



The Health Insurance Authority (HIA) is a statutory body and is the regulator of the private health insurance market in Ireland. The principal functions of the Authority are:

- To provide information to consumers on their rights and their options.
- To monitor the health insurance market and enforce compliance with legislation.
- To advise the Minister for Health and Children.
- To carry out certain functions in relation to health insurance stamp duty and age related tax credits and in relation to any risk equalisation scheme that may be introduced.
- To maintain "The Register of Health Benefits Undertakings" and "The Register of Health Insurance Contracts".

Market Figures

The numbers insured has been declining gradually since the beginning of 2009. There has been a decrease of 16,000 in the number insured in the first quarter of 2010.

000's	Total	% Pop
Mar-09	2286	51.4%
Jun-09	2278	51.1%
Sep-09	2267	50.8%
Dec-09	2262	50.7%
Mar-10	2246	50.4%

HIA News...



The Health Insurance Authority has further enhanced its website www.hia.ie to make it easier to compare products on its product comparison tool. The tool now allows the users to select plans by name for comparison and users can also search for new plans whilst retaining the details of their current plan regardless of the search criteria they enter. A user can also compare their current plan with plans of a different level. This version of the tool has received excellent feedback from consumers and has received over 40,000 hits since its launch in December 2009.

Recent Product Developments

Aviva

Aviva Health will be increasing premiums on 19th May 2010. The increases in adult prices range from €27 (Me Level 1) to €130 (Total Life Level 5); for students the increases range from €27 to €129 while for children the price increases are €1.60 for most contracts but range from a reduction of €145.50 for We XS Level 2 Plan to an increase of €56.50 for the I Level 5 Plan.

Aviva Health launched a new plan, Access Plan Level 2 (€799), on 1st May 2010. This plan provides full cover for a private room in a public hospital and full cover for a semi-private room in a private hospital. Day case procedures in a private hospital carry a €75 excess. Maternity benefits provide cover for private hospitals charges up to €4000. Out-patient benefits are limited.

Vhi Healthcare

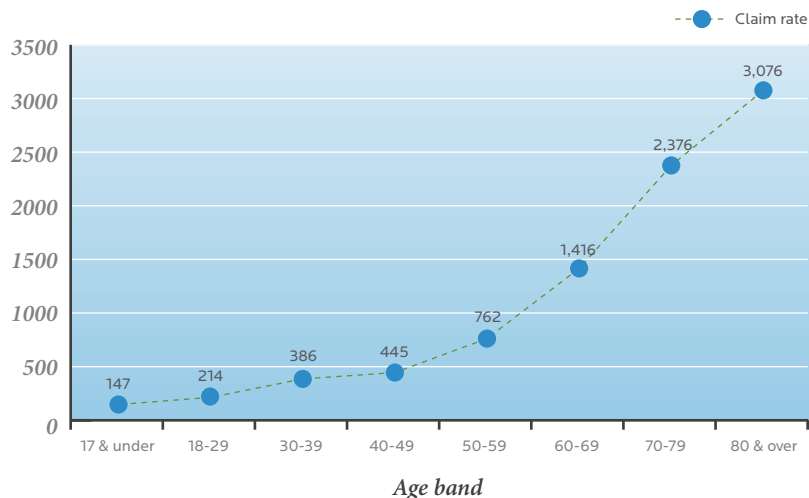
Vhi launched One Plan and One Plus Plan on 22nd March with a special offer of a 10% price reduction for new and renewing business written prior to 1st May 2010. Vhi now have a special price promotion on the One Plus Plan with no cost for children on new and renewing plans between 2nd May and 1st June 2010.

Claims Variation by Age



As health insurance in Ireland is community rated, premiums do not vary by age. However, the claims paid by insurance companies vary considerably with the age of the insured person. The following chart illustrates how the market's claims increase with the age of the insured person¹.

Claims Included in Returns per Insured Person in 20



¹Data for the chart is taken from data returns provided to the Authority. Approximately 80% of claims paid are included in returns.

Due to the very large differences in claim costs by age insuring older people in a community rated market results in significant losses. As a consequence, community rated markets do not function in the interests of all consumers unless there is some level of additional compensation for insuring older people. The current tax based interim measures for supporting community rating results in insurers receiving €1,250 for insuring people over the age of 80.

Market News

The Hospital Saturday Fund (HSF) became a regulated health insurance undertaking on 1 April 2010. HSF plans provide cash payments per day of hospitalisation and some cover for out-patient services. Unlike other plans sold in the market, they do not cover the cost of in-patient hospital services.

Recent Product Developments *continued*

One Plus plan provides full cover for a private room in a public hospital and cover for a semi-private room in a private hospital with a €125 in-patient excess. It only provides 80% cover for listed orthopaedic procedures in private hospitals. There is a maternity grant of €4000 and the limited out-patient benefits carry a €250 excess. Student prices are available to age 22 on this plan.

A number of additional plans have been released, namely Company Plan Plus Level 1.2, Company Plan Extra Level 2 Excess, Teachers Plan, Nurses Plan and Plan B Parents and Kids 150 Excess.

Vhi increased the prices of its corporate plans on 1st March by an average of 7%.

Vhi also made a significant amount of product changes since 1 February 2010, including increases to excesses for Lifestages, A-B plans and some corporate plans. Certain hospital benefits have increased and screening and homecare benefits have been added to some plans.

Quinn Healthcare

Quinn Healthcare released two new plans on the 1 February 2010; Company Care Plus and Company Care Choice.

Company Care Choice (€660) gives cover for a semi-private room in a private hospital with a private hospital in-patient excess of €50 or €125 depending on the private hospital. Full cover for hi-tech cardiac procedures is available without an in-patient excess. Maternity benefits include a €3,500 grant towards accommodation costs with an option for home nursing. There are significant out-patient benefits.

Company Care Plus (€815) gives full cover for a semi-private room in a private hospital and full cover for hi-tech cardiac procedures. Maternity benefits include a €3,500 grant towards accommodation costs with an option for home nursing. There are significant out-patient benefits e.g. you can claim back 75% of the cost of GP and consultant fees and 50% for other out-patient benefits. There is a €1 out-patient excess.