

# BISMARCK'S HEALTH INSURANCE AND THE MORTALITY DECLINE

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## Abstract

We study the impact of social health insurance on mortality. Using the introduction of compulsory health insurance in the German Empire in 1884 as a natural experiment, we estimate difference-in-differences and regional fixed effects models exploiting variation in eligibility for insurance across occupations. Our findings suggest that Bismarck's health insurance generated a significant mortality reduction. Despite the absence of antibiotics and most vaccines, we find the results to be largely driven by a decline of deaths from infectious diseases. Further evidence suggests that statutory access to well-trained doctors was an elementary channel. This finding may be explained by insurance fund physicians transmitting new knowledge on infectious disease prevention. (JEL: I13, I18, N33, J11)

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*"Rarely, if ever, in modern history has a single piece of legislation had such a profound worldwide impact as the German Sickness Insurance Law of 1883 - the cornerstone of German health care policy for almost one century."*

– Leichter (1979)

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