On the graduation of the sickness recovery intensities for short term health insurance in Greece

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Abstract

The last decennium a vast literature on multiple state models and stochastic models for disability (health) insurance has been developed. In our paper, we examine two methodologies for graduating sickness recovery intensities for short term health insurance. The two approaches are based on generalized linear models and utilize the data collected for a Greek Social Security Institution. The sickness recovery intensity is function of age at sickness onset, x, and duration of sickness, z. The graduation formula that proposed for Greek experience has three break-point predictors.

Keywords: Graduation, Multiple state models, Disability insurance, Transition intensities, generalized linear models

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