## **Social Insurance**

1. A Problem Associated With Assymetice Information

## **Social Insurance**

Unemployment insurance insures against unemployment. It is unlikely to be privately provided because of
A problem associated with assymetice information selection and moral hazard. However, the government can imrpove
in one regard. Through coercion it can avoid adverse selection. At the same time, though, government
intervention cannot eliminate moral hazard and can even exacerbate it.

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