



An tÚdarás Árachas Sláinte  
The Health Insurance Authority

# Health Insurance in Ireland

## Market Report 2021



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## INTRODUCTION

The Health Insurance Authority (HIA) is an independent statutory body that regulates the private health insurance market in Ireland. We have a number of functions including to ensure that consumers are informed when they make decisions about health insurance.

As part of this, we publish an annual report on the Irish health insurance market. This report is looking at 2021 trends.

The key findings include:

### HEALTH INSURANCE DEVELOPMENTS AND TRENDS



**47%**  
Percentage of people  
with health insurance



Uptake still under-indexes  
among **younger adults**  
(under 39 years old)



**3%** of people paying  
Lifetime Community Rating  
loadings on their premium

### HEALTH INSURANCE PLANS



**321**  
Number of  
total plans



Percentage of  
people on one of  
health insurers'  
**top 5 plans**



The majority of  
people have a plan  
that has an out of  
pocket cost of at  
least **€150** for an  
overnight stay in a  
private hospital



Only **3%** have a  
plan that covers all  
private hospitals  
and **7%** have a plan  
that covers public  
hospitals only

## PRICES



**€1466**  
The average premium



**4%**  
The average price increase



People over 65 years old are paying on average **44% more**

## CLAIMS



**€2.97 billion**  
Health insurers total premium income



Claims for private hospitals have increased



Outpatient/  
GP claims have increased



Claims for public hospitals have decreased

You can find more information on [www.hia.ie](http://www.hia.ie)

# SOME FACTS ABOUT THE IRISH HEALTH INSURANCE MARKET

- The Irish health insurance market is based on the key principle of community rating. Community rating means that everybody is charged the same premium for a particular plan. This is a key difference from other types of insurance that is priced based on the assessed risk of the buyer. Community rating is supported by the payment of stamp duty on each health insurance contract purchased.
- Lifetime Community Rating (LCR) was introduced in May 2015. LCR requires people aged 35 and over taking out inpatient health insurance for the first time to pay a loading of 2% per year, for up to 10 years. If you have a break in cover of more than 13 weeks you might have a loading when you take out health insurance again depending on how many years you have held insurance in the past.
- Currently, there are three commercial health insurance companies operating in the Irish market: Vhi healthcare, Laya Healthcare, and Irish Life Health. These are open to anybody who wishes to purchase health insurance. There are also Restricted Membership Undertakings (RMUs), and these provide health insurance for their members only.
- There are two types of cover: advanced and non-advanced. Non-advanced provides a basic level of cover. Essentially, non-advanced plans provide private accommodation in a public hospital. Advanced plans have varying levels of cover, but the minimum includes a semi-private room in a private hospital. The stamp duty is different for non-advanced and advanced plans, with the latter being higher.
- As in-patient coverage is the largest value coverage, we have classified the plans according to the level of in-patient coverage provided. The 5 different levels of cover are as follows:

## LEVEL 1

Covers public hospitals only.

## LEVEL 2

Covers a semi-private room in a private hospital, with high out of pocket costs when you get treated, for example a high excess of more than €150 per claim, an excess charge per night, or a percentage of total cost must be paid by patient.

## LEVEL 3

Covers a semi-private room in a private hospital, with low out of pocket costs, for example an excess of less than €150 per claim, excess charge per night or a percentage of total cost must be paid by patient.

