



Health Insurance Authority publishes national survey of the private health insurance market in Ireland

Dublin, 24th May, 2012: The Health Insurance Authority (HIA) today released the findings of a national survey of the private health insurance market in Ireland. The survey includes an analysis of the effects of the economic environment on the attitudes and behaviour of consumers of private health insurance.

Such surveys are regularly commissioned by the HIA, the last of which was published in 2010. Recently announced industry figures show that the size of the health insurance market peaked with 2.3 million customers at the end of 2008 and has declined to 2.14 million by the end of March 2012. The market now insures the same number of people as it did in the middle of 2006.

The Chief Executive of the HIA, Liam Sloyan said, “This survey provides a comprehensive insight into the attitudes amongst consumers in the marketplace. It shows that consumers continue to believe that private health insurance is a highly valued commodity and there is a strong desire to have health insurance cover, but that many people are under strain to keep their cover due to affordability. The survey also shows that health insurance consumers are becoming much more active in shopping around and managing their health insurance and that tolerance for price increases has reduced sharply.”

The value consumers place on health insurance and the high demand is illustrated in a number of findings within the survey including:

- The overall satisfaction level with PHI cover is 86% of current holders. Milward Brown Lansdowne has found that overall satisfaction levels with PHI would be considered very good when benchmarked across other financial and utility industries.
- The proportion of consumers who say that they will maintain or upgrade their cover in the next 12 months has increased from 73% to 85% since the 2010 Report. The proportion who “Don’t know” has decreased from 22% to 9%.
- The majority of people surveyed view health insurance as a means to access healthcare services quicker and consider that health insurance is a necessity rather than a luxury.
- It is the second most valued employee benefit after a pension and the percentage of people who believe that private health insurance is the most important employment benefit has risen from 18% in the 2010 Report to 29%. For young people (18yrs to 34yrs), it is the most valued employee benefit, ahead of pension, company car or flexible working arrangements.

The survey also highlights the fact that affordability, the impact of price rises, employment issues and the general difficult economic environment are all affecting consumer sentiment and attitudes towards private health insurance. This can be seen by:

- The overwhelming reason for no longer being covered by private health insurance is 'expense/premiums too high/can't afford it' – this now stands at 50% of respondents who have cancelled cover.
- Job losses (16%) were also cited and employers no longer providing health insurance (11%) were the other main reasons for no longer having private health insurance cover.
- Attitudes to premium increases have changed sharply – the percentage who believe they are inappropriate has increased from 36% to 49%, illustrating the impact recent increases are now having compared to previous years.

The survey highlights an increased level of switching and a greater readiness of consumers to switch, which is to be welcomed as evidence of a better functioning market for health insurance with a greater degree of competition.

- 23% of consumers now say they have switched insurance provider at some point, compared to 16% in the 2010 Report.
- A further 20% of those who have never switched provider have considered doing so – up from 13% in the 2010 Report.

According to Sloyan, this only tells part of the switching story: "In addition there has been a large amount of switching within insurer. For example, the number of people on corporate plans increased by 170,000 in 2011."

The Health Insurance Authority helps people who wish to maintain their health insurance to make significant savings on their premium. The Health Insurance Authority's website (www.hia.ie) includes details of all of the products available in the market and has a practical comparison tool to allow consumers make informed choices. All consumers are entitled to purchase any product being sold by providers. "Many consumers are in a position to make significant savings irrespective of their age, gender or state of health and the Health Insurance Authority can assist them" said Sloyan. Consumers can also contact the Authority by telephone at Lo – call 1850 929 166.

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