

## Media Release

### **Demand for Private Health Insurance grows despite impact of Covid 19 and steep reduction in claims**

- The private health insurance market increased by 1.8% last year to 2.31m; 46% of the population have some form of health insurance cover
- Average premium per person declines to €1,142 due to the exceptional refunds to consumers related to Covid 19
- Total claims paid by the three main insurers (Vhi, Laya, Irish Life Health) fell to €1.88bn in 2020, compared to €2.24bn in 2019.
- Risk Equalisation Scheme extended until March 2022. HIA currently advising on proposed refinements to this scheme

**06 September 2021:** The health insurance market remained in a strong position despite the impact of Covid 19 on health services and the economy, according to the recently published Health Insurance Authority (HIA) Annual Report 2020. The private health insurance market increased by 1.8% last year to 2.31m. This was despite the limitations on the health service and the economic impacts felt by many consumers across the economy. This reflects strong consumer sentiment in the market and demonstrate the priority many put on health insurance.

#### **Commenting on the publication of the HIA Annual Report Laura Brien, CEO of the HIA, said:**

*“The Health Insurance market remains in a strong position despite the impact of Covid 19. While the average premium per person fell in 2020, this is largely due to the exceptional refunds made by health insurers which slightly offsets the reduction in the number of claims. What we are seeing is a market where consumers place a high value on their health insurance and see it as a priority for them. However, insurers are adding new products and features all the time. This is adding to the complexity of the market and the number of products and that remains a concern from a consumer perspective. We encourage all consumers to assess their level of coverage each year and compare products available.”*

#### **Key findings from the 2020 HIA Annual Report on the Private Health Insurance Market include:**

- People from age 45 to 80 are most likely to have health insurance and slightly more women than men have a policy
- Vhi Healthcare’s market share was 49%, having been 95% in the mid-1990s before the market was opened to competition. Laya Healthcare had a 27% market share and Irish Life Health had 20%.
- Due to the exceptional circumstances caused by Covid 19, in particular the takeover by the state of private hospitals for three months in 2020, total claims paid by the three main insurers (Vhi, Laya, Irish Life Health) fell to €1.88bn in 2020, compared to €2.24bn in 2019.
- 10% of the insured population had policies that did not cover all public hospitals at the end of 2020. These policies are at the cheaper end of the range but vary somewhat.
- Older people pay more on average for health insurance. Those over the age of 65 pay, on average, premiums that are 34% higher than the premiums paid by those under the age of 65 for typical mid-level products (policies that cover private hospitals for a shared room).

**The recently appointed Chairperson, Patricia Byron, commented:**

*“The Authority fulfils a number of key regulatory functions in the Health Insurance sector. Our 2020 Annual Report tracks the impact of COVID on the sector: in particular lower claims costs, an increase in the private policyholder base, along with over 65-year-olds paying a significant premium, all warranting further consideration. The Risk Equalisation scheme was extended to 2022 with the agreement of the European Commission and we are currently in the process of advising the Minister for Health on further refinements to the scheme. I look forward to addressing the challenges facing this sector and prioritising the interests of the health insurance customers.”*

To assist consumers to better understand their insurance policies, the Authority expanded its public information campaign during the year. The Authority also continued to assist consumers in determining the most appropriate policy for them through the Authority’s comparison tool, available on its website, and the dedicated consumer helpline through which consumers can seek assistance from Authority staff.

For more information on the Health Insurance Authority and the private health insurance market, visit [www.hia.ie](http://www.hia.ie) and the Annual Report 2020 available [here](#).

**ENDS**

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**Notes to the Editor**

**About the Health Insurance Authority (HIA)**

The role of the HIA is to ensure consumers are aware of their rights and insurers know their responsibilities in relation to health insurance in Ireland. The HIA enable a functioning health insurance market for the benefit of consumers, providers and policy makers that underpins an accessible health service.