

Public Consultation
Community-rated health insurance market in Ireland and proposed changes to the Risk Equalisation Scheme

Consultation closes 05 December 2025

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1. Introduction

Ireland's health insurance market is **Community-rated**, a principle where everyone pays the same premium for a given plan, regardless of their individual health status, age, gender, or claims history.

This means that when you buy health insurance in Ireland, the cost of your premium is based on the level of cover you want, not on your medical history or previous claims. This is different to other types of insurance, for example motor insurance, where your premium would be directly affected by your driving history. Everyone, with certain exceptions, can buy the same health insurance policy at the same price. Older and sicker people pay much less for health insurance than they would in a risk rated market.

Community rating is enabled by the Risk Equalisation Scheme ("the Scheme"). The Scheme works by taking a portion of all health insurance premiums as a stamp duty and putting them into a Fund. Credits are then paid from the Fund to insurers who provide insurance to older people and those with hospital admissions. This helps to keep insurance affordable for older people or for those who have higher healthcare needs. The amounts of credits and stamp duties can be found in Appendix 1.

The current Scheme has been operating since 2021. The Department of Health and the Health Insurance Authority (HIA) are conducting a public consultation on the community-rated health insurance market and the proposed amendments to the design of a new Risk Equalisation Scheme which will run from 2027.

The Department of Health and the HIA are keen to gather responses from all stakeholders in the health insurance market. These stakeholders include members of the public, including people who have health insurance, health insurance companies and other interested parties.

2. The four principles of health insurance in Ireland

The principal objective of health insurance regulation in Ireland is to ensure that access to health insurance cover is available to everyone, regardless of age, gender, state of health, or use of health services. There are four principles underpinning this objective. These are briefly outlined as follows:

- 1. Community Rating:** Community rating is a cornerstone of the Irish health insurance market. Insurers are not allowed to set premiums on the basis of the risk from claims of individuals. This means that people who are old or less healthy do not have to pay more than the young and healthy for the same product. In some other health insurance systems, insurance premiums vary depending on the level of claim risk and usage. Limited variations in premiums are provided for in the legislation for child and young adult discounts, group discounts and lifetime community rating loadings. Lifetime community rating loadings can apply to people who are aged 35 or older, who are new to health insurance, or returning after a break in cover.

2. **Open Enrolment:** Open enrolment means that, except in limited circumstances specified in legislation, health insurers must accept all applicants for health insurance cover.
3. **Lifetime Cover:** Lifetime cover means that, except in limited circumstances specified in legislation, every person with health insurance is guaranteed the right to renew their policies regardless of their age or health status.
4. **Minimum Benefits:** Under the current Minimum Benefit Regulations, all insurance products that provide cover for in-patient hospital treatment must provide a certain minimum level of benefits. It is considered necessary to regulate the minimum level of benefits in order to support community rating and because of the complex and specialist nature of health insurance products.

These principles are set down in the Health Insurance Acts, which regulate the health insurance market in addition to other insurance regulation. It is important to note that the changes being proposed for the next iteration of the Scheme do not affect the four principles outlined above.

3. Overview of the Risk Equalisation Scheme in the health insurance market in Ireland

The Risk Equalisation Scheme is an essential support to the community-rated private health insurance market in Ireland. With community rating, insurers are not allowed to vary prices according to risk despite the very large differences in the insurance risk between different individuals. The Scheme operates by paying risk equalisation credits to insurers, which subsidise the higher claims costs that insurers generally incur by insuring older and sicker people, who otherwise they would be incentivised to avoid. These risk equalisation credits are funded by a stamp duty on all health insurance contracts and paid to the Revenue Commissioners. In turn, the Revenue Commissioners pay the proceeds of the stamp duty to the Risk Equalisation Fund which pays the credits to the insurers. The stamp duty receipts in 2024 were €824m.

There are three kinds of risk equalisation credits in the current Scheme:

- The first are **Age-Related Health Credits**, which are prospective (that is, they are paid irrespective of actual claims). These are paid to insurers for each person they insure over the age of 65 when the health insurance contract starts. The amount of credit paid varies based on 5-year age brackets, gender, and type of cover. The credits paid for men are generally higher than those paid for women as men typically have higher claims costs at those ages. The credits paid for advanced cover are higher than those paid for non-advanced cover as they lead to higher expected claims levels. Age-Related Health Credits provide a subsidy for insurers who provide cover for that cohort, with the objective of bringing the net claims cost for each insurer for the cohort closer to the market average claims cost. Age-Related Health Credits are currently calculated such that for all age groups from age 65 and over, the net claims

cost for those older age groups was not greater than 140% of the market average net claims cost.

- The second kind of credit is the **Hospital Utilisation Credit**. Insurers receive a hospital utilisation credit each time an insured person has an in-patient stay in a hospital, for a day case or for an overnight stay. This credit is applied retrospectively.
- The third kind of credit is the **High Cost Claims Pool credit**. This credit involves compensating insurers directly for individual claim costs which are much higher than the market average, targeting high cost, low incidence claims. This works by taking the total amount of claims for an individual person over a twelve-month period and paying a percentage of the amount which is above a certain threshold. This credit is also applied retrospectively.

The purpose of these credits is to share the claims costs of older and sicker people, who typically have much higher claims costs than younger and healthier people, between all insurers in the market. The Risk Equalisation Scheme operates in the background of the health insurance market to compensate insurers for offering health insurance products at the same price for a given product to all people regardless of risk, as they are required to do by the Health Insurance Acts.

