

Do Risk Analysts
Make Good Risk Managers?
(and Why Not?)

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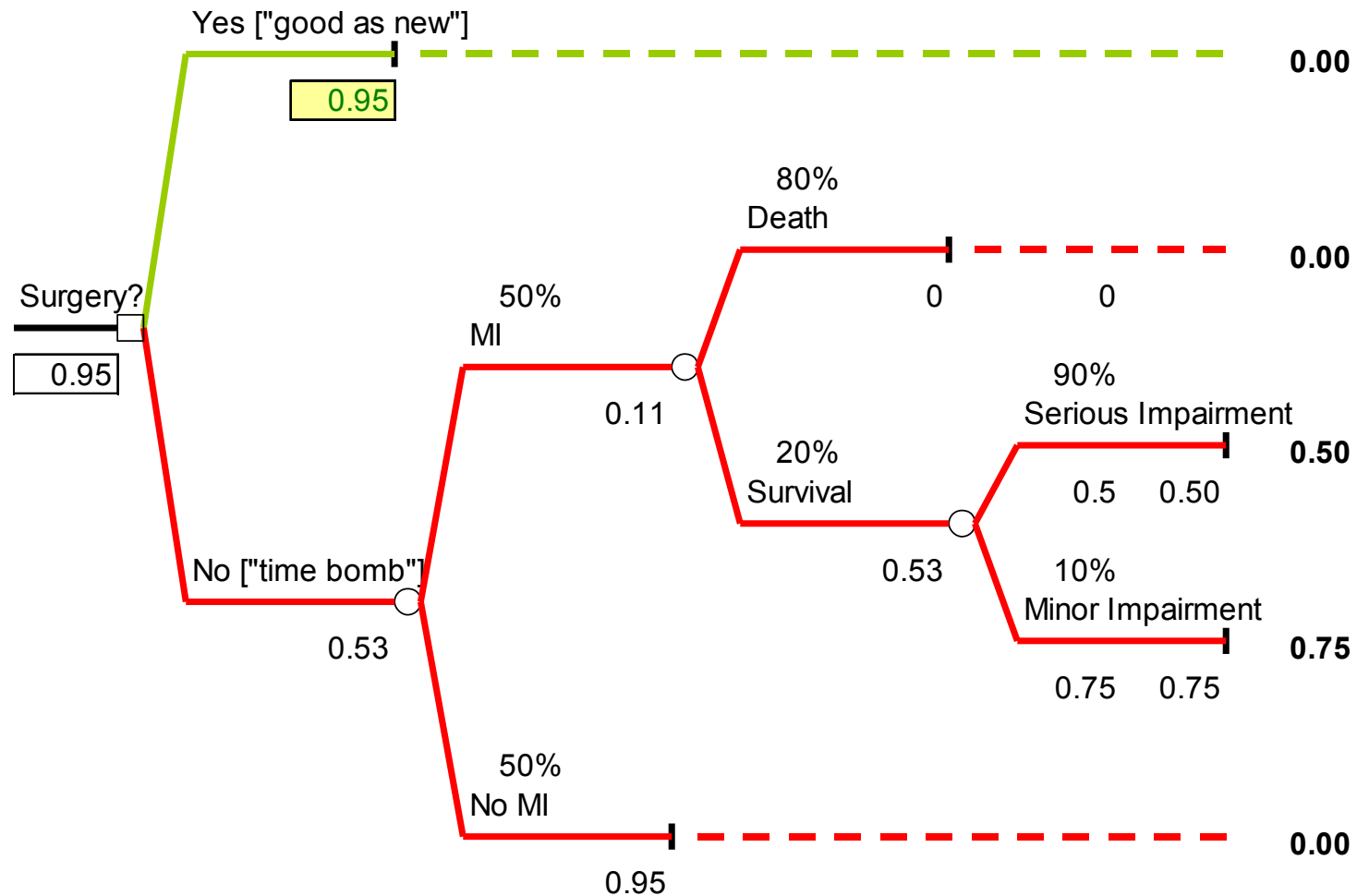
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SRA 2000 Annual Meeting

