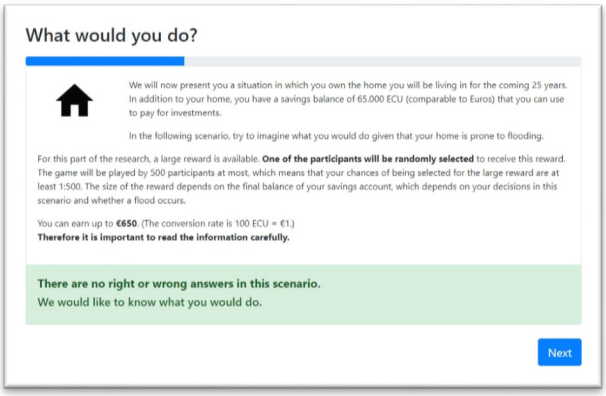
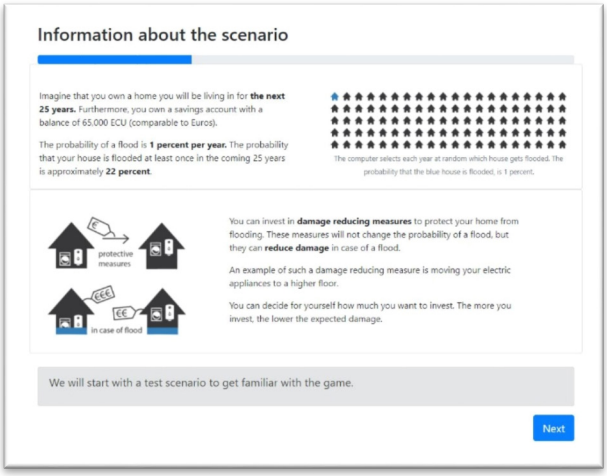
Appendix D: Flood risk investment game



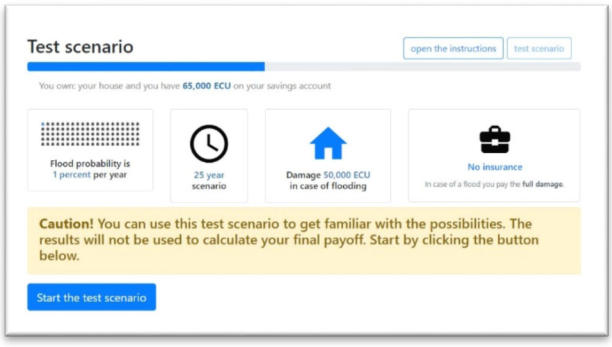
1. Instructions (1)

First page of instructions, including information about payoffs and the random selection mechanism. Green panel emphasizes that there are no right or wrong answers.



2. Instructions (2)

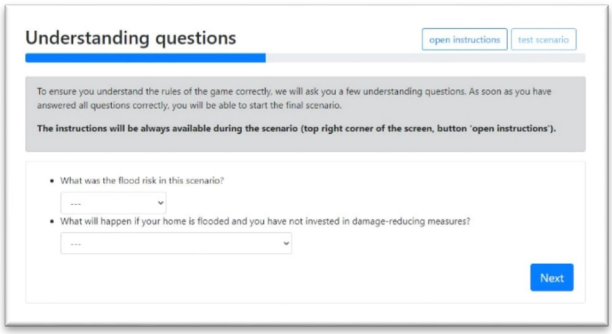
Second page of instructions, including information about the flood risk and an example of damage-reducing measures.



3. Test scenario

Start of the test scenario. Yellow panel emphasizes that this test scenario does not count towards the final payoff.

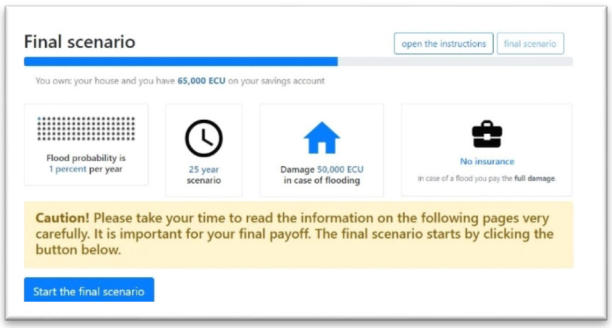
After this page, participants go through all pages of the test scenario (Invest / Floods / Overview of results).



