



An tÚdarás Árachas Sláinte
The Health Insurance Authority

Health Insurance in Ireland

Market Report 2022



Rialtas na hÉireann
Government of Ireland

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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 2022 trends.

The key findings include:

HEALTH INSURANCE DEVELOPMENTS AND TRENDS



47%
Percentage of people with health insurance



3.4%
Percentage increase in number of people with health insurance since 2021



Decrease in numbers of **children insured**



4%
of people paying LCR loading on premium

HEALTH INSURANCE PLANS



327
number of plans



50%
of people on one of 27 plans.



12
number of new plans introduced by insurers



750,000
The number of people on one of the most popular 5 plans across the insurers

PRICES



-1.2%
average premium decrease



€1,448
average premium



People over 65 are paying on average **42% more**
see p.12 for further details

CLAIMS



€2.93 billion
Health insurers total premium income



16.5%
Increase in claims paid



Almost 50% of claims were for private hospitals



54% increase in outpatient/GP/other claims



Increasing number of hospital day case claims compared to overnight stays

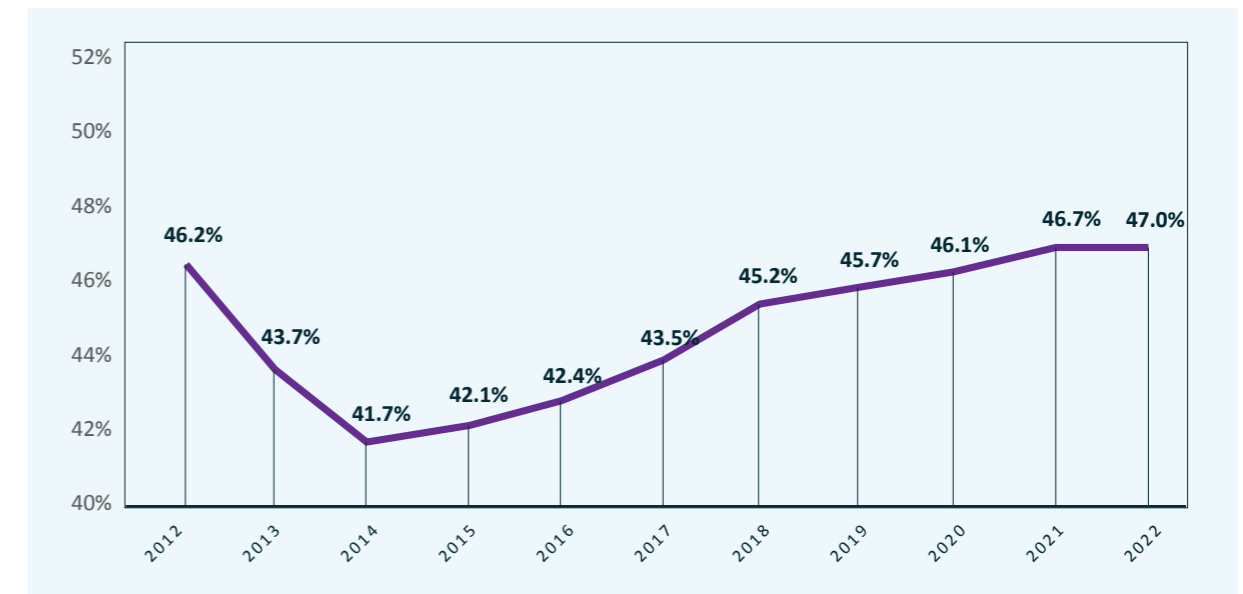
You can find more information on www.hia.ie

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 Government 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.

