

Consumption Insurance against the Chronic Illness: Evidence from Thailand

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Abstract : This paper studies consumption insurance against the chronic illness in Thailand. The study estimates the impact of household consumption in the chronic illness on consumption growth. Chronic illness is the health care costs of a person or a household's decision in treatment for the long term; the causes and effects of the household's ability for smooth consumption. The chronic illnesses are measured in health status when at least one member within the household faces the chronic illness. The data used is from the Household Social Economic Panel Survey conducted during 2007 and 2012. The survey collected data from approximately 6,000 households from every province, both inside and outside municipal areas in Thailand. The study estimates the change in household consumption by using an ordinary least squares (OLS) regression model. The result shows that the members within the household facing the chronic illness would reduce the consumption by around 4%. This case indicates that consumption insurance in Thailand is quite sufficient against chronic illness.

Keywords : consumption insurance, chronic illness, health care, Thailand

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