

Ageing and absenteeism: impact on the insurance preferences of employers

“Ageing workforce leads to significantly higher monthly premiums for absenteeism insurance”

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This study investigated the impact of the ageing workforce on the own risk employers want to take and premiums they are willing to pay for absenteeism insurance due to long-term illness. Data was obtained from a stated preference experiment combined with a survey realised in collaboration with insurance company ASR among a large group of employers. Employer’s age, the age structure of the workforce and whether the employer thinks older employees are likely to become ill influence the willingness to pay more premium.

Principal Findings

- If a business has more older employees (56–65 years) then employers are prepared to pay more premium.
- However, this is only the case if employers see ageing as a risk factor and estimate the productivity of older workers to be lower.
- Heaviness of occupation does not influence the employer’s desired insurance premium, but gender and physically demanding tasks do.
- Younger and less optimistic employers are more inclined to differentiate the premium paid according to employee age.
- How employers perceive the degree to which older employees will develop certain diseases influences the premium they are willing to pay.

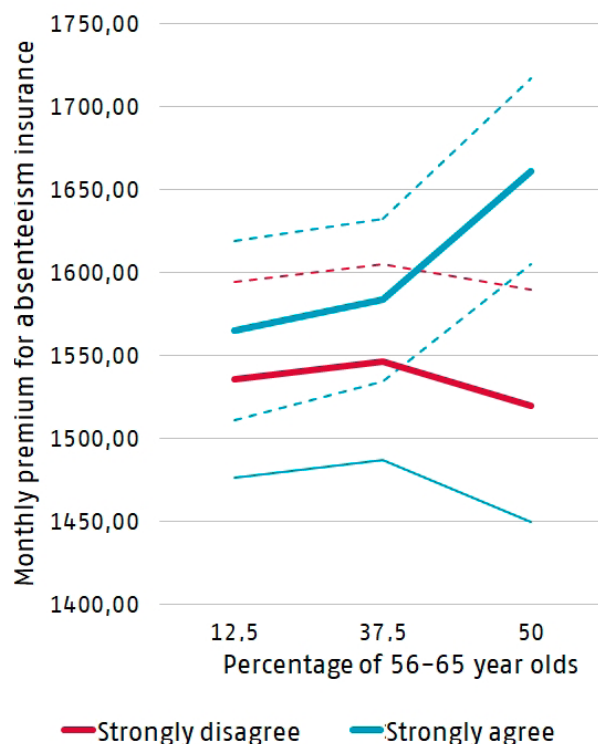


Figure: The aging population leads to more absenteeism

Key Takeaways for the Industry

- As there is a limit to how much premium employers are willing to pay, an optimal balance is needed between an attractive price and an optimal service.
- Evidence-based policy is needed to limit the influence of employer age on the willingness to pay premium.



Want to know more? Read the paper (in Dutch)

'Vergrijzing en verzuim: impact op de verzekeringsvoorkeuren van werkgevers'