

## **Health insurance claims distribution**

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Health insurance claims distributions are important for understanding member behaviour (anti-selection) and value perceptions, as well as for product design and pricing.

Some product design aspects affected by claims distributions include claim limits, excess options, and low claims discounts.

In addition to investigating proportions claiming and claim size distribution by various factors, an analysis was performed of serial correlations of claims amounts over various time periods.

A relatively high proportion of total claims costs arises from a relatively small proportion of insureds. High-claimers tend to remain high-claimers in subsequent years, and low claimers tend to remain low claimers.

Key words: health insurance, claims distribution, low claims discount, product design