

Abstract

This paper examines the effects of experience rating on the inflow into disability insurance (DI) in the Netherlands, using unique longitudinal administrative data from the social benefit administration. We follow a difference-in-differences approach to identify the impact of changes in DI premiums. Due to unawareness of the experience rating system, employers seem to have been triggered to increase preventative activities, once they have experienced increases in DI premium. We find this impact to be substantial, amounting to a 15% reduction of the DI inflow.