Correction to: Self-insurance and saving under a two-argument utility framework

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The original article has been corrected.

In the original publication of the article, there is a typo in Proposition 3 (3) (ii).

The **right** version should read as follows.

Proposition 3 (3) *The effects of an increase in initial health on self-insurance and saving are as follows.*

(i) An increase in initial health reduces self-insurance and raises saving if:

$$(a) \quad u_{CA} > 0, \quad \frac{u_{CC}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} + R \frac{u_{CA}(y_1 + Rs, h - l(e))}{u_A(y_1 + Rs, h - l(e))} < 0, \quad \text{and} \quad -\frac{u_{CA}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} > -\frac{Eu_{CA}(y_1 + Rs, h)}{Eu_C(y_1 + Rs, h)} \text{ or,}$$

(b) $u_{CA} < 0$, and ACA in A at time 0 is greater than ACA in A at time 1 and less than ARA in A in the loss ate at time 1. That is, $u_{CA} < 0$ and

$$-\frac{Eu_{CA}(y_1 + Rs, h)}{Eu_C(y_1 + Rs, h)} < -\frac{u_{CA}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} < -\frac{u_{AA}(y_1 + Rs, h - l(e))}{u_A(y_1 + Rs, h - l(e))}.$$

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- (ii) An increase in initial health reduces both self-insurance and saving if
- $$u_{CA} > 0, \quad \frac{u_{CC}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} + R \frac{u_{CA}(y_1 + Rs, h - l(e))}{u_A(y_1 + Rs, h - l(e))} > 0, \quad \text{and} \quad -\frac{u_{CA}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} < -\frac{Eu_{CA}(y_1 + Rs, h)}{Eu_C(y_1 + Rs, h)}.$$

See the Appendix and the text above.

- (i) An increase in initial health reduces self-insurance and raises saving if ,
- $$u_{CA} < 0, \quad \frac{u_{CC}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} + R \frac{u_{CA}(y_1 + Rs, h - l(e))}{u_A(y_1 + Rs, h - l(e))} > 0, \quad \text{and} \quad -\frac{u_{CA}(y_0 - f(e) - s, h)}{u_C(y_0 - f(e) - s, h)} < -\frac{Eu_{CA}(y_1 + Rs, h)}{Eu_C(y_1 + Rs, h)}.$$

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