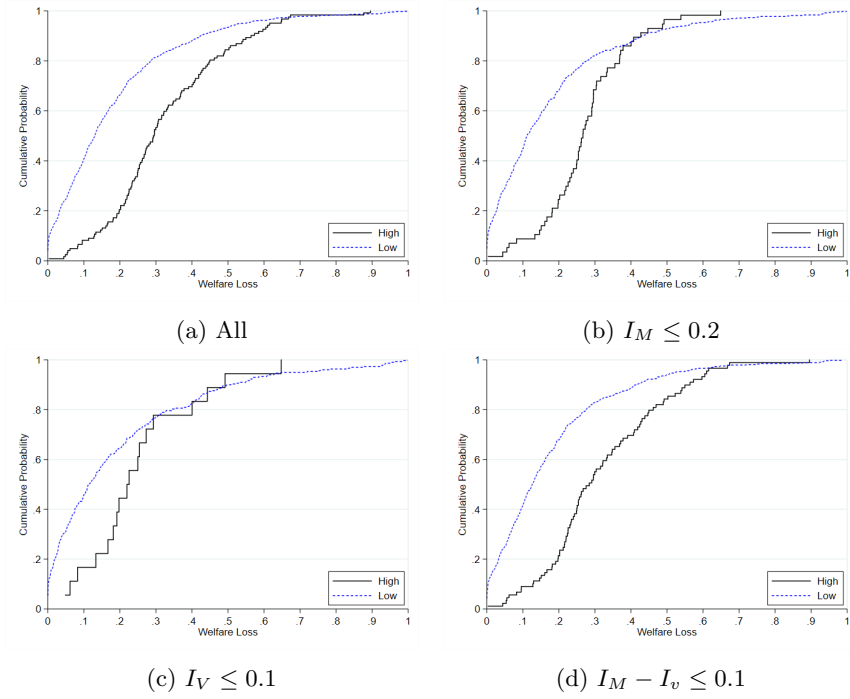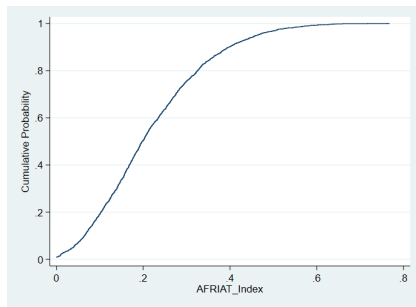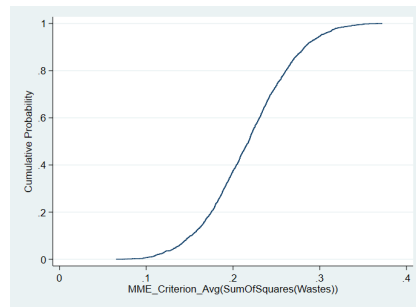(c) $I_V \leq 0.1$

(d) $I_M - I_v \leq 0.1$

Figure 6: Distribution of Welfare Loss

(a) Distribution of Inconsistency

(b) Distribution of MMI