

28th April 2004

RISK EQUALISATION PROCESS

As independent regulator of the private health insurance industry, the HIA (The Health Insurance Authority) is continuing to carry out its statutory duty in relation to the Risk Equalisation Scheme (RES) that came into effect on 1st July 2003.

The HIA has completed the first assessment on the need to implement an RES scheme. As part of this process, the HIA had established by analysis of detailed information from the three health insurers affected (i.e. BUPA Ireland, Vhi Healthcare and the ESB Staff Medical Provident Fund), that the current risk differential between insurers was above 2% and below 10%. This finding placed the Authority under a statutory obligation to make a recommendation to the Minister for Health and Children as to whether or not RES payments should be commenced.

Following further, detailed analysis of representations from the health insurers affected, the Authority has, today (Wednesday 28th April 2004), submitted its report to the Minister for Health and Children including its final recommendation. Under the relevant legislation, the HIA proposes to inform the health insurers of its recommendation on or after Thursday, 13th May 2004.

The HIA will make a further RES assessment based on returns from the insurers later this year.

Ends

For reference contact:

Paul McSharry / Niall O'Muilleoir
Financial Dynamics
01 – 663 3600
087 240 6642 / 087 380 3188

Editor's Note:

Further information on the Risk Equalisation Scheme is available at
<http://www.hia.ie/functions/risk.html>