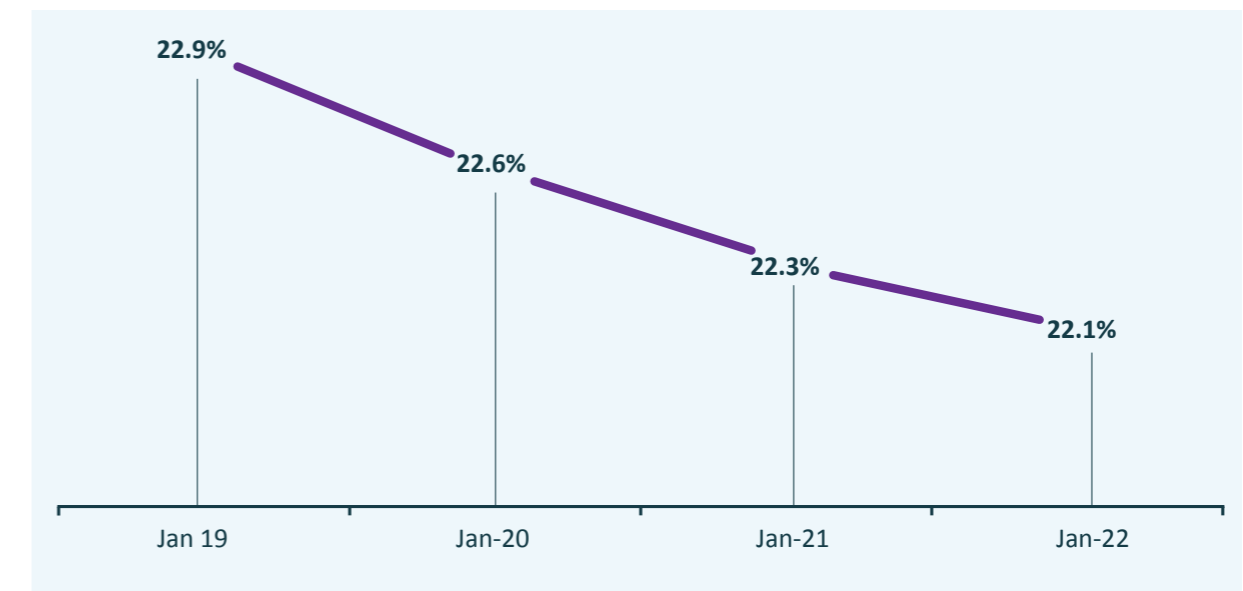
HEALTH INSURANCE LANDSCAPE: DEVELOPMENTS AND TRENDS

Health insurance coverage continues to grow. At the end of 2022, **2.44 million** people had health insurance, which is a 3.4% increase on December 2021. In 2022, nearly half of the population in Ireland (**47%**) had health insurance.



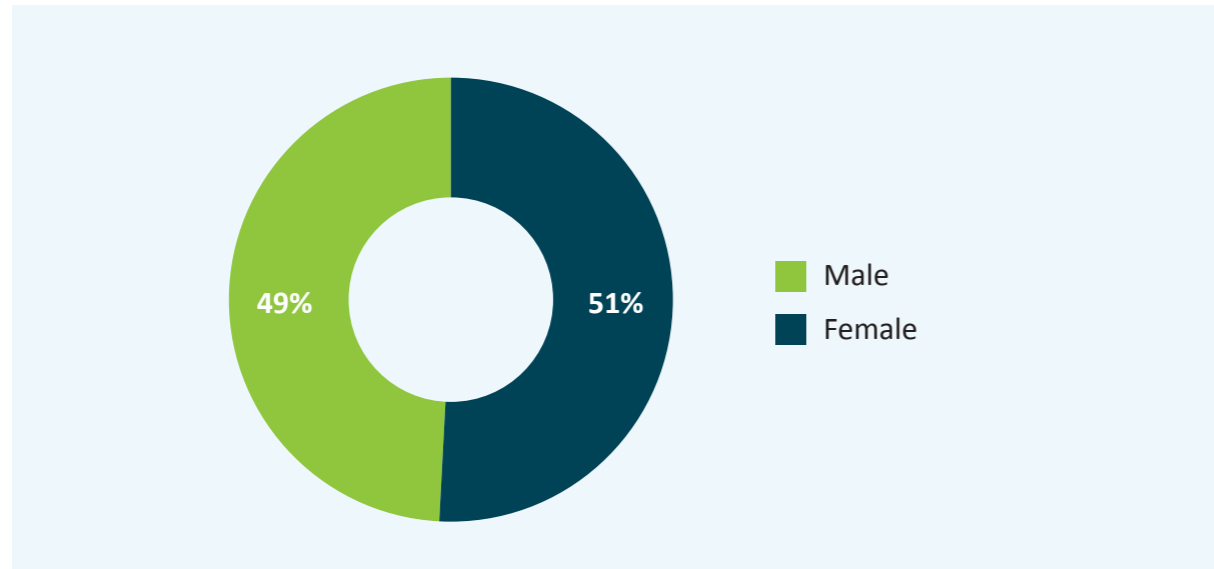
GRAPH 1: Yearly average percentage of population insured

The percentage that are children with health insurance has been declining in the last few years. In 2022, the number of children insured continued to decrease and now stands at **22.1%**.