4. Proposed changes to the Risk Equalisation Scheme

The deed of entrustment on the current Risk Equalisation Scheme for the Irish health insurance market expires on 31 March 2027. In order for the Scheme to be extended, or adjusted, the Scheme must be notified to the European Commission for appraisal under State Aid regulations. The Scheme being consulted on uses the current 2022 Risk Equalisation Scheme as a basis and has the same aim of enabling the principal objective of the Health Insurance Acts and supporting the community-rated private health insurance market.

In developing the proposal for the adjusted Risk Equalisation Scheme, the Health Insurance Authority has the following aims:

- Improve the overall effectiveness of the Scheme in terms of distributing funds from insurers with lower levels of risk to those with higher levels of risk;
- Reduce the incentives for risk selection so that insurers are indifferent (or at least less incentivised) to target less risky and more profitable people;
- Encourage younger and healthier lives into the market by keeping stamp duties at acceptable levels for young people;
- Promote efficiency in the market by compensating for risk differences and not structural or expense differences;
- Avoid the overcompensation of any insurer within the marketplace, by providing them with more compensation than is necessary to achieve the aims of the Scheme;
- Fair and open competition in the health insurance market;
- Maintain stability in the market such that there are no sharp shocks that could disrupt and potentially destabilise the market;

- Adapt to reflect modern provision of healthcare;
- Closer alignment to the aims of Sláintecare, in particular delivery of the right care in the right place.

The Scheme under consultation differs from the current Scheme by expanding the criteria surrounding the credits (Hospital Utilisation Credits and Age-Related Health Credits) for the insurers.

Not all claims paid by insurers are considered in the setting of the parameters for the current Scheme. For example, claims for treatment that does not take place in hospital are not considered. Specified treatment types on the list of exclusions set out in regulation are not considered.

Proposal 1

In order to bring the Risk Equalisation Scheme into closer alignment with modern provision of healthcare and the aims of Sláintecare, the HIA is consulting on the proposal that the following treatment types are eligible for inclusion when considering the claims relevant to the calibration of the Risk Equalisation Scheme:

1. treatment directly or indirectly arising from, or required in connection with, infertility or assisted reproduction.
2. health services relating to eating disorders or weight reduction.

Proposal 2

Hospital Utilisation Credit is payable in relation to in-patient stays in a hospital only. In recent years more care has been taking place in other, less acute, settings or on a remote basis. Under the 2022 RES, these other settings are not eligible for Hospital Utilisation Credits. The HIA is consulting on the proposal that the following are eligible to receive some Hospital Utilisation Credits.

1. **Remote care** - for example remote psychiatric care and virtual hospital wards. This would apply where the same in-patient level of care that would otherwise be delivered in a hospital is being delivered in a patient's home by a hospital.
2. **Oncology centres** - specialised medical facilities focused on the diagnosis, treatment, and management of cancer and where cancer care (such as chemotherapy, radiotherapy, and related treatments) is provided.
3. **Day hospitals** - surgical centres where planned, non-emergency procedures are performed on a same-day basis, equipped to provide a high standard of care without overnight admission.
4. **Approved Mental Health Treatment Centres** - acute mental health centres that are registered by the Mental Health Commission to provide in-patient psychiatric treatment.

5. Public Consultation

Your views are now being sought, will be very welcome and will be considered carefully.

Addressing the benefits and challenges in developing the next version of the Risk Equalisation Scheme makes this consultation exercise relevant to everyone involved in the private health insurance market in Ireland.

To make a submission as part of this public consultation please send your submissions to consultation@hia.ie before the deadline of **05 December 2025**.

Alternatively, post your submissions to:

Risk Equalisation Scheme Consultation
Health Insurance Authority
Beaux Lane House
Mercer Street Lower
Saint Peter's
Dublin 2

In particular, we would welcome your views on the following:

- (1)** Given that Ireland has a voluntary community-rated market for health insurance, do you agree with the principle and overall substance of the Risk Equalisation Scheme?
- (2)** Would the changes proposed affect your participation in the private health insurance market?
- (3)** Are there risks or vulnerabilities that do not feature and should be included, and why?
- (4)** Do you have additional suggestions for refinement of the Risk Equalisation Scheme in Ireland?

Personal, confidential or commercially sensitive information should **not** be included in your submission. All submissions will be subject to Freedom of Information and to Data Protection legislation. Submissions may be made available on the Department of Health's website.

Health Insurance Authority,
03 November 2025

Appendix 1

The following age-related credits apply from 01 April 2025:

Age Band	2025 RES Calibration			
	Non-Advanced		Advanced	
	Men	Women	Men	Women
64 and under	€0	€0	€0	€0
65-69	€275	€150	€975	€525
70-74	€350	€250	€1,625	€975
75-79	€550	€400	€2,225	€1,500
80-84	€650	€475	€2,625	€1,775
85+	€650	€475	€2,625	€1,775

The Hospital Utilisation Credit amounts payable from 01 April 2025 are €163 for an overnight hospital stay and €81 for a day case admission.

The stamp duty on health insurance contracts applicable from 01 April 2025 is as follows:

Age Band	Stamp Duties from 01 April 2025 to 31 March 2026	
	Non-Advanced	Advanced
17 and under	€31	€156
18 and over	€94	€469