



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

Dublin, 8 June, 2010: 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 recession on the attitudes and behaviour of consumers of private health insurance. Statistics recently published by the HIA show that the size of the health insurance market peaked with 2.3 million customers at the end of 2008 and declined to 2.25million by the end of March 2010 (a decline of 2.3% in 15 months).

The Chief Executive of the HIA, Liam Sloyan said, “The survey provides a comprehensive insight into the attitudes amongst consumers in the marketplace. It shows that consumers continue to strongly value health insurance and there is a strong desire to have health insurance cover. The recession is, however, impacting on the market with some consumers cancelling policies due to job losses and greater uncertainty regarding future health insurance cover.”

Continuing demand for health insurance is illustrated by:

- Satisfaction levels with health insurance are high across a range of areas. 93% are satisfied overall.
- Consumers typically view health insurance as a necessity rather than a luxury.
- It is the second most valued employee benefit after a pension.
- 41% of those without health insurance say they are likely to purchase it.

Impact of the recession is illustrated by:

- There was an increase in the number lapsed policyholders from the 2007 survey from 6.5% to 7.5% of the population.
- This increase reflects the 19% of lapsed policyholders who cited losing their jobs as a reason for cancelling cover.
- The proportion of consumers who say that they will maintain or upgrade their cover in the next 12 months has reduced from 89% to 73% since the 2007 survey. The proportion who “Don’t know” has increased from 9% to 22%.

- The level of switching has increased significantly. 16% of consumers now say they have switched insurance provider at some point, compared to 10% in the 2007 survey.

Liam Sloyan said that “The overall message coming out of the survey is that consumers want to continue holding health insurance cover and many non consumers wish to purchase it but that affordability is becoming more of an issue due to the economic conditions.”

According to Sloyan, however, “The majority of health insurance consumers can save hundreds of euro without significantly reducing their cover. The Health Insurance Authority’s website (www.hia.ie) includes details of all of the products available in the market, including those normally only marketed to large group schemes. All consumers are entitled to purchase these products and make big savings on their premiums, and age or state of health doesn’t come into it, everybody is entitled to purchase these products.” Sloyan also says that those without access to the internet can telephone the HIA on Locall 1850 929166.

Other findings from the survey include:

- Older couples are the least likely to shop around while families are the most likely.
- 44% of those who cancelled their health insurance policy cited affordability as a reason
- 41% of consumers cited losing a job or having their wages or hours cut as factors that would encourage them to discontinue cover.
- One in three consumers have cover as part of a work based scheme (3 out of 5 of this group say that their employers contribute to the cost of cover).
- Just over one in five of those who do not have cover would be encouraged to take it out sooner if premium loadings were introduced for those who first purchase cover later in life (Lifetime Community Rating).
- 86% of employers say they will maintain their health insurance scheme.
- Half of consumers say that premium increases are appropriate with 37% saying they are not appropriate.

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