## LEVEL 4

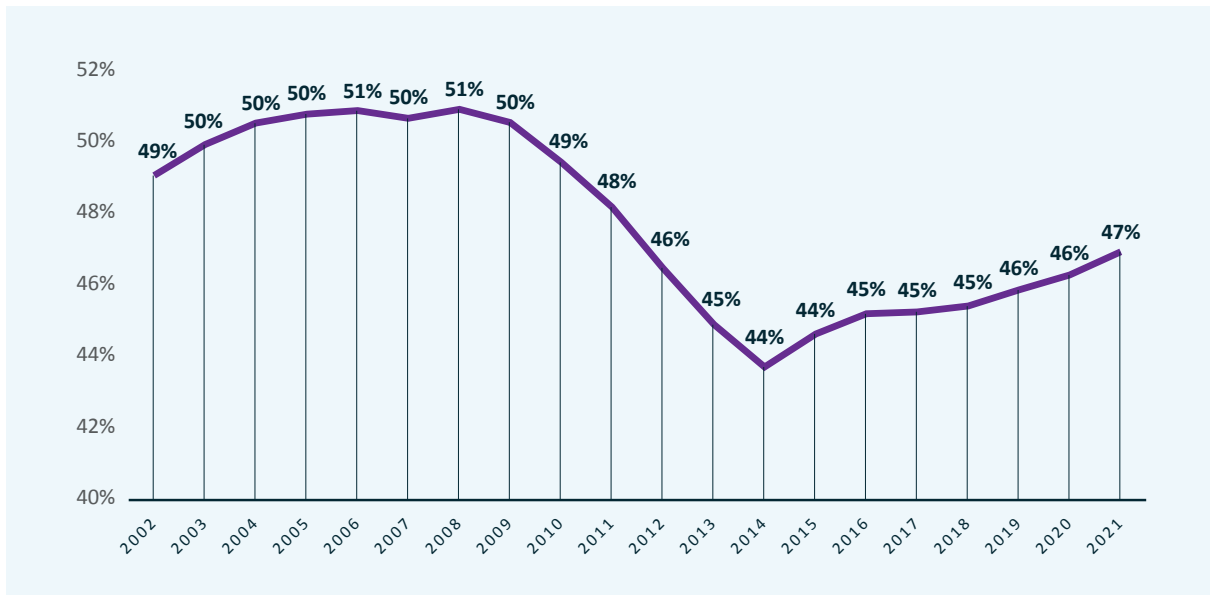
Covers a private room, in a limited number of private hospitals, with high out of pocket costs for example, an excess of more than €150 or a shortfall for orthopaedic/ ophthalmic treatments.

## LEVEL 5

Covers a private room in all private hospitals, with low out of pocket costs, for example no orthopaedic/ophthalmic shortfall, and excess less than €150 per claim.

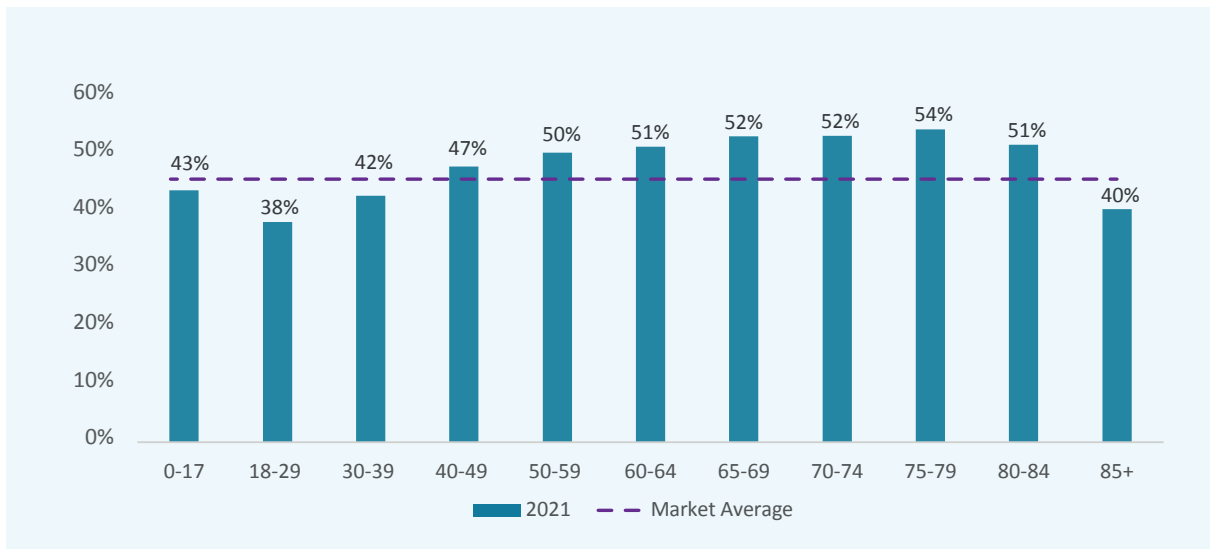
# HEALTH INSURANCE LANDSCAPE: DEVELOPMENTS AND TRENDS

Health insurance coverage continues to grow. Although it has not yet reached levels seen before 2008, **2.4 million** people had health insurance at the end of 2021, corresponding to **47.1%** of the total population. There were **53,469** more people with health insurance than in 2020, which is a **2%** increase.



