Health Insurance Authority

Attitudes and behaviours towards switching within the Private Health Insurance Sector

Paul Moran
12th March 2019
41300685
Methodology and objectives for this survey

Methodology: Questions were included on the Kantar Millward Brown Omnibus survey, a syndicated survey of face-to-face, in home interviews.

Sample Description: Nationally representative sample of all adults aged 16+ in the Republic of Ireland. Quotas set on age, social class, gender and region. Interviews were conducted between 8th and 22nd February 2019.

Sample size: n=1,032. Margin of Error at its highest point is +/-3.0%.

Sampling Area: 64 sampling points nationwide, representative of the profile and spread of urban and rural localities nationwide.

Primary Objectives: The survey identifies the levels of PHI uptake, switching behaviour and attitudes towards switching, including barriers to doing so. In addition awareness of the HIA and its online service were evaluated.
Sample Profile – Who We Interviewed:

Quotas were set on gender, age, social class and region to reflect the known population profile.

Base: All Adults 16+ (n=1,032)
Incidence of private health insurance coverage

Over 4 in 10 are covered by private health insurance. Coverage is higher among those aged over 35, and Professionals/white collar workers, who tend to be more affluent. There were few regional differences, although those living in Conn/Ulster under-indexed slightly (38%).

Base: Total Sample (n=1,032)

Q.1 Are you currently covered by Health Insurance?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Higher among:
- 35+: 49%
- ABs: 82%
- C1s: 57%
- Retired: 53%

Base: Total Sample (n=1,032)
Main Policy holder / who is paying

Almost two thirds are main policy holders – skewed towards males, older consumers and those in Dublin. Just over half pay for the policy themselves. Employer schemes are in the minority.

Base: Health insurance holders (n=446)

Q1b Are you the main policy holder or are you covered by somebody else’s policy?

Q.1c Who pays for your health insurance policy?
Likelihood to switch and reasons for staying

Only 17% claim to have a propensity to switch. The top reasons for staying among “Loyalists” are based on generally positive factors - having a clear understanding of their current policy, general loyalty and perceived value for money. Fear factors towards switching are quite low.

Base: Health insurance holders (n=446)

<table>
<thead>
<tr>
<th>Net likely</th>
<th>17%</th>
<th>Net unlikely</th>
<th>53%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very likely</td>
<td>4%</td>
<td>Very unlikely</td>
<td>35%</td>
</tr>
<tr>
<td>Quite likely</td>
<td>13%</td>
<td>Quite unlikely</td>
<td>16%</td>
</tr>
<tr>
<td>Neither</td>
<td>18%</td>
<td>Don’t’ know</td>
<td>12%</td>
</tr>
</tbody>
</table>

Higher among

- 35-49: 25%
- Connacht/Ulster: 24%
- C1s: 22%
- Have children: 23%
- Used comparison website: 35%
- Have switched previously: 44%

Q2: How likely are you to switch from your current health insurance provider to another at the time of your next renewal?

Q3: Why are you planning on staying with the same insurer?

Base: All health insurance holders except likely to switch (n=367)

Reason for staying

- I understand my cover and I am happy with it: 42%
- I have been with my insurer for a long time and I feel a loyalty to them: 24%
- I feel I’m getting value for money with my current plan: 21%
- I think other insurers would not give me the same service: 11%
- I am worried I will have to serve waiting periods if I switch: 9%
- I am currently undergoing treatment and I am afraid to switch in case it causes problems with my claim: 6%
- I do understand my cover but I am afraid to switch: 5%
- I do not understand my cover and I am afraid to switch: 4%
- Any cover fear: 14%
- Any fear of switching: 8%
Consideration of switching to a different plan with current provider

Three in ten would consider switching to a different plan with their current provider – somewhat more likely among 50-64 year olds, C1s and those in Connacht/Ulster. Consideration tends to be higher among those aware of the HIA or the comparison website.

Base: Health insurance holders (n=446)
Awareness of HIA and source of awareness

One in three have heard of HIA, with advertising being the main source. Among those aware, one fifth say they heard about the regulator through word-of-mouth (“From Family/friends”).

Base: Total Sample (n=1,032)  Base: Aware of HIA (n=333)

Q5. Have you heard of the Health Insurance Authority (HIA), the statutory regulator for private health insurance in Ireland?

Q6. Where did you hear about the Health Insurance Authority (HIA)?
Awareness and usage of hia.ie’s comparison service

Of the 28% aware of the comparison service, one in four have actually used it.

Q7. Did you know that you can compare private health insurance plans and prices at hia.ie?
Q7b. Have you ever used this comparison service from the HIA?

Base: Total Sample (n=1,032)
Base: Aware can compare at hia.ie (n=295)
Incidence of switching and what they would look for

In line with likelihood to switch, one in six (17%) have switched in the past – either to a different plan or a different provider. Among those considering switching in the future, policy holders are most likely looking for a cheaper policy with the same benefits.

Base: Total Sample (n=1,032)

Q8. Have you ever switched plans or health insurance providers in the past?

- Yes, I have switched plans with same insurer: 7%
- Yes, I have switched provider: 10%
- No: 83%

Q8b. If you are considering changing your health insurance policy, what will you look for?

- A cheaper policy with the same benefits: 43%
- A policy with better benefits: 34%
- A cheaper policy with lower benefits: 10%
- Something else: 6%
- Don't know: 8%

Base: Have Likely to switch in the future from Q2 (n=79)

Higher among

- ABC1: 24%
- F: 29%
- Likely to switch: 68%
- Consider switching plan: 66%
- Aware of HIA: 33%
- Aware of comp. website: 35%
- Used comp. website: 66%
So what does this mean?

- Among those with Private Health Insurance, there is a general “stickiness” towards switching. Just one in six (17pc) claim they are likely to switch provider at the time of their next renewal.

- However, reasons for remaining with their current provider tend to be positive – they are happy with, and comprehend their current policy or they feel they receive good value for money. Many also have an inherent sense of loyalty to their current provider.

- Fear factors do not loom overly large in policy holders’ decision making processes – Just one in seven (14%) cite lack of cover as a barrier to switching (perceived waiting periods or a fear of transitioning when current medical conditions are being treated), and just eight percent cite general concerns about switching.

- Reflecting a sense of loyalty to their current providers, a more significant proportion (31%) are likely to consider switching plans with their incumbent. Those who have switched previously tend to be more promiscuous in their attitudes towards future intentions.

- One in seven have switched in the past, with near equal numbers switching between providers (10%) versus seven percent switching policies with their provider.

- Main motivations for considering switching are to get the same benefits at a cheaper cost, or to get better benefits.

- One in three are aware of the HIA, with over half (54%) citing advertising activity as their source. It is interesting to note that other commentary in the media is prominent, with one in three (34%) mentioning it.

- A sizeable proportion (28%) claim to be aware of hia.ie’s comparison website, and of those aware, one in four have accessed/used the service.
Health Insurance Authority

Attitudes and behaviours towards switching within the Private Health Insurance Sector

For any queries contact
Paul Moran, Associate Director
paul.moran@kantarmillwardbrown.com
01 297 4500 / 087 2860773