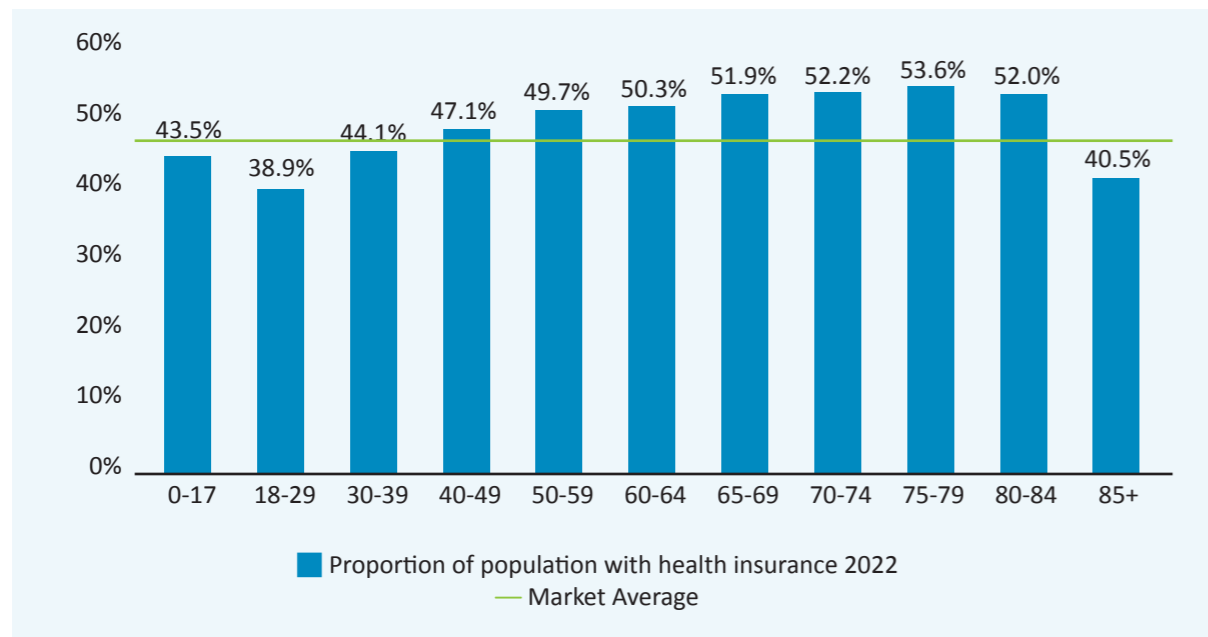
GRAPH 2: Percentage of children insured

Slightly more women (**51%**) took out health insurance than men (**49%**). The difference is greatest for females in the 60-74 age groups. However, the proportion of males is higher than for females aged 85 and over.



GRAPH 3: Percentage of males and females with health insurance in Ireland

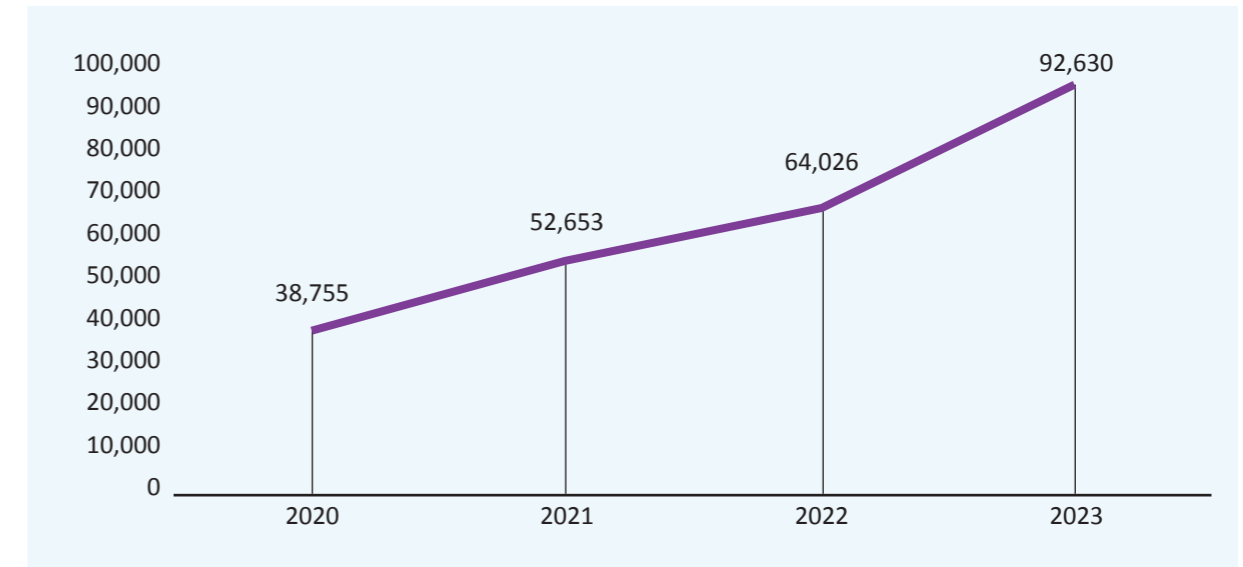
When comparing age groups, we can see that those aged 18-29 and over 85 years old have lower percentages insured compared to the average across the 3 main insurers (45.7%). Meanwhile those aged 50-84 have higher percentages insured (greater than or equal to 47.1%).



GRAPH 4: Market penetration by age

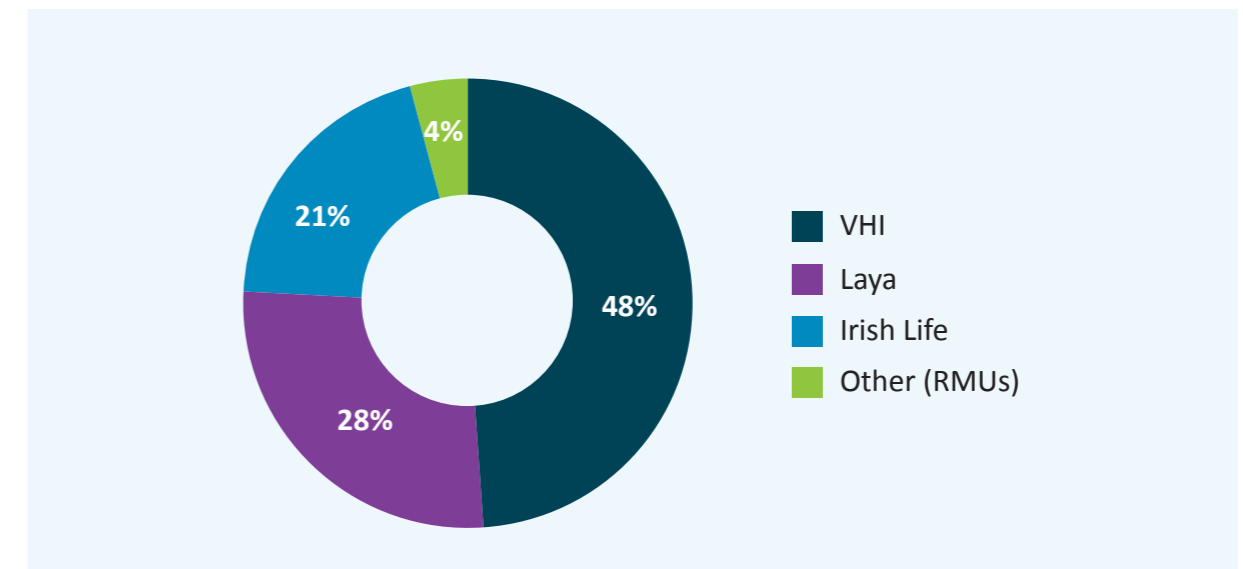
Lifetime Community Rating (LCR) loadings were introduced in 2015 for new customers taking out health insurance. It was introduced to encourage people to join the health insurance market at a younger age. This is where a loading applies to the gross premium for new customers aged 35 and over. The loadings start at 2% at age 35, up to a maximum loading of 70% for ages 69 or older.