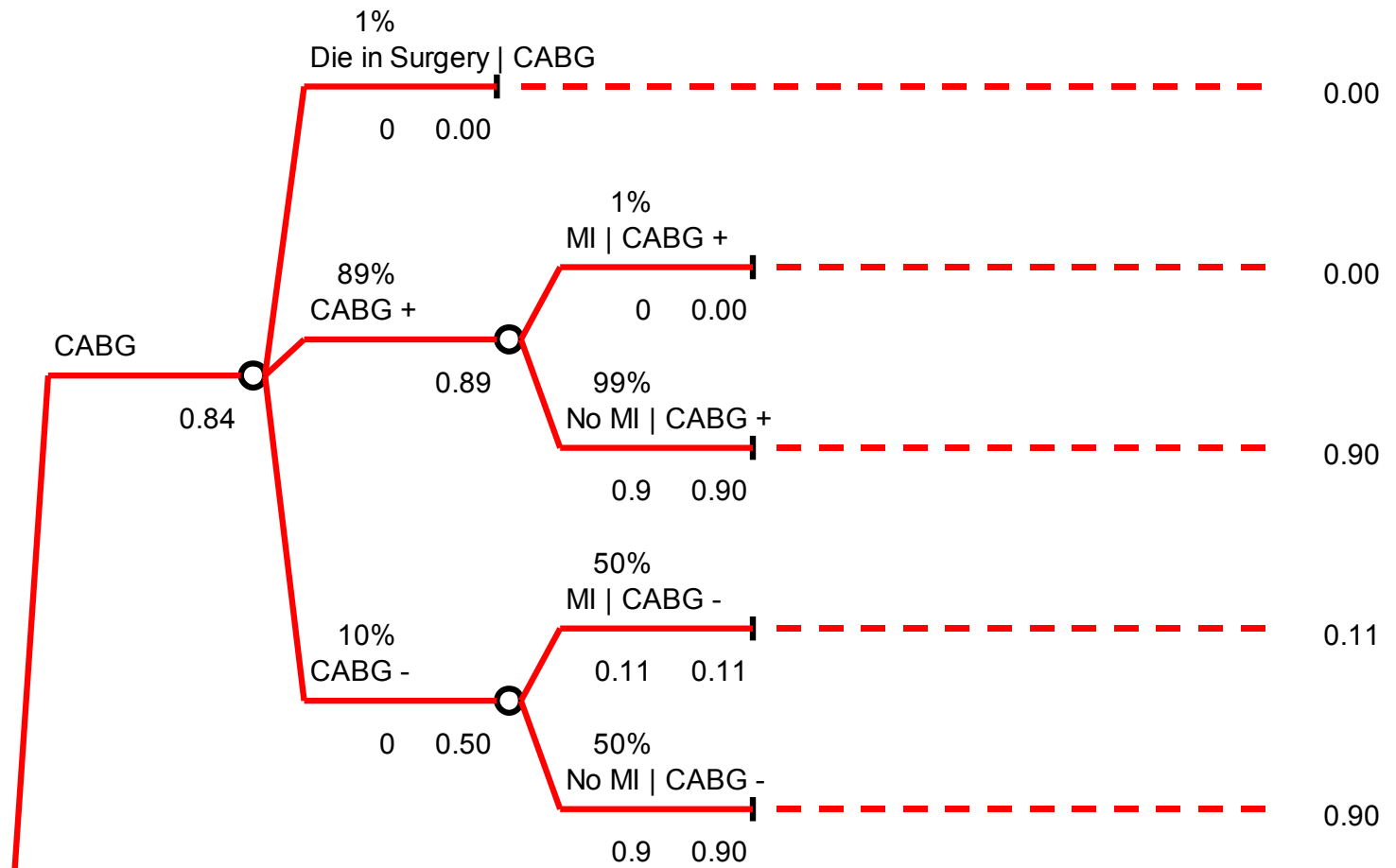
Assumptions

- Risk analysts are best able to analyze risk.
- Subjectively determined QAL.
 - Included: risk aversion.
 - Not included: discounting, interdependent utilities, etc.
- Doctors answer correctly-worded questions truthfully.

