

Quinn and Aviva enjoy surge in business as families desert VHI

FAMILIES deserted the VHI in their droves yesterday as they digested the impact of hikes of up to 45pc in health insurance premiums.

Both [Aviva](#) and Quinn saw a surge in business as angry consumers turned their backs on the price-hiking VHI.

Aviva is understood to have experienced a doubling of its switcher business yesterday.

Most of those switching were families, with older people reluctant to move provider.

Health insurance experts said older people mistakenly believe they will be charged more for the same level of benefits from another provider, something which is banned in law.

Some older people also mistakenly believe they will be refused cover from another provider.

Quinn Healthcare also reported a dramatic rise in business yesterday.

"Quinn Healthcare has seen an increase of well over 100pc in calls so far. We are receiving calls from right across the spectrum, particularly families who are finding it difficult in the current economic environment."

Up to now 20pc of the health insurance market tended to switch providers -- but this is expected to double following the shock premium rises from the VHI.

Aviva said it had no plans for a price rise but was constantly reviewing its costs.

VHI customers who have Plan B Options are facing rises of €888 for two adults, as that plan is due to rise by 45pc in price from next month.

Plan B is rising by 35pc, with Plans C, D and E jumping by 21pc from February 1.

The company said a range of other plans are to go up by 15pc.

Insurance brokers also reported a massive surge in business from distressed VHI customers.

Stuart Endall of www.getcover.ie said: "In the last 24 hours we have been inundated.

"Although some people are concerned that older people are less likely to switch providers we have actually received inquiries from people in their 60s and even 70s looking to switch to a comparable plan," he added.

Jeremy Tucker, managing director of Tailored Finance, accused the VHI of trying to get its customers on to cheaper plans with fewer benefits.

"They are pricing young people, families and older people out of the market.

"The plans they are trying to get people to take up have big excesses (the amount you have to pay yourself when you make a claim) and inferior cover for the hi-tech hospitals," he added.

"VHI are forcing people on to lower price, inferior plans."

There was also strong criticism of VHI boss Jimmy Tolan's refusal to say whether he has taken a pay cut. Mr Tolan was paid a salary of €412,000 in 2009, but refused to answer questions about his salary at a press briefing on Thursday.

Chief executive of the Consumers' Association Dermott Jewell said the salary level was "unrealistic and unforgivable" given the premium increases.

Distressed

Meanwhile, Labour