The number of people paying LCR loadings has increased year on year. Currently just over 92,000 people (4%) are paying a loading on their health insurance premium. The majority of those paying LCR loadings are in the 40-49 age group (49%).



GRAPH 5: Number of insured persons paying LCR loadings

In 2022, Vhi healthcare (VHI) continues to have the largest market share, and ended the year at **48.4%**. Laya Healthcare (Laya) continued to increase its market share in 2022, and it now stands at **27.6%**. Irish Life Health (ILH) and Restricted Membership Undertakings (RMUs) have remained steady at **20.5%** and **3.5%** respectively. VHI also continues to have a greater proportion of insured people who are in the over 65 age groups compared to Laya and ILH.



GRAPH 6: Percentage market share for health insurers 2022

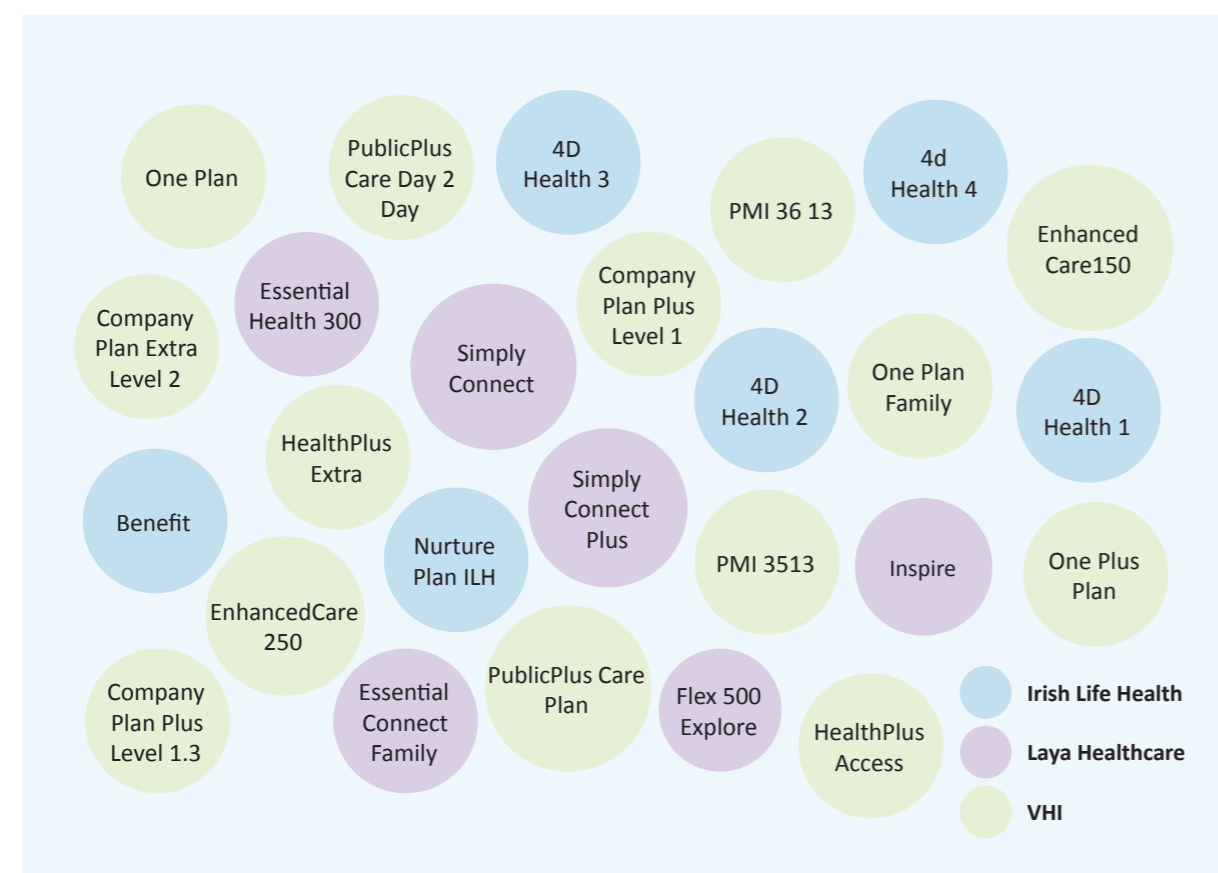
The table below reveals that while VHI has the largest market share, it is not increasing. However, the rate of decline has slowed considerably compared to 15 years ago when VHI's market share was close to 70%. Meanwhile ILH has seen the largest annual increase at 7.4%.

