The Effect of Health Insurance Coverage and Subjective Health Status on Individual Estimates of Life Expectancy

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With the passing of the 2010 Affordable Care Act (ACA), most Americans are now required to carry health insurance. We separately examine the influence of health insurance coverage, and perceived health status on individual estimates of life expectancy using the 2007, 2010, and 2013 Survey of Consumer Finances. We find that health insurance coverage does not influence subjective life expectancy nor does it influence one’s belief that they will live beyond the IRS’ actuarial table estimates before or after the passing of the ACA. However, we find that perceived health status is significant, and positively associated with SLE, both as a continuous measure and as a predictor of whether or not an individual will live beyond actuarial table estimates, indicating that financial planners should consider their client’s perceived health status when engaging in the financial planning process.

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