1. Read the introduction and section 1.

2. Read about the data in section 2.

3. Read section 3. Look at Table 2. Suppose that lagged profit margin went up by 1 percentage point, i.e. from 0.043 to 0.053 in 2005 (see the last column of Table 1). Using the coefficient estimates in Table 2, how much would the premium rise under the regressions reported in columns (1) and (3)?

4. Do a similar calculation for column (1) of Table 3, for both the cases of <=4 carriers and 9-10 carriers.

5. Read quickly the robustness checks in the rest of section 3 and the bargaining model in section 4.