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*Multitask Principal-Agent Problems with Accident Prevention.*

We introduce a new continuous-time multitask principal-agent model in which the agent allocates his resources on two tasks: effort and accident prevention. We provide an explicit characterization of the contract sensitivities, along with the hidden effort and prevention actions applied by the agent. Our model is rich enough to capture contractual environments where the principal can protect the firm against excessive accident losses, promote, replace, and fire the agent. We analyze how such decisions depend on the interplay between risk aversion, strength of task interaction, as well as opportunity costs of the agent. (Received June 09, 2013)