

Beware the horror of expensive health cover

Higher premiums will spook many families, so it pays to shop around, writes *Eithne Dunne*

While consumers may have taken vague note of repeated price hike announcements by private health insurers last year, for many it is only now that they must grapple with what that means.

According to the Health Insurance Authority (HIA), about 2.48 million people here have private health insurance, and about half of these have policies due for renewal this month. It is never the nicest of ways to start the year; the average adult premium, as of the third quarter of last year, was €1,574.

This year will be particularly onerous. “For people with private health insurance, things really don’t get much worse than they are this year,” says Dermot Goode, a consultant at Total Health Cover, part of the Lockton group.

A big culprit is the fact that most insurers raised prices not once but twice last year. Goode says this could mean your renewal costs an extra 15 to 20 per cent. “An average family could be paying anything from €150 to €550 extra,” he adds. Some individuals will be hit even harder. If you are on Laya’s Essential Plus or Irish Life Health’s Level 2 plan, for example, you could pay an extra €400 per person.

Revenue has also shaved the tax relief on private insurance premiums, which is given at source by the insurer, taking it from 20 to 19 per cent. This will roughly amount to an extra €10 per adult and €5 per child at renewal, Goode estimates.

One bit of good news is recently announced cut in stamp duty on health insurance. According to the HIA, 72 per cent of customers could see premiums drop €18 as a result. This is, however, dependent on insurers passing on the cut, which is not a given. Nevertheless,

Ray Dolan, chief executive of the HIA, says it is hoped that the reduction will provide “a small saving” to consumers.

WEIGHING YOUR OPTIONS

If you’re not sure whether you are over-paying for your cover, there are certain giveaways. Generally speaking, if you are paying over €1,850 per adult, if everyone in your family is on the same plan, if you are not getting refunds on outpatient expenses, if you are not on a corporate plan or – the biggest giveaway of all – you have never reviewed your cover, you can be fairly confident you could do better.

Given that there were no fewer than 349 inpatient plans on the market as of October 1, according to the latest figures from the HIA, lack of choice is not the problem. If anything, the sheer proliferation of plans tends to scare people off.

When changing health plans, some fear they will have to re-serve waiting periods – though this is necessary only if your cover has lapsed for 13 weeks or if you have upgraded to a higher level.

Goode estimates that about half of the customers for whom he oversees policy changes stay with the same provider.

Also, not everyone who reviews their plan necessarily wants to pay less; they just want to make sure they’re getting the best deal for their money. “You might have someone paying €2,000 for their insurance; with that kind of money you should get excellent cover,” Goode says. “But lots of people are on really old schemes and they’re just not very good.”

He recommends deciding on a budget and picking up the phone to a provider. “Ask them what they can recommend for you at that price with the best possible cover, and then get them to go through the plans they suggest.” It is also worth specifically asking whether they have

also checked their corporate plans.

Comparison tools such as that provided by the HIA are a useful starting point, but it is never a good idea to base your choice entirely on what you find online. Always call insurers and get them to talk through the plans – or even better, ask if they can suggest a superior option.

PAYING FOR CHILDREN

Laya is once again offering its “second and subsequent children free” deal. This can be a good money-saver – but only if used to its best advantage. So pick whatever adult policies you want but don’t put all your children on the same plan.

Instead, choose a reasonably priced plan for your first child – Goode specifically recommends Laya’s Inspire Plus – then put the rest on one of the free plans in the offer, such as Flex 125 Explore. Inspire Plus costs about €312 while Flex 125 Explore will set you back €465.

It is, however, also worth remembering that since September 2022 under-16s no longer have to pay the public hospital charge of €80 a night, up to €800 a year. While this once was a good reason to put a child on a health insurance policy, to cover such a bill, it no longer applies.

CASH PLANS

According to recent HIA figures, more people are choosing to take out “cash plans”. These cover various medical and dental outpatient expenses but not inpatient treatment. HSF Health Plan, the dominant provider, has about 15 plans. Prices for cash plans generally start from about €135 a year, according to the HIA.

Some people buy a cash plan as a standalone product, while others buy it as a kind of add-on to an existing policy. For example, they may want better day-



to-day cover than their main policy offers and find this to be a cost-effective way of getting it rather than taking out a more expensive insurance plan.

Finally, the best advice is to tell insurers everything upfront – not just in terms of your details and medical requirements but also how much you have to spend, for example. “The more specific you are, the more specific their responses will be,” Goode says. “The people who do that every year are the people who get the best deal on their health insurance.”

You can find a downloadable guide to choosing the best policy on hia.ie, or call the HIA helpline on 1850 929 166.

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Semi-private

VHI's PMI 35 13 — €1,512

Irish Life Health's

HealthGuide 2 — €1,410

Laya's Inspire Plus — €1,418

Small excess and about 50 per cent back on outpatient expenses.

Bigger budget

VHI's PMI 48 10 — €1,810

Irish Life Health's HealthGuide 3 —

€1,669

Laya's Principle — €1,736

Private room cover and near 75 per cent refunds on outpatient costs.

Affordable plans

VHI's EnhancedCare 350

Day-to-Day — €1,108

Irish Life Health's MyPlan 350

Day to Day — €1,077

Laya's Prosper — €1,098

Lower high-tech or day-to-day cover with decent public and private hospital cover.





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