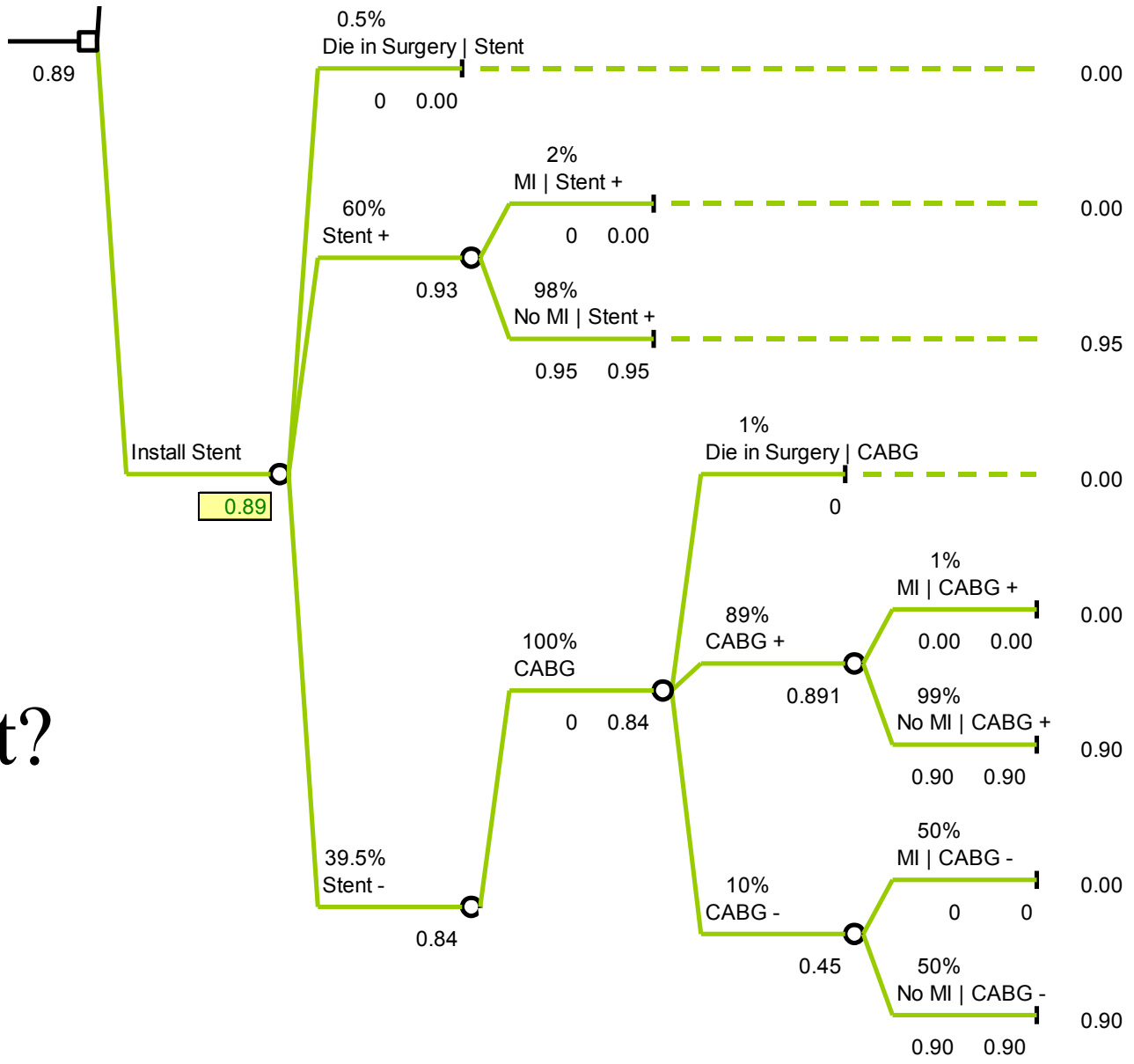
Should the risk analyst pursue surgery?