	VHI	LAYA	ILH	RMUS	TOTAL
CHANGE LAST QUARTER	7,802	5,162	5,472	-184	18,252
PERCENTAGE	0.0%	1.2%	1.0%	-0.2%	0.7%
CHANGE 12 MONTHS	22,815	37,026	20,844	-1,098	79,587
PERCENTAGE	0.0%	3.4%	7.4%	-1.3%	3.3%

HEALTH INSURANCE PLANS

On 1 January 2023 there were **327** active in-patient plans, 37 of which are non-advanced plans. In 2022, 5 plans were retired, and **12** new plans were introduced. **93%** of customers held **advanced** plans. The number of people with **non-advanced** plans decreased on last year (8%) and now stands at **7%**.

50% of people with health insurance are on one of **27 plans**. Therefore, the choice between plans is concentrated even though there are 327 plans in the market.



GRAPH 7: The Most commonly held 27 plans

The five most popular plans for all 3 health insurers (ranked by adult price), at the end of 2022 are as follows:

VHI Healthcare				
PMI 35 13	One+ Plan	Company Plan Plus Level 1.3	PublicPlus Care Day-to-Day	HealthPlus Extra
1 Average age: 40	2 Average age: 26	3 Average age: 35	4 Average age: 36	5 Average age: 73
Adult price 2022: €1,366	Adult price 2022: €1,260	Adult price 2022: €1,307	Adult price 2022: €535	Adult price 2022: €2,740
Adult price 2023: €1,302	Adult price 2023: €1,200	Adult price 2023: €1,245	Adult price 2023: €513	Adult price 2023: €2,784
Price change: -5%	Price change: -5%	Price change: -5%	Price change: -4%	Price change: 2%

Laya Healthcare				
Inspire Plus	Simply Connect	Simply Connect Plus	Essential Health 300	Inspire
1 Average age: 30	2 Average age: 46	3 Average age: 48	4 Average age: 42	5 Average age: 32
Adult price 2022: €1,346	Adult price 2022: €1,362	Adult price 2022: €1,471	Adult price 2022: €1,094	Adult price 2022: €1,220
Adult price 2023: €1,346	Adult price 2023: €1,362	Adult price 2023: €1,471	Adult price 2023: €1,094	Adult price 2023: €1,220
Price change: 0%	Price change: 0%	Price change: 0%	Price change: 0%	Price change: 0%

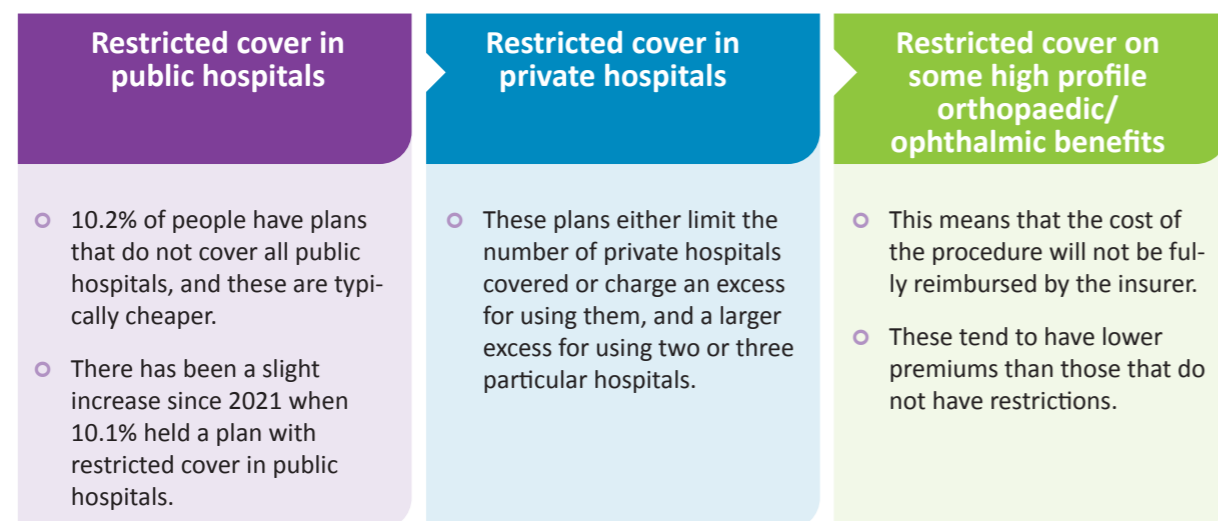
IRISH LIFE HEALTH:				
4D Health 2	4D Health 4	Benefit	Nurture Plan ILH	4D Health 1
1 Average age: 40	2 Average age: 37	3 Average age: 34	4 Average age: 11	5 Average age: 47
Adult price 2022: €1,394	Adult price 2022: €1,680	Adult price 2022: €1,037	Adult price 2022: €1,168	Adult price 2022: €1,205
Adult price 2023: €1,480	Adult price 2023: €1,781	Adult price 2023: €1,104	Adult price 2023: €1,242	Adult price 2023: €1,281
Price change: 6%	Price change: 6%	Price change: 6%	Price change: 6%	Price change: 6%

750,000 people are on a top 5 plan across all three insurers. This represents **32%** of the population covered by health insurance. When we look at comparisons between prices in 1 January 2022 and 1 January 2023, ILH increased the adult prices for all of their 5 most popular plans, Laya did not change the prices of their 5 most popular plans and VHI reduced the prices for 4 of their 5 most popular plans.

