

Media Release

Private Health Insurance Market continued to rise in 2019 but impact of Covid19 is yet to be quantified

- The private health insurance market increased by 2.5% last year to 2.27m; 46% of the population have some form of health insurance cover
- Premium income in 2019 was €2.72bn, which represented an increase of 1.4% on 2018
- Total claims paid by the three main health insurers (Vhi, Laya, Irish Life Health) were €2.24bn in 2019
- The HIA established a special Committee to consider the impacts that the Covid-19 pandemic may have on the health insurance market and on the Risk Equalisation Fund

X July 2020: The Health Insurance market remained relatively stable over the course of 2019, according to the Health Insurance Authority (HIA) Annual Report 2019 which was published today. The private health insurance market increased by 2.5% last year to 2.27m. The number of insured people has increased year on year since 2014, reflecting market stability and Ireland's growing economy. However, in light of the Covid-19 pandemic, the outlook for the health insurance sector in Ireland and for consumers is uncertain.

Don Gallagher, HIA CEO, commenting on the publication of the HIA Annual Report said:

“The Health Insurance market remained relatively stable over the course of 2019. 46% of the population have some form of health insurance cover, making it the largest non-life insurance market in Ireland. Numbers insured in December 2019 were 2.5% higher than 12 months previously, with demand rising against the backdrop of a growing economy. According to a survey we commissioned in October 2019, satisfaction with health insurance companies remains relatively high. However, with over 300 health insurance products being marketed at the end of 2019, the complexity for consumers remains high.”

Key findings from the 2019 HIA Annual Report on the Private Health Insurance Market include:

- Premiums per person fell by an average of 0.8% in both 2019 and 2018
- The average amount paid for a health insurance premium for in-patient cover in 2019 was €1,200, compared to €1,210 in 2018
- Market share did not change in 2019 with Vhi Healthcare's market share at 50%, Laya Healthcare at 26% market share and Irish Life Health at 20% at end of December 2019
- Total claims paid by the three main health insurers (Vhi, Laya, Irish Life Health) were €2.24bn in 2019, Of that amount, approximately 11% was for outpatient claims (including outpatient consultant fees), 19% for consultants in-hospital treatment (including daycase and side-room procedures), 49% for private hospitals and 21% for public hospitals
- The HIA received 2,790 queries in 2019. The website received almost 450,000 visits in 2019 with many people visiting to use the plan comparison facility

Commenting on the impact of Covid-19 on the private Health Insurance Market Mr Gallagher continued:

“As yet, we are uncertain of the impact Covid-19 may have on the market. The combination of the health shock and economic shock as a result of Covid-19 could potentially result in people cancelling their health insurance for a variety of reasons in the short to medium term. A significant increase in cancellations at younger ages could potentially impact the sustainability and stability of a community rated health insurance market. The Authority's primary objective is to ensure access to private health insurance for all

consumers regardless of age, gender or health status. We have established a Board Committee to consider the impacts that the Covid-19 pandemic may have on the health insurance market and on the Risk Equalisation Fund.”

Other key insights from the Annual Report found insurers have remained pro-active in adjusting individual product benefits and prices and adding new services and features so that the complexity of the market for consumers remains high. The main reasons cited by consumers for having health insurance were the cost of medical treatment, along with the perceived standard of, and perceived lack of access to, public services. A majority of those surveyed in October 2019 believe that health insurance allows people to skip queues and to receive a better level of service.

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 and the Annual Report 2019 available at ([Click here](#))

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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.

Further information from the Annual Report 2019:

The most frequent queries among the 2,790 received by the HIA were:

- Requests for comparisons between health insurance products
- Requests for the Authority’s information publications
- Lifetime Community Rating
- Queries relating to waiting periods
- Queries regarding health insurance products and plan cover
- Rights in relation to switching insurers
- Cancellation policies of insurers

Covid19 Impact on the Private Health Insurance Market

The Authority has made a submission to the Oireachtas Special Committee on Covid-19 Response. This highlighted the consumer complaints received in April and May 2020 relating to the consequences of the takeover of all private hospital capacity in Ireland by the Health Service Executive for an initial period of three months. Covid19 pandemic concerns about this health system shock occurring alongside an unprecedented economic shock and the potential for a near collapse in the health insurance system. The Authority acknowledges that SláinteCare has cross-party approval and private health insurance

may ultimately fulfil a different role with different regulatory supports within that model. However, any transition should be planned over several years and carefully consider the fair treatment of health insurance consumers.