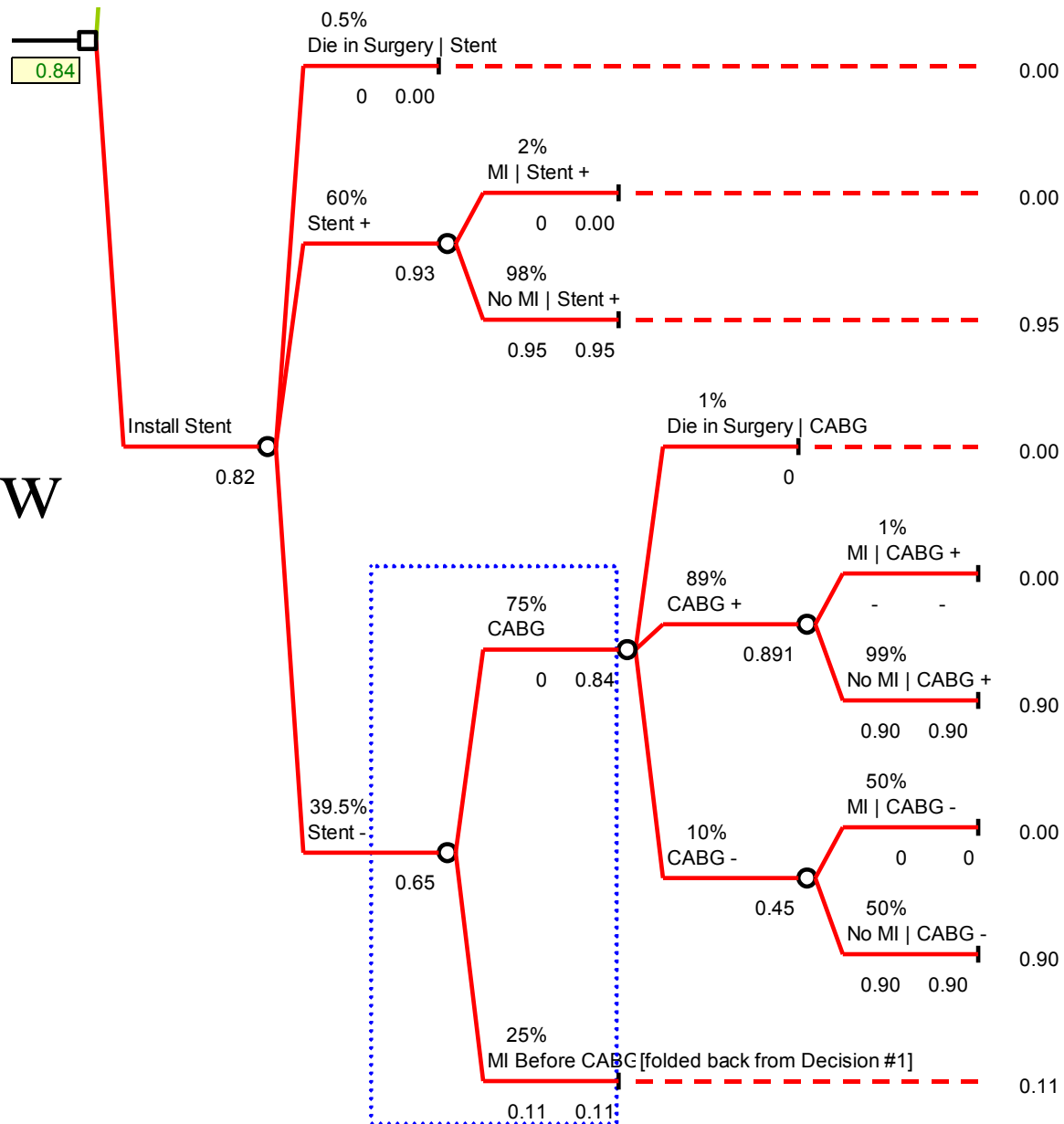
Having chosen surgery, should the risk analyst choose coronary artery bypass graft ...