Common features for most of the most popular 5 plans for each insurer include:



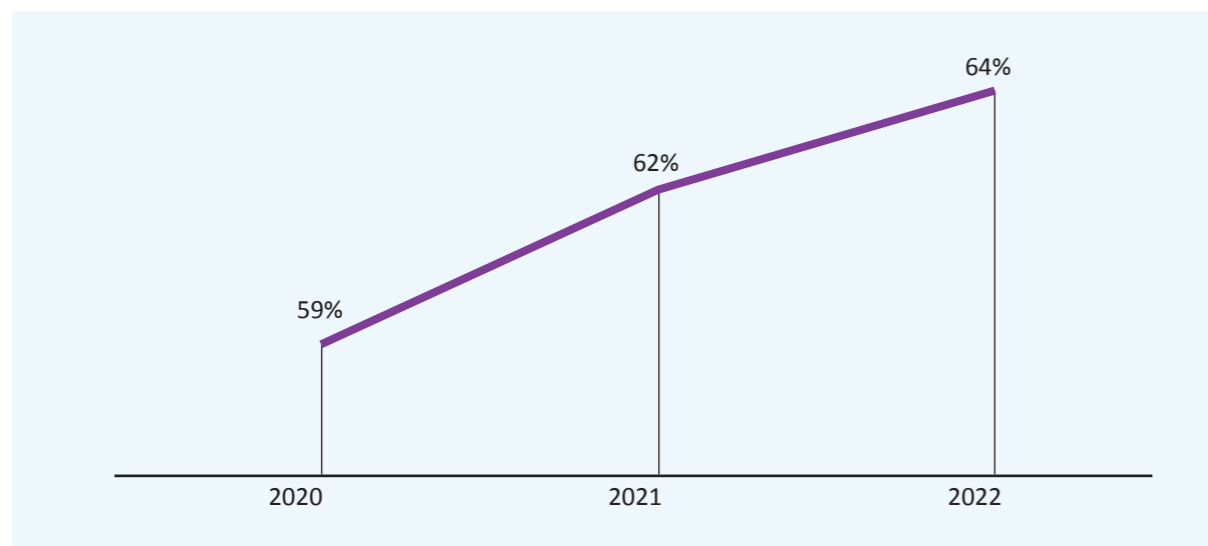
An option available to people taking out health insurance is to restrict cover. Plans with **restricted cover** typically include an excess; **the larger the excess the lower the premium**. There are 3 types of restricted cover:



People over 65 years old are paying on average **42% more** for health insurance.

50% of people with health insurance are on one of 27 plans.

Plans with restricted orthopaedic/ ophthalmic benefits have increased in popularity over the years, and this trend has continued. In 2022 **64%** of people with health insurance have a plan with restricted orthopaedic cover. 70% of under 65s are on such a plan, whereas only 32% of over 65-year-olds are on a plan that has restricted orthopaedic cover. This is the main reason why older people with health insurance are paying more than younger age cohorts. It should also be noted that a significant proportion of those with no restrictions on orthopaedic benefits have non-advanced plans that provide limited benefits in private hospitals.



GRAPH 8: Percentage of people with restricted orthopaedic cover

PRICES

The cost of health insurance has decreased compared to last year. The average of the premiums paid by adult members was **€1,448** on 1st January 2023, which is a **1.2%** decrease on the previous year. This decrease is due to the combination of changes in premiums charged on individual plans and changes in the actual plans purchased by individuals



The average premium reduced by **0.9%** for under 65s and **2.4%** for over 65's from January 2022 to January 2023. This could be as a result of policyholder downgrades or new entrants choosing cheaper plans. However, people over 65 years old are still paying on average **42%** more for health insurance.

	Average Premium – 1 Jan 2022			Average Premium – 1 Jan 2023		
	<65	>=65	Difference	<65	>=65	Difference
Market	€1,364	€1,971	44%	€1,352	€1,923	42%

