

In 2019, the social health care insurance penetration is over 95% in China, where universal health care insurance coverage is almost achieved. Since it only guarantees basic medical services, which may not be able to meet various types of demand for health care services among people. Besides, according to the rapid growth of old population, the economic burden due to illness to each household has been getting one of the most serious issues in the society. Under this circumstance, private health care insurance is necessary, which is considered complementary to social health care insurance in China. However, the development of private health care insurance is still in its early stages. It is of great significance to study the factors influencing people to purchase private health care insurance in China.

The goal of this study is to examine how the risk averse attitudes would affect the purchasing behavior of private health care insurance. To this purpose, I apply two stage least square method with an instrumental variable to a nationally representative longitudinal data in China - China Household Finance Survey in 2011, 2013, 2015 and 2017. Conclusively, the result shows risk averse individuals are significantly more likely to purchase private health care insurance, ranging from 6.5% to 11% points. Likewise, people's socio-demographic and socio-economic attributes would have statistically significant impacts on people's enrollment into private health care insurance.

Therefore, the insurance company should promote the different strategy or insurance plans according to different clients' needs. At the same time, workers who engaged into private health care insurance in insurance companies should acquire professional competence so that customers can enroll into the appropriate insurance. Further, since the premium tend to be increasing by age, which might decrease the demand for private health care insurance among old people. So, to some extent, the government should figure out a policy to subsidize the reimbursement for the elderly care. Also, the results of educational achievement and household income indicates that purchasing power is also an important factor for the enrollment. Therefore, the government can optimize preferential tax policy to encourage people to buy the private health care insurance.