



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 number insured has been declining gradually since the beginning of 2009; by 0.3% a quarter (9,100). There has been a decrease of around 5,000 in the number insured in the fourth quarter of 2009.

In addition there has been a trend to switch to lower cost plans in 2009. 14% of consumers are now members of a plan branded as a corporate plan. These plans often offer similar benefits to individual plans at a lower price. Everyone is entitled to purchase one of these plans.

000's	Total	% Pop
Dec-08	2299	51.8%
Mar-09	2286	51.4%
Jun-09	2278	51.1%
Sep-09	2267	50.8%
Dec-09	2262	50.7%

HIA News...

Website & Comparison Tool Launch

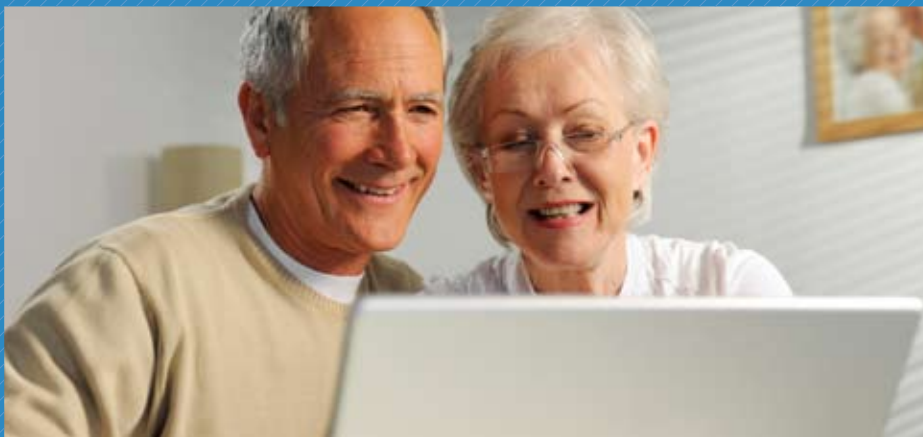
In order to assist consumers with information on private health insurance, the HIA has launched a new website www.hia.ie which has seen over 20,000 hits since its launch in December. The website contains an easy to use product comparison tool across the range of all products on offer from health insurance providers. This tool compares all products available from all health insurers and will allow consumers to find the best policy to meet their requirements. By doing some research on the HIA website, consumers can reduce their health insurance premiums.

HIA Media Campaign

The majority of private health insurance consumers in Ireland can save money on their health insurance premiums. At a time when people are increasingly looking at cutting their household costs, the HIA has embarked on a campaign to alert consumers to potential savings of up to 20% in their health insurance premiums, which could save the average family up to €400 per year.

Presentation of the HIA to Dáil sub-committee

The HIA and the health insurers separately presented to the Oireachtas Joint Committee on Health & Children in December. The full HIA report is on the HIA website <http://www.hia.ie/publication/other-advisory-reports.htm>. Concluding its presentation, the Authority stated "In the view of the Health Insurance Authority the best outcome over the medium term would be the introduction of a comprehensive risk equalisation system coupled with the authorisation of Vhi Healthcare as a regulated insurer by the Financial Regulator. This outcome would serve to support community rating and competition in the interests of the consumers generally."



Vhi Price Increase

Vhi Healthcare increased their premiums by an average of 8% across their core A-E plans and Lifestages plans on the 1 February 2010. The price changes vary by plan with adult prices increasing by 9.5% under Plan B. Company plan prices will increase by an average of 7% on the 1 March 2010.

Quinn price increase

Quinn Healthcare increased their premiums by an average of 15% on 1 January 2010. The price changes varied by plan with adult price changes ranging from an increase of 27% for Health Manager to an increase of 3% for Company Care Gold.

Community Rating Health Insurance Levy and Age Related Tax Credits 2010

The Irish State supports the private health insurance market through tax relief at source of 20% of health insurance premiums. It also supports the community rated market by providing age related tax credits in respect of those over the age of 50 that help to meet their higher claims cost. The tax credits for policies taken out or renewed in 2010 will be:

- €200 for those aged 50 to 59
- €525 for those aged 60 to 69
- €975 for those aged 70 to 79
- €1,250 for those aged over 80

Older people pay the same premium net of these tax credits for their health insurance as younger adults pay. These credits are funded by a levy paid by health insurers. In 2010 this levy is:

- €185 for each adult and
- €55 for each child

The combined effect of the levy and tax credits is designed to be Exchequer neutral.

The tax credits and the levy, like the tax relief at source of 20% premium, are administered by the health insurance companies. The price of health insurance quoted by the health insurance companies allows for these measures.

Recent Product Developments

Aviva

Aviva released two new plans on 27 November 2009 called Business Plan Complete (€808 per adult) and Business Plan Select (€663.56 per adult). Both plans give cover for a semi-private room in a private hospital with the Business Plan Complete Plan carrying a €75 excess and the Business Plan Select carrying a €125 excess per private hospital claim. Each plan also gives significant out-patient cover with €1 individual out-patient excess for day-to-day benefits. These new plans give similar maternity benefits to the existing I and We Level 2 plans.

Quinn Healthcare

Quinn Healthcare released a new plan called Essential Health (€730 per adult) on the 1 January 2010. This plan gives cover for a semi-private room in a private hospital with a €50/€125 in-patient excess. There are limited out-patient benefits with an individual out-patient excess of €150. Maternity benefits include a grant of €4000 towards hospital accommodation costs.

Vhi

Vhi changed the out-patient excess on all Lifestages Plans from 1 February 2010 except First Plan Starter and First Plan Extra. Previously the out-patient excess was set at €1, this has changed to an individual and family excess of €25.

Vhi increased the premium for their out-patient Healthsteps Silver and Gold products on 1 January 2010. The prices of these plans increased by 26% and 47% respectively.

Plan C and C Options of Vhi were merged for all new and renewing customers from 1 February, 2010. The new plan will be called Plan C but will have Plan C Options benefits.