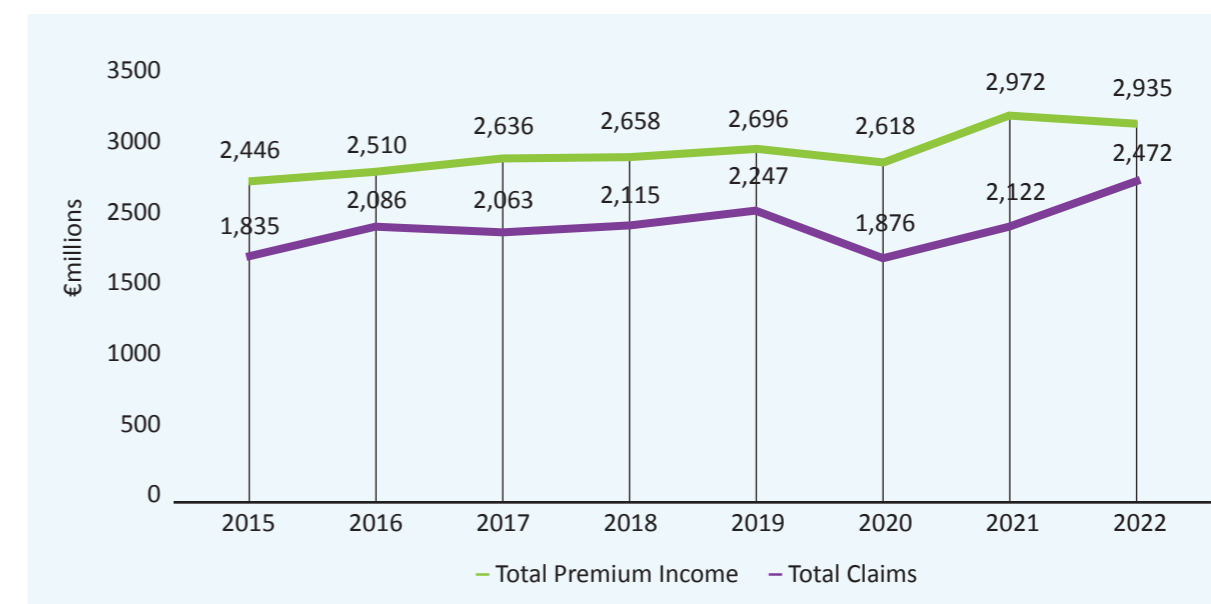
In 2022, the average change in the price of individual plans was an increase of **2.2%**. Price changes vary from plan to plan and ranged from **-13% to 28.2%** (this is valid for the period 1st January 2022 to 1st January 2023).

	Average price change (%)	Range
Irish Life Health	6.4%	-3.9% to 28.2%
Laya Healthcare	0.0%	-6.0% to 3.9%
Vhi Healthcare	-2.5%	-13.0% to 3.4%
Market	2.2%	-13.0% to 28.2%

CLAIMS PAID BY HEALTH INSURERS TO CONSUMERS

Total premium income has decreased slightly over the previous 12 months and now stands at **€2.93bn**. Although still higher than pre-pandemic levels, it has decreased slightly on 2021. A combination of factors has contributed to this, including price reductions by two insurers and refunds to customers.

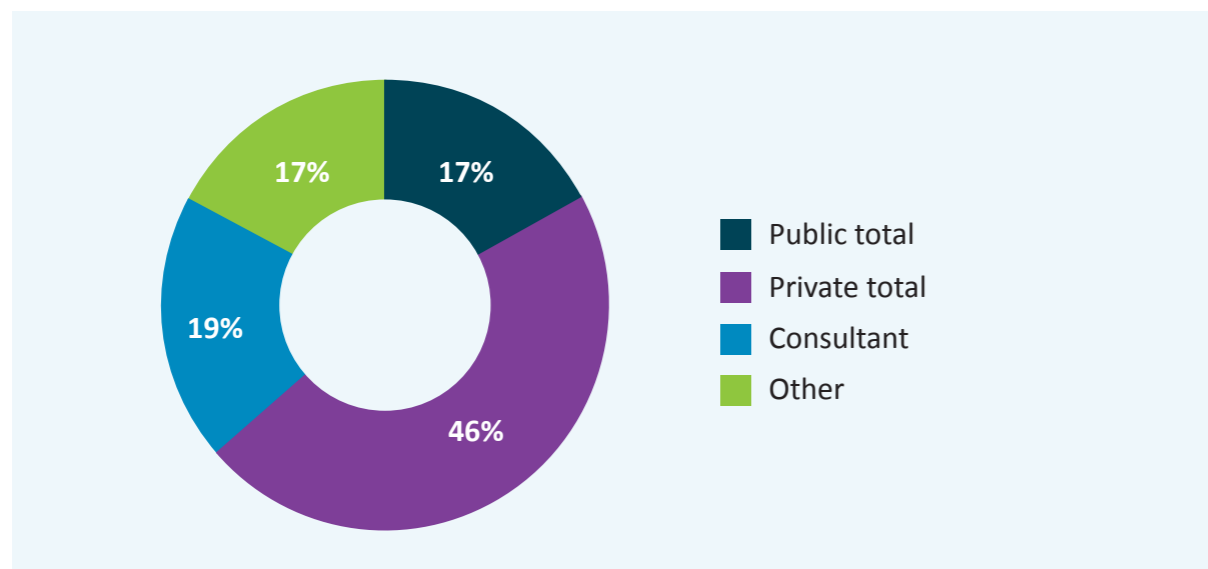
The total level of claims paid in 2022 increased by **16.5%** on 2021. Total claims paid by insurers in 2022 have exceeded claims paid in 2019 before the pandemic (€2.248bn) for the first time since COVID-19 impacted claims on health insurance.



