

Private health insurance market is responding to economic recovery and Lifetime Community Rating – HIA

- **Authority reports net increase of 152,397 lives with private health insurance over two years between 1st January 2015 and 1st January 2017**
- **Largest net increase in the last two years of over 11% (32,690) in 40 to 49 years age group**
- **Second anniversary of the introduction of Lifetime Community Rating occurred on 1st May 2017**

Tuesday 2 May, 2017 – At the second anniversary of the introduction of Lifetime Community Rating to the private health insurance market on 1st May, the Health Insurance Authority reports a 152,397 net increase in the total number of insured persons over a two year period from 1st January 2015 to 1st January 2017. The Authority attributes this increase to the dual impacts of economic recovery, including sizeable increases in employment, and the effects of Lifetime Community Rating which introduced an age-related loading to health insurance premiums for those taking out private health insurance for the first time after age 34.

The total number of insured lives with the three open membership health insurers in the private health insurance market stood at 2,032,618 at 1 January 2017. The largest net increase in the last two years was in the 40 to 49 age category which saw numbers increase to 326,145, an increase of 32,690 or over 11%. The overall market increase was 8.11% with net increases in the numbers insured occurring across all age categories. The largest increase was in those under 50 years of age, the target group for lifetime community rating, which saw a net increase of 103,749 over the two years from 1 January 2015 to 1 January 2017. The over 50 years age category saw a net increase of 48,648.

Lifetime community rating (or ‘LCR’) was introduced to provide an incentive to encourage those considering private health insurance to take out insurance at a younger age. LCR introduced an age related loading on premiums of 2% per year of age over 34 years for those taking out insurance for the first time. The Authority reports that 15,132 insured persons had age related loadings applied to their premiums as at 1 January 2017. 77% of those currently paying loadings are in the age range 34 to 49. €2.4 million was paid in LCR loadings in 2016.

Commenting, **HIA Chief Executive Don Gallagher** said: *“The private health insurance market is clearly in a recovery phase. The sustainability of the market, and the overall affordability of premiums, is supported by the increase in the total number insured and the younger average age of those insured. Our community rated system requires a steady flow of new and younger lives becoming insured. This helps support the inter-generational solidarity that is implicit in community rating where premiums are not risk-rated for expected future health status or current age. The increase in the numbers insured under 50 years of age is very welcome as this is a key target group for lifetime community rating.”*

The Authority is currently conducting a review of the operation of lifetime community rating at the instruction of the Minister for Health.

ENDS

Further information is available on www.hia.ie or by calling the HIA helpline number at 1850 929 166.

Notes to Editors

Table 1 below sets out the change in the number of in-patient insured lives by age from 1 January 2015 to 1 January 2017 of the three open membership health insurers. Those new customers were mostly under age 50, helping improve the age profile of the market.

Table 1

	01-Jan-15	01-Jan-17	Net Diff	Net Diff	%	
Aged 17 and under	441,354	481,122	39,768	103,749	9.01%	
Aged 18 to age 29	203,084	216,507	13,423		6.61%	
Aged 30 to age 39	274,356	292,224	17,868		6.51%	
Aged 40 to age 49	293,455	326,145	32,690		11.14%	
Aged 50 to age 59	261,995	284,171	22,176	48,648	8.46%	
Aged 60 to age 64	117,031	124,443	7,412		6.33%	
Aged 65 to age 69	103,530	107,605	4,075		3.94%	
Aged 70 to age 74	76,298	84,450	8,152		10.68%	
Aged 75 to age 79	53,139	56,412	3,273		6.16%	
Aged 80 to age 84	33,290	35,720	2,430		7.30%	
Aged 85 and over	22,689	23,819	1,130		4.98%	
Total	1,880,221	2,032,618	152,397		152,397	8.11%

Table 2 below shows the increase over time in the numbers of insured lives paying LCR loadings and their percentage of the insured market. These figures show an increase over time as loadings only apply for policies commencing from 1 May 2015.

Table 2

	No. of Insured Persons paying loadings	% of Insured Population paying loadings
01-Jul-15	869	0.04%
01-Jan-16	5,389	0.3%
01-Jul-16	10,687	0.5%
01-Jan-17	15,132	0.7%

About Health Insurance Authority

The Health Insurance Authority is a statutory regulator of the private health insurance market. The Authority was established in 2001 under the Health Insurance Acts. The Authority is independent in the exercise of its functions. Further information on the Authority is available at www.hia.ie.

For reference, issued by FTI Consulting on behalf of the Health Insurance Authority. For media queries, please contact –

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