4. Understanding questions

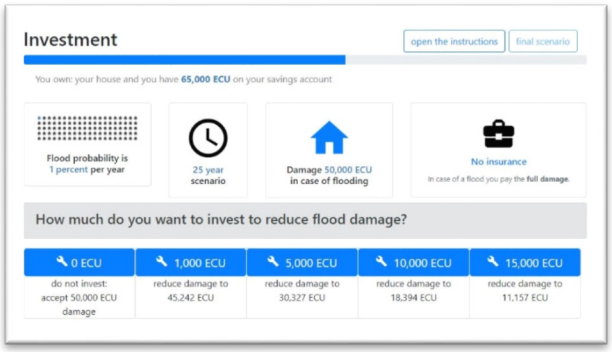
Participants can only proceed after answering both questions correctly. Software counts the number of attempts. Questions:

- What was the flood risk in this scenario
  (Answer: 1% per year)
- What will happen if your home is flooded and you have not invested in damage reducing measures?
  (Answer: I have to pay the full damage of 50.000 ECU)



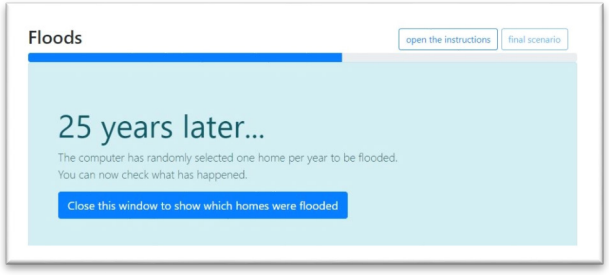
5. Start final scenario

Start of the final scenario. Yellow panel emphasizes that the game starts now, and that the following pages are important for the payoff.



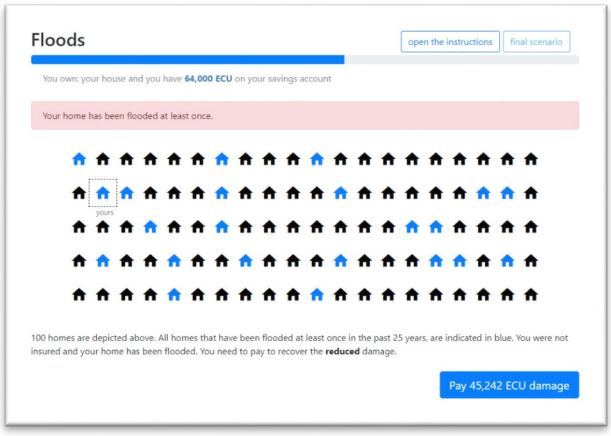
6. Investment

Investment page in the final scenario. Question in the grey panel ("How much do you want to invest to reduce flood damage?"). Answer options in blue buttons (0 ECU; 1,000 ECU; 5,000 ECU; 10,000 ECU; 15,000 ECU) with accompanying damage reduction.



7. Floods I

Large warning page indicating that the participant will see the results of 25 years of flood risk.

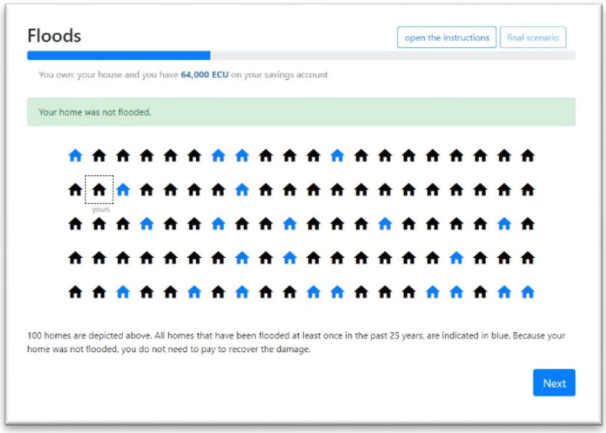


8. Floods II: Flooded

Results of 25 years of flood risk. Home of the participant is indicated with dotted lines. Grid shows 100 homes and homes that have been flooded at least once are indicated in blue.

In this case the home of the participant has been flooded. Red banner indicates this. By proceeding to the next page, the participant will pay the reduced damage (this participant chose to invest 1,000 ECU, which reduced the damage to 45,242 ECU)

OR:



8. Floods II: Not flooded

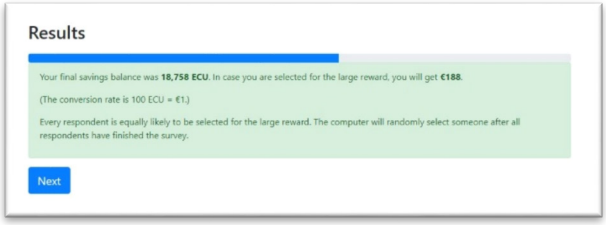
Results of 25 years of flood risk. Home of the participant is indicated with dotted lines. Grid shows 100 homes and homes that have been flooded at least once are indicated in blue.

Participant will either see this screen shot, or the previous one. In this case the home of the participant has not been flooded. Green banner indicates this. Participant does not need to pay.

9. Overview

Overview of payments of the 25 years in the game:

- endowment = 65.000 ECU
- - investment in damage reducing measures
- - flood damage
- = total payoff



10. Results

Summary of results and conversion to euros. Recap of the random selection mechanism.