SCREENING DISABILITY INSURANCE APPLICATIONS

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Abstract

This paper investigates the effects of stricter screening of disability insurance applications. A large-scale experiment was setup where in two of the 26 Dutch regions caseworkers of the disability insurance administration were instructed to screen applications more stringently. The empirical results show that stricter screening reduces long-term sickness absenteeism and disability insurance applications. We find evidence for direct effects of stricter screening on work resumption during the period of sickness absence and for self-screening by potential disability insurance applicants. Furthermore, stricter screening improves targeting efficiency without inducing negative spillover effects on the inflow into unemployment insurance. (JEL: C93, H53, I18)