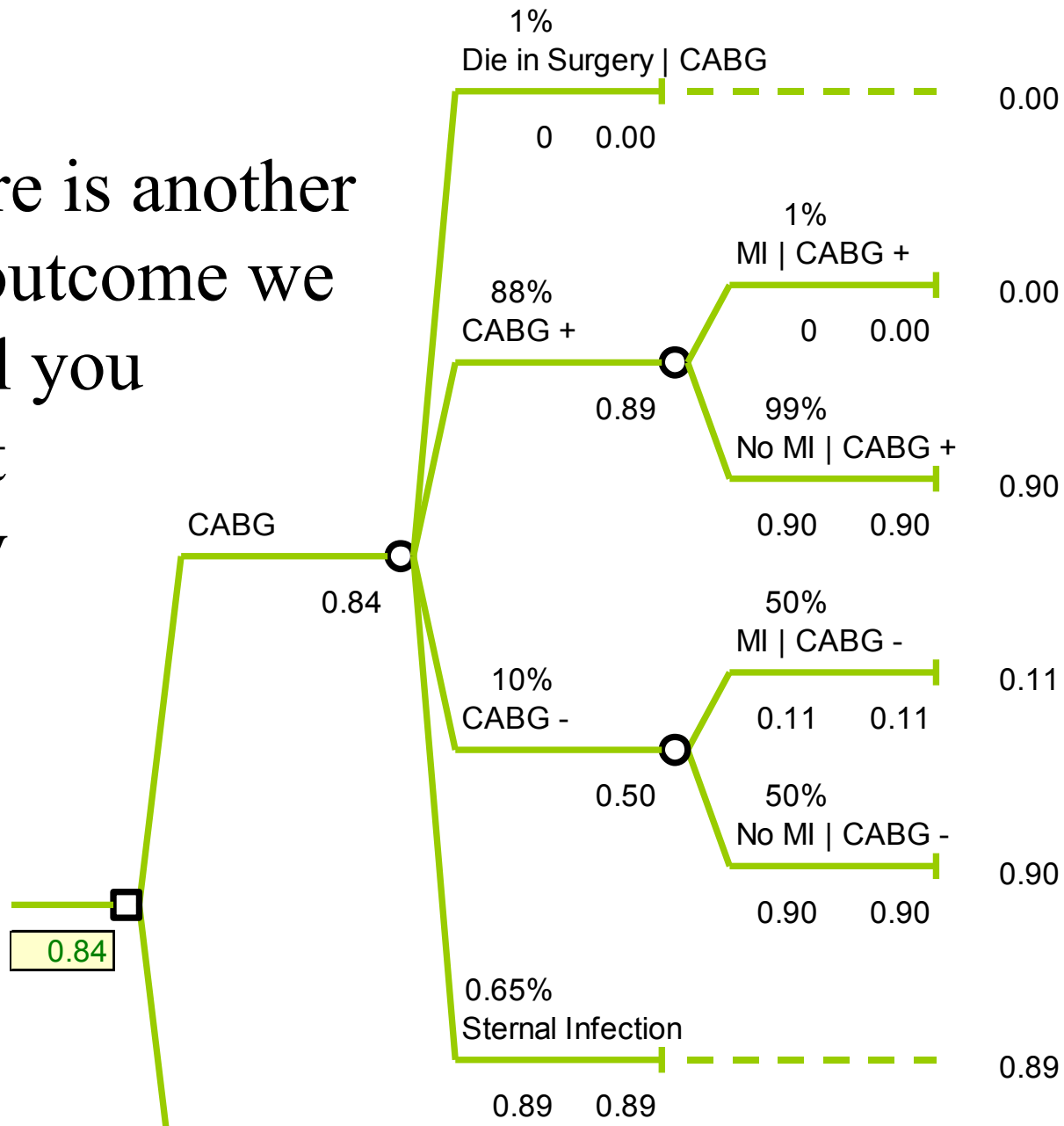
...or stent?



