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Economic Development

present a seminar on

Do (non-standard) risk and time preferences explain health insurance enrollment?

by

Kim van Wilgenburg

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14 October, Friday

4:00-5:00 p.m. – Room 303

Abstract:

Voluntary health insurance enrollment is typically low in developing countries. Given exposure to risks of substantial out-of-pocket medical expenses, the lack of demand for insurance appears inconsistent with standard economic theory. This paper examines the extent to which (non-standard) risk and time preferences can explain health insurance enrollment in the Philippines. In a nationwide survey, we elicit four dimensions of risk and time preferences. Beyond utility curvature and standard constant discounting we study probability weighting and present bias. The risk preference parameters are defined by prospect theory and time preferences are defined by quasi-hyperbolic discounting. We find consistent evidence that lower discounting of the future predicts uptake of health insurance. Enrollment is, however, not associated with risk preferences after controlling for socio-economic factors.

About the speaker:

Kim van Wilgenburg is a PhD Candidate of the Economics faculty of the Erasmus University Rotterdam and Tinbergen Institute. Her main research interest lie in Behavioural Economics and Health Economics with a focus on health behaviour, healthcare systems and financial protection in low- and middle- income countries. Her current work is concerned with the measurement of subjective expectations of medical expenditure risk and the analysis of risk and time preferences in the context of voluntary health insurance enrolment. Before starting her PhD she worked for the healthcare department of a consultancy company advising governments and healthcare providers on policy, strategy and operations both in the Netherlands and abroad. She completed an MSc in Health Economics from the Erasmus University Rotterdam, an MSc in International Health from the Queen Margaret University in Edinburgh and a BSc in Psychology from the University of Amsterdam.



Free and open to the public

For group attendance, please contact Ms. Gloria Lambino, UPSE Economics Research Center

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