



Must I wait five years to cover my existing condition if I switch private health insurer?

YOUR QUESTIONS

DERMOT GOODE

Founder and health cover analyst with
totalhealthcover.ie

I am thinking of switching private health insurer. My renewal quote has just come in — and it's about 20pc more expensive than last year.

When I asked my insurer for a better deal, it couldn't offer me a cheaper alternative. I've been with the same insurer now for about 10 years. My insurer also told me I wouldn't be able to switch elsewhere without serving the waiting period all over again — because of a pre-medical condition of mine.

I had a stroke a few years ago and if I have to serve the full waiting period again, I understand that means I would have to wait another five years for cover if I switch. Is that true?

Pauline, Lifford, Co Donegal

No. That is not the case at all.

All insurers are required by law to give you full credit for time served with previous providers. Once there is no break in your cover and you change to an equivalent plan, you will be on cover immediately with the new provider assuming you've served all your waiting periods already.

In fact, the only questions your new insurer will put to you are: what plan are you currently insured on and how long have you been insured on that plan.

You won't be asked to complete any medical questionnaire or for any details regarding pending medical treatment.

Remember, if you're on the same plan for two years or more or if you have all the family on

the same level of cover, then you're likely to be overpaying, so switching should definitely be a consideration come renewal time.

I'm turning 50 next year — amongst other things, I'm worried about the impact my age will have on the cost of my private health insurance.

Will my premiums increase as I get older — or if I make large claims? What about the impact of the new Lifetime Community Rating (LCR) rules?

John, Lackagh, Co Galway

Rest assured — under the current health insurance legislation, existing health insurance members cannot be penalised based on age,

gender or claims experience.

So turning 50 will not affect your premiums. But as ever, you should shop around because there is always going to be a variation in price between insurers.

There is one exception on the point of age loadings which will affect those buying private health insurance for the first time.

Under the LCR rules, which kicked in on May 1, 2015, an age loading will apply to those aged 35 or over who are buying private health insurance for the first time. A 2pc loading for each year the individual is over 35 will apply — up to a maximum loading of 70pc on gross premium.

Older people aged 50 or over will be hardest hit by the age loadings. For example, a 55-year old joining a plan that normally costs €1,500 gross will face a loading of 42pc which will increase the gross cost to €2,130 — or €1,930 after tax relief.

If this is simply unaffordable, I recommend they consider the more affordable mid-level plans costing about €1,500 across the market (inclusive of age loadings).

I'm in my early 30s and planning to work abroad for a few years. If I'm over 35 years old and return to Ireland, will I have to pay the new age loadings on private health insurance that kicked in under the lifetime community rating (LCR) rules?

I've never held health insurance in Ireland before.

Mark, Abbeyleix, Co Laois

No. If you take out private health insurance cover within nine months of moving to Ireland, then these new age loadings will not apply. But if you are not in a position to take out cover or if you miss the nine-month window, then yes, you will be affected by the LCR when you do join.

Many people over the age of 34 who are thinking of joining health insurance will see the age loadings as an impediment to joining. However, they should be more concerned about the waiting periods that apply to all new members as this will potentially have a greater impact.

While these have now been standardised for all new members, if you join with an existing medical condition, this may not be covered for the first five years of membership. Your decision to join or not should focus on being covered immediately should you fall ill — rather than what loadings you might have to pay.

Those approaching age 34 may wish to take out an entry level plan only just to get on the ladder. They can upgrade their cover at some future point and

no age loadings will apply.

However, it is

important to be aware of the upgrade rule which applies across the market.

This means that if you increase your cover, all insurers are allowed to restrict your benefits to your existing plan for the next two years — for a pre-existing condition.

I have been reading about the various corporate private health insurance plans that are available in the market. I looked into one corporate plan and it works out a lot cheaper for me than similar non-corporate plans on the market.

I'm sure I don't qualify for corporate plans however as I'm not working at present. Is that true?

Chris, Artane, Dublin 5

This is not the case at all. Anyone can join any private health insurance plan that's available on the Irish market irrespective of their age or occupation.

The key is to ask for a specific plan by name — then the insurer must offer it to you regardless of who it was designed or intended for.

Corporate plans tend to be the most competitively priced plans on the market and are worth considering before you renew your cover. They normally cover public and private hospitals and usually include some level of day-to-day cover for your routine medical costs.

They include excesses (the first part of a claim you must pay yourself) in private hospitals so check the benefits fully before buying. For any family with adult dependants, they should move them off dated hospital plans to these corporate alternatives for more appropriate cover and much needed savings.

A word of warning however: Many consumers think because they have a corporate plan already, they're getting the best deal.

This is not the case as these plans tend to change each year and be replaced by a newer version. So these policyholders should make sure they track the changes to stay on the best value option. As always, if in doubt, get good advice.