

**Healthy People Take out Health Insurance:
Empirical Analysis on the Relationship between Health Behaviors,
Private Health Insurance Ownership and Time Preference in Japan**

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Keiko Iwasaki¹

Abstract

Though the association between time preference and health behaviors has been investigated in various studies, their relationship with health insurance ownership has not been well investigated. Using our unique dataset obtained from an online survey conducted in July 2018 targeting residents of Japan aged 20 to 69 years, we investigate the relationship between health behaviors, private health insurance ownership and time preference. First, we find that respondents who perform healthy behavior are more likely to have private health insurance as well as life insurance and insurance for saving purpose than those who do not, which contradicts expectations from adverse selection and moral hazard but supports propitious selection. We attribute this to the common nature between health insurance ownership and healthy behavior that is both are actions for the expected cost of being unhealthy in the future. By comparing effects of time preference and other characteristics on health insurance ownership and healthy behaviors, we find that time preference is one of the main factors which lead both healthy behaviors and private health insurance ownership.

Keywords: health insurance; time preference; health behavior, propitious selection

¹ *NLI Research Institute*, 4-1-7 Kudankita, Chiyoda-ku Tokyo 102-0073
Tel: 03-3512-1882