**Supporting documentation on Study Number 7052,**
**Testing for Asymmetric Information in Private Health Insurance**

The dataset deposited here is the one used to carry out the empirical analysis of the article "Testing for Asymmetric Information in Private Health Insurance" by Pau Olivella and Marcos Vera-Hernández, published by The Economic Journal DOI: 10.1111/j.1468-0297.2012.02520.x

The dataset is a subsample of the British Household Panel Survey (BHPS). The dataset contains variables which have been generated from variables already included in the BHPS. The labels of the variables are part of the dataset.

Two STATA do files (*create_dataset.do* & *clean_dataset.do*) contain the exact syntax used to extract the relevant subsample and generate the variables from original BHPS files, which can be downloaded from http://www.esds.ac.uk/findingData/snDescription.asp?sn=5151 upon registration http://www.esds.ac.uk/aandp/access/access.asp. In order to run *clean_dataset.do*, you will also need the file *retail_price_index_dec2008.dta* which is also being deposited under this Study Number.

The STATA do file *analysis.do* can be run on the data deposited under this Study Number to replicate the published findings.

**Sample**

The dataset deposited here comes from waves 6 to 18 of the BHPS (residents in England, Wales, and Scotland only). The dataset contains information on male employees aged 23-59.

**Variables**

The most important variables contained in the dataset are summarized in the Table below. The do file *clean_dataset.do* should also provide good information on how the variables were generated.

*Main Variables*

| Label | Definition |
|---|---|
| **Insurance Variables** | |
| pmi_employer | 1 if the individual has Private Health Insurance in his own name provided by his employer as a fringe benefit, 0 otherwise (N-group) |
| pmi_wages | 1 if the individual has Private Health Insurance in his own name and pays the premium directly through his wage, 0 otherwise |
| pmi_relative | 1 if the individual has Private Health Insurance in a relative's name, 0 otherwise |

| pmi_no | 1 if the individual does not have Private Health Insurance, 0 otherwise (DN-group) |
|--------|-----------------------------------------------------------------------------------|
| pmi_ind | 1 if the individual bought Private Health Insurance directly, 0 otherwise (DI-group) |

| **Health care use variables** | |
|--------|--------|
| hosp | 1 if the individual has been hospitalised since 1 September of the year previous to the interview, 0 otherwise |
| gpvisits_any | 1 if the individual has had at least one visit to the GP since 1 September of the year previous to the interview, 0 otherwise |
| prev_any | 1 if the individual has had at least one preventive test or check-up since 1 of September of the year previous to the interview, 0 otherwise |
| nhs1 | 1 if the individual had a hospitalisation fully funded by the NHS since 1 of September of the year previous to the interview, 0 otherwise (only defined if hospitalisation equals 1) |
| nhs2 | 1 if the individual had a hospitalisation either fully or partially funded by the NHS since 1 of September of the year previous to the interview, 0 otherwise (only defined if hospitalisation equals 1) |

| **Self-declared health variables** | |
|--------|--------|
| health_veryimp | 1 if the individual declares that health is very important to him, 0 if it is less than very important |
| health_cond_any | 1 if the individual declares that he has at least one of the 13 health problems that are shown to him, 0 otherwise |
| health_cond_num | Number of health problems (of those shown to him) that the individual suffers from |

| **Control variables** | |
|--------|--------|
| age | Age in years |
| edlevel_1 | 1 if the individual has no educational qualification |
| edlevel_1 | 1 if the individual has some educational qualification but has not completed O-levels, 0 otherwise |
| edlevel_1 | 1 if the individual's highest qualification is O-levels or apprenticeship, 0 otherwise |
| edlevel_1 | 1 if the individual's highest qualification is A-levels, 0 otherwise |
| edlevel_1 | 1 if the individual's highest qualification is college degree, 0 otherwise |
| edlevel_1 | 1 if the individual's highest qualification is more than college degree, 0 otherwise |

| | |
|---|---|
| smoker | 1 if the individual currently smokes, 0 otherwise |
| married_cohab | 1 if the individual is cohabiting (included married), 0 otherwise |
| remth | Real monthly individual labour income in December 2008 sterling, divided by 10000 |
| Ln_earnings | LN(Earnings) |
| time elapsed | Number of months between the interview and 1 of September of the year previous to the interview |
| time elapsed* | Time elapsed at the power of * |