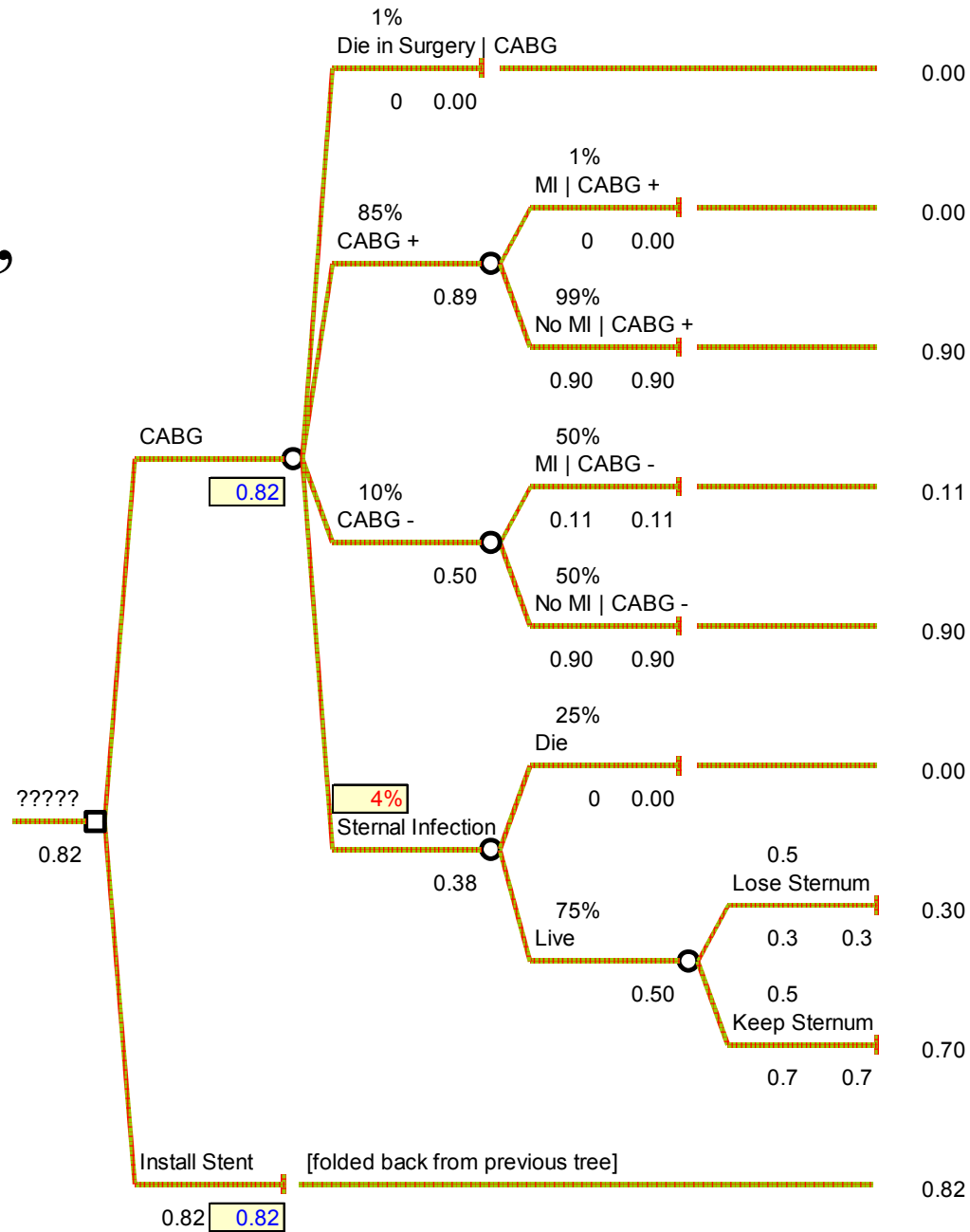
Actually,
it takes a few
months to
determine
whether
the stent
worked.



“Um, there is another possible outcome we didn’t tell you about, but you really needn’t worry.”



“We have a problem here, Houston.”



“We exaggerated your risk a bit, but only to get your attention.”