GRAPH 9: Total Premium Income versus Total Claims Paid by Health Insurers 2022

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 2022, most claims were for treatment in **private hospitals (46%)**. Claims for **out-patient/GP/other treatments** have seen an increase year to year, with a **54%** increase since 2019. Meanwhile, claims for **public hospitals** may have modestly increased on 2021, however they are still **11% lower** than in 2019.



GRAPH 10: claims paid by health insurers for hospital and outpatient/GP/other treatment 2022

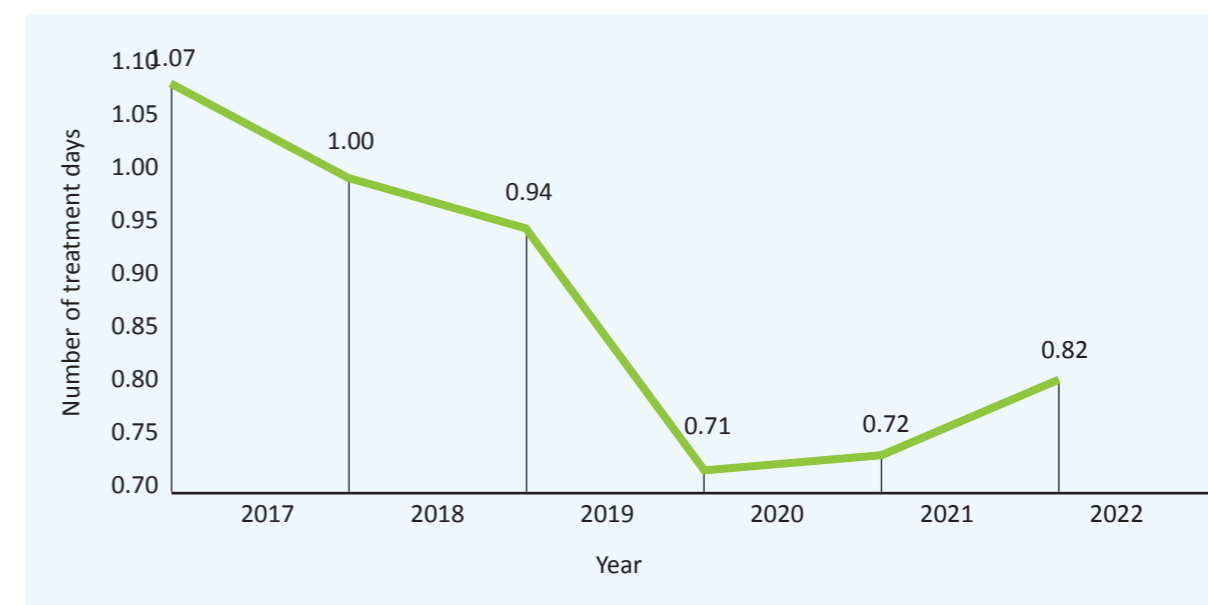
Payments to private hospitals increased by 6.9% from €1.072bn in 2021 to €1.146bn in 2022. Payments to private hospitals are also greater than in 2019. Consultant claims also increased by 14.9%. The amount paid to consultants in 2022 is also above that paid in 2019. The total amount paid to public hospitals in 2022 saw a 33% increase compared to 2021. Payments in 2021 were likely to have been influenced by the cyber-attack on the HSE and the continued impact of COVID-19.

Million €	2022	2021	2020	2019
Public hospital	418 (17%)	310 (15%)	397 (21%)	471 (21%)
Private hospital	1,146 (46%)	1,072 (50%)	851 (45%)	1,070 (48%)
Consultant	478 (19%)	416 (20%)	355 (19%)	428 (19%)
Other (out-patient/GP fees)	430 (17%)	324 (15%)	271 (15%)	279 (12%)
Total	2,472	2,122	1,876	2,248

HOSPITAL INPATIENT DAYS

In 2022 claims were paid in respect of **1.59m** hospital days, which is an increase of **16.9%** on 2021 (1.36m). **41%** of total hospital days were day cases. Although this proportion has decreased compared to 2021 (43%), it remains higher than previous years (2019: 36%; 2020: 36%). Potentially, this is worth observing, as it could point to a trend in day case admissions rather than overnight stays.

The number of hospital days per insured person **increased by 13.3%** between 2021 and 2022. However, between 2017 and 2022, the average number of hospital days reduced significantly by 24% signalling a downward trend in the average number of hospital days per insured person since 2017. It should be noted this reduction was larger in 2020 and driven by the impacts of COVID-19.



GRAPH 11: Treatment days per insured person 2017-2022

HIA CONSUMER SUPPORT

In total, the HIA received 3131 consumer queries in 2022. The majority of queries related to help with making comparisons for a health insurance policy. Below is a list of the queries:

Total	3131
Comparisons	2261
Insurer Contact Details	157
Other	139
LCR	83
Moving to Ireland	70
Outside Remit	60
Plan Cover	47
Moving Abroad	44
Waiting Period	35
Cancellation Policy	34
PHI in General	33
Claim Dispute	29
Pre-existing Illness	21
Break In Cover	20
Switching	17
Levy	15
Claims and Excesses	10
Statistics	10
Cover for Children	8
Maternity Benefits	8
FOI	7
Cash Plans	4
Group Discount	4
RMU	4
Website Info	3
Cover from Overseas	2
Renewal Notices	2
Risk Equalisation	2
Newsletter Requests	2



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