

# **Genetics and Health Insurance: How Genes and Insurance Status Affect Smoking Decisions after Health Shocks**

## **Abstract:**

The determinants of healthy behaviors are complex and multifaceted, and include both biological factors, such as genetic predispositions, as well as environmental factors, such as financial liquidity and health insurance status. We show how the choice of smoking after a serious health shock is jointly determined by the interaction between these biological and environmental components. We find that genetic predispositions can offset the financial incentives for smoking cessation. These results suggest that genetic heterogeneity is a factor that should be considered when evaluating the importance of health insurance policies.

The paper is joint work with Laura Zwysig.

**Pietro Biroli**

**Assistant professor of Economics at the University of Zurich and affiliated to the UBS Center for Economics in Society.**