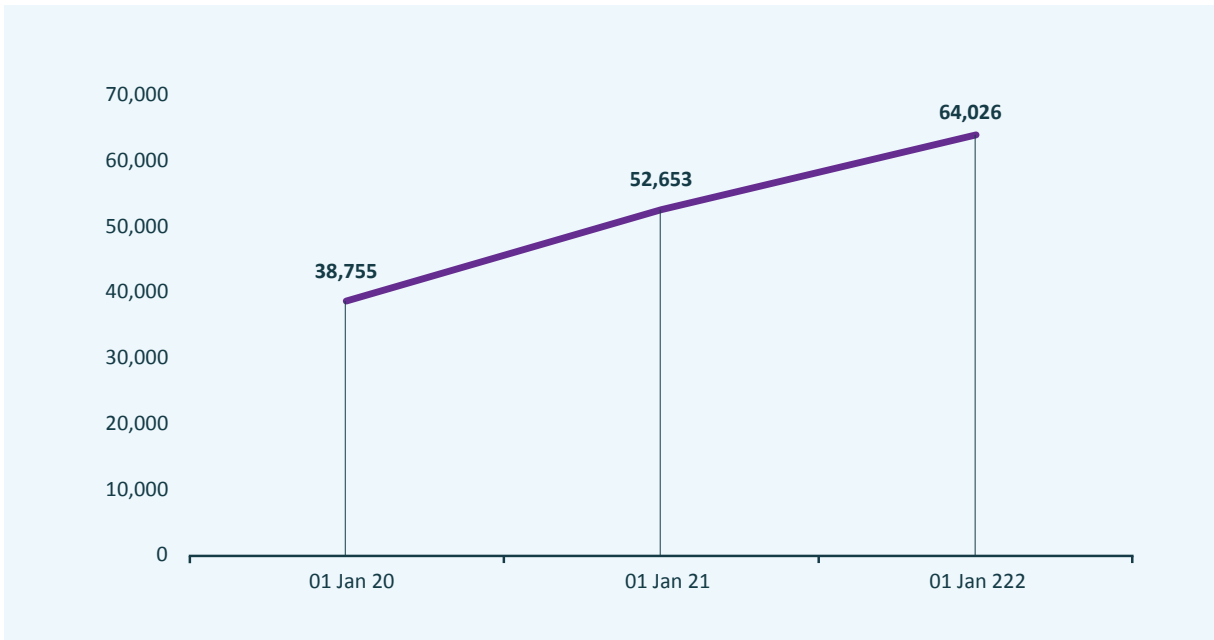
**GRAPH 1: Yearly average percentage of population insured**

Slightly more women (**51%**) took out health insurance than men (**49%**). Although coverage has increased amongst all age groups, uptake still under-indexes amongst younger adults under the age of 39 years old and older adults over the age of 85 years old.



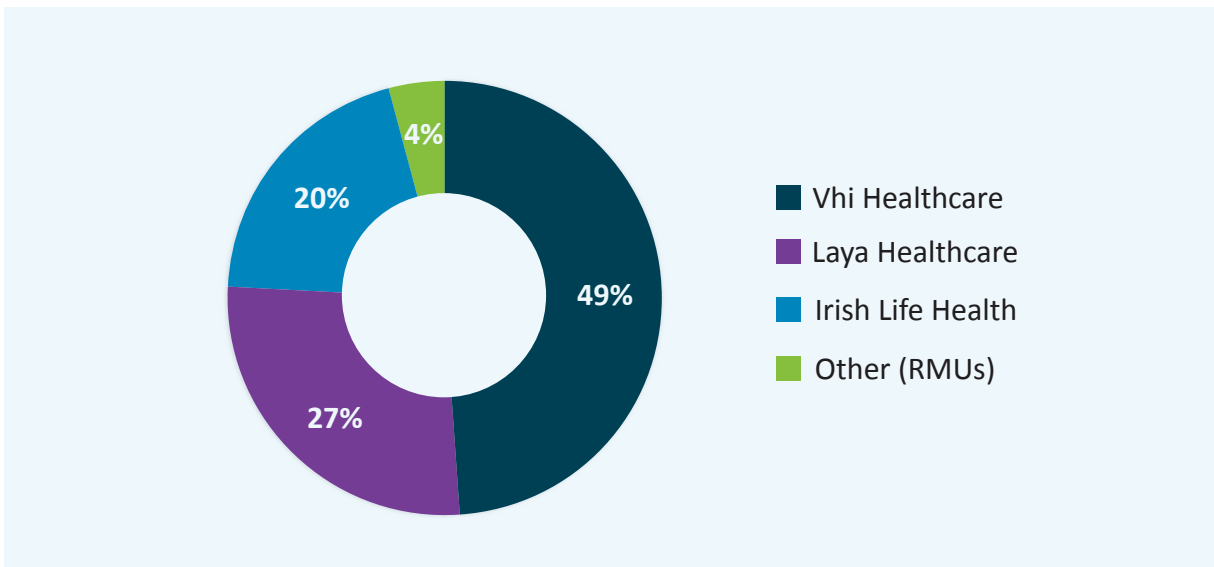
**GRAPH 2: Market penetration by age**

The number of people paying Lifetime Community Rating loadings has increased year on year. Currently just over 64,000 people (3%) with health insurance are paying a loading on their health insurance premium.



**GRAPH 3: Number of insured persons paying LCR loadings**

At the end of 2021, Vhi healthcare continues to have the largest market share at **49%**. The rate of decline in their market share has slowed considerably compared to several years ago. On the other hand, Laya Healthcare continues to increase its market share, and it now stands at **27%**. Irish Life Health and Restricted Membership Undertakings (RMUs) have remained steady at **20%** and **4%** respectively.



**GRAPH 4: Percentage market share for health insurers 2021**



The majority of  
people have a  
health insurance  
plan that

has an out  
of pocket cost  
of at least  
**€150**

for an overnight  
stay in a private  
hospital



# HEALTH INSURANCE PLANS

On 1 January 2022 there were **321** active in-patient plans. In 2021, 25 plans were retired, and 30 new plans were introduced.

**92%** of customers held advanced plans, and this has remained the case for a number of years.

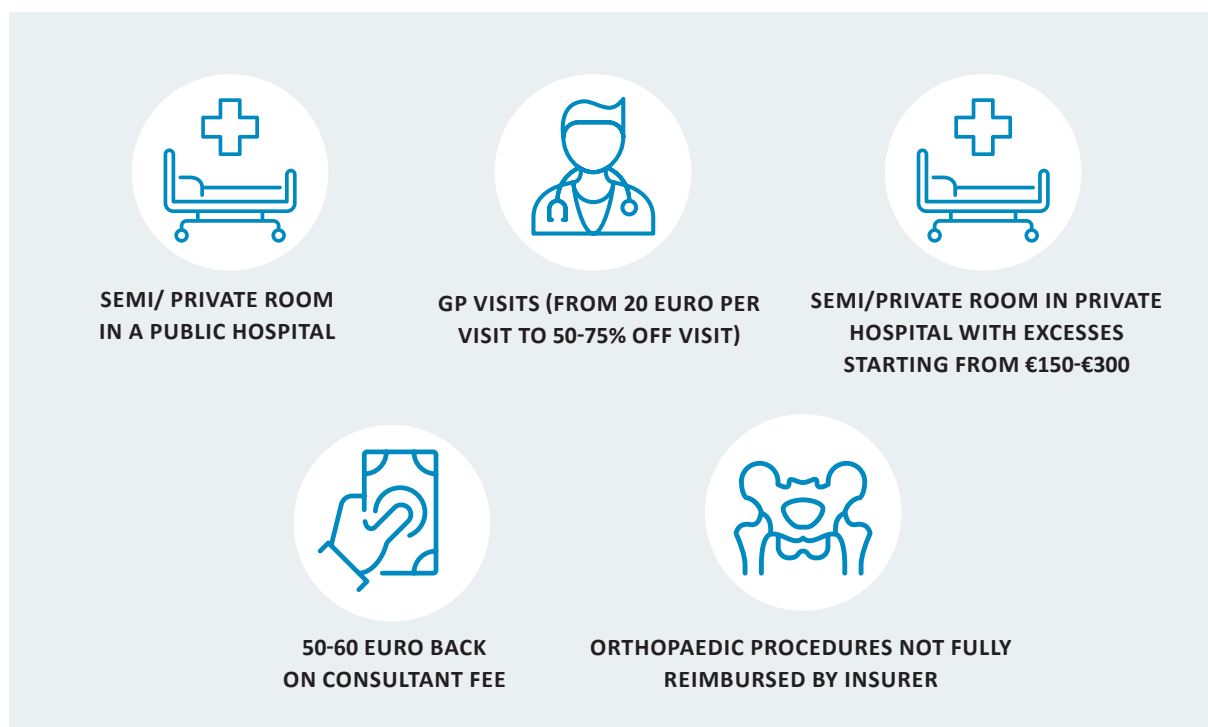
The table below gives a further breakdown of these plans according to the five levels of cover (please see page 42 for more details on what is included under each level). Only **3%** of people with health insurance have plans that cover all private hospitals (level 5), whereas the majority have a plan that has an out of pocket cost of at least 150 euros for treatment in a private hospital.

	Number of plans	Percentage of people on plan(%)
Level 1	<b>24</b>	<b>7%</b>
Level 2	<b>42</b>	<b>13%</b>
Level 3	<b>56</b>	<b>30%</b>
Level 4	<b>177</b>	<b>48%</b>
Level 5	<b>22</b>	<b>3%</b>

The five most popular plans for all 3 health insurers (ranked by adult price), at the end of 2021 are as follows:

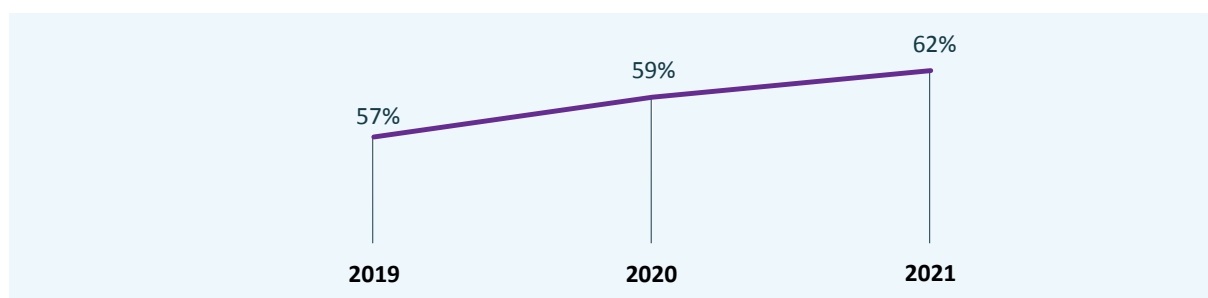
Irish Life Health	Laya Healthcare	VHI healthcare
<b>1 Benefit</b> €1037 (Level 2)	<b>1 Essential Health 300</b> €1094 (Level 4)	<b>1 PublicPlus Care Day-to-Day</b> €535 (Level 1)
<b>2 Nurture Plan ILH</b> €1168 (Level 2)	<b>2 Inspire Plus</b> €1346 (Level 4)	<b>2 One+ Plan</b> €1260 (Level 3)
<b>3 4D Health 1</b> €1205 (Level 2)	<b>3 Simply Connect</b> €1362 (Level 4)	<b>3 One Plan Family</b> €1283 (Level 3)
<b>4 4D Health 2</b> €1394 (Level 3)	<b>4 Simply Connect Plus</b> €1471 (Level 4)	<b>4 PMI 35 13</b> €1366 (Level 3)
<b>5 D Health 4</b> €1680 (Level 4)	<b>5 Essential Connect Family</b> €1583 (Level 4)	<b>5 HealthPlus Extra</b> €2740 (Level 4)

Nearly 700,000 people are on a top 5 plan across all three insurers. This represents 30% of the population covered by the three main insurers. These plans are most popular with adults under 50. The majority are level 4 plans, which covers a private room in a limited number of private hospitals, with high out of pocket costs for example, an excess of more than €150. Common features for all plans include:



An option available to people taking out health insurance is to restrict cover. Plans with restricted cover typically include an excess; the larger the excess the lower the premium. There are 3 types of restricted cover:

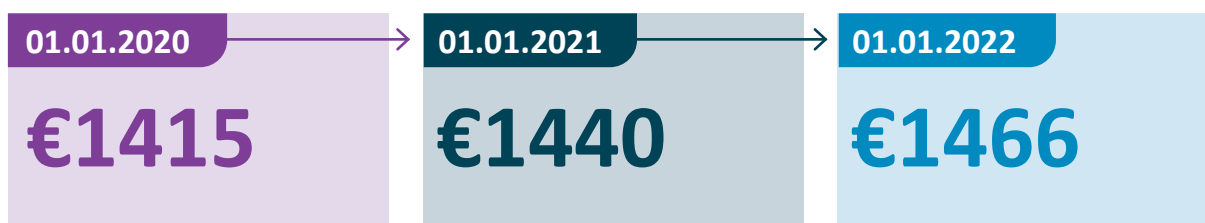
1. Plans that restrict cover in *public hospitals*. 10% of people have plans that do not cover all public hospitals, and these are typically cheaper.
2. Plans that restrict cover in *private hospitals*. These plans either limit the number of private hospitals covered or charge an excess for using them, and a larger excess for using two or three particular hospitals.
3. Plans where some high profile *orthopaedic/ ophthalmic benefits* are restricted. This means that the cost of the procedure will not be fully reimbursed by the insurer. These tend to have lower premiums than those that do not have restrictions. These plans have increased in popularity over the years, and this trend has continued in 2021 with 62% of people who have health insurance have a plan with restricted orthopaedic cover. These plans are most popular with those under 65-year-olds (68% have restricted orthopaedic benefits).



**GRAPH 5: Percentage of people with restricted orthopaedic cover**

## PRICES

The cost of health insurance continues to increase. The average premium is €1,466 on 1<sup>st</sup> January 2022, which is a 2% increase on the previous year. This figure is based on prices at 1<sup>st</sup> January 2022 and the products held by the insured population at that date. This change is due to a mix of price increases, changes in population and product choices.



Below is a breakdown of the lowest, highest, and average premium for each level of cover.

	Lowest premium	Highest premium	Average premium
Level 1	€504	€1,164	€577
Level 2	€776	€1,767	€1,090
Level 3	€992	€4,030	€1,459
Level 4	€627	€5,178	€1,464
Level 5	€2,045	€9,037	€3,572

In 2021, the average price increase was **4%**. Price changes vary from plan to plan and ranged from **-6% to 9%** (this is valid for the period 1<sup>st</sup> January 2021 to 1<sup>st</sup> January 2022). The table below shows price changes for the top 5 most popular plans for each health insurer, which varied from **0% to 6%**:

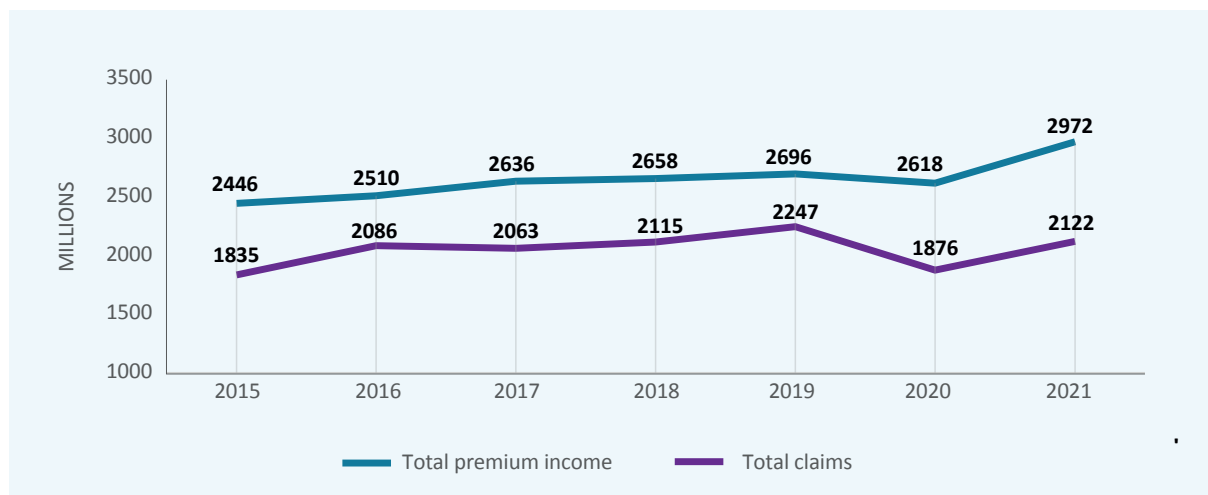
Health insurer	Range of price changes on top 5 plans 2021 to 2022
Irish Life Health	0% to 4%
Laya Healthcare	0% to 5%
Vhi Healthcare	2% to 6%

People over 65 years old are paying on average **44%** more for health insurance.

Insurer	Average Net Premium – 1 Jan 2021			Average Net Premium – 1 Jan 2022		
	<65	>=65	Difference	<65	>=65	Difference
Market	€1,342	€1,936	44%	€1,365	€1971	44%

# CLAIMS PAID BY HEALTH INSURERS TO CONSUMERS

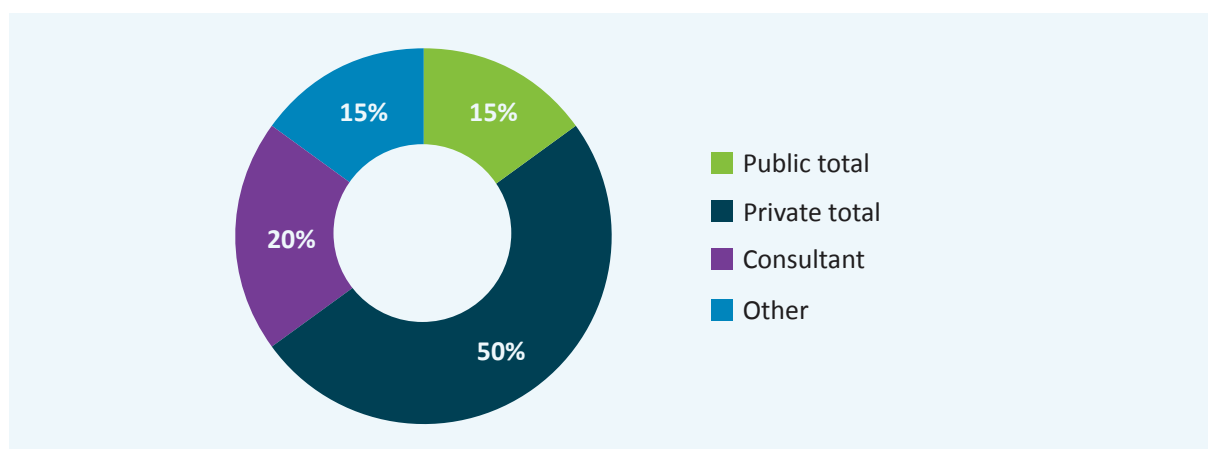
Health insurance total premium income continues to grow, and it now stands at 2.97 billion euros. The total level of claims paid declined sharply in 2020, as a result of the health sector response to COVID 19 (graph excludes refunds paid by insurers to health insurance policy holders in 2020 and 2021). Overall level of claims has increased in 2021, but they remain below 2019 level, even though the number of people with health insurance has increased.



**GRAPH 6: total premium income versus total claims paid by health insurers 2021**

When you receive private healthcare treatment that is covered by your insurance, your insurer must pay the public hospital system, private hospitals, individual consultants, GPs and other providers of outpatient services. Payment for hospital treatment is usually paid directly by the insurer to the hospital and consultant, while consumers usually pay out of pocket for outpatient treatment then make a claim to the insurer for reimbursement.

In 2021, most claims were for treatment in private hospitals (50%). Meanwhile, claims in public hospitals has decreased significantly. It should be noted however, that COVID-19 has exaggerated this trend. Claims for outpatient/GP treatment have also seen an increase year to year, with a 16% increase since 2019.

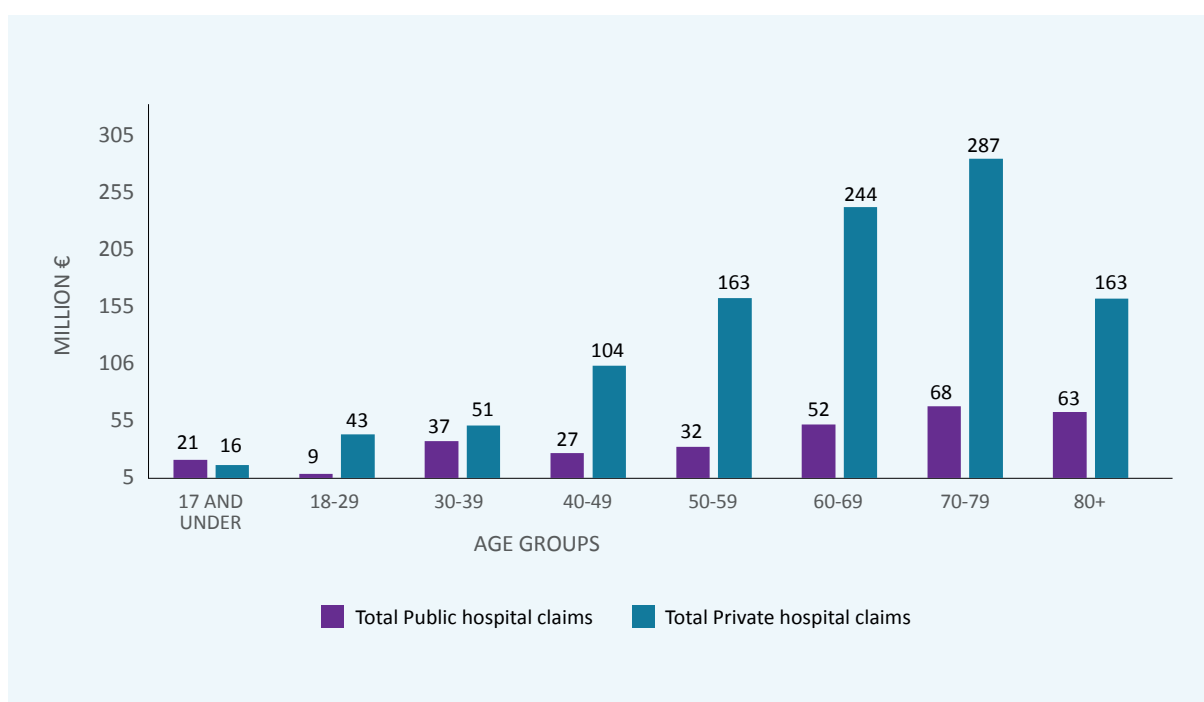


**GRAPH 7: claims paid by health insurers for hospital and outpatient/GP treatment 2021**

The table below shows the claims paid by health insurers for hospital and outpatient/GP treatment from 2019-21.

Million €	2021	2020	2019	% Change 2020-21	% Change 2019 -21
Public hospital	310 (15%)	397 (21%)	471 (21%)	-22%	-34%
Private hospital	1072 (50%)	851 (45%)	1070 (48%)	26%	0.2%
Consultant	416 (20%)	355 (19%)	428 (19%)	17%	-3%
Other (out-patient/GP fees)	324 (15%)	271 (15%)	279 (12%)	20%	16%
Total	2122	1876	2248	13%	-6%

Private hospital usage increases significantly for those aged 40 years and older, until it takes a dip at 80+. The increase in public hospitals of the 30 to 39 age group is likely due to maternity claims. The large drop in people 80+ is largely due to relatively lower levels of health insurance coverage. Hospital treatment for children is low in both private and public hospitals.



**GRAPH 8: Total public hospital and private hospital claims 2021**

## HIA CONSUMER SUPPORT

In total, the HIA received over 5,000 queries in 2021. The majority of queries relate to help with making comparisons for a health insurance policy. Below is a list of the top queries:

Queries 2021	Number
Insurance plan comparisons	3778
Insurer details and plan cover	349
Website, statistics, and other info	306
Moving to and from Ireland	227
Lifetime Community Rating	165
Waiting Period and pre-existing illness	151
Cancellation Policy	71
General health insurance queries	72
Break In Cover	47
Switching	45
Maternity Benefits	33
Claim Dispute	17

There were nearly 300 complaints made to the HIA during 2021. Below is a list of topic areas that received the most complaints:

Complaints 2021	Number
Claim Dispute and excess	110
Comparison Tool (HIA) and website info	31
Reduction in Plan Cover, procedure not covered, and price increase	21
Lifetime Community Rating	18
Pre-existing Illness and waiting period	18
Cancellation Policy	17
Covid-19 and health insurance	8
Maternity Benefits	4
Service Standards and other actionable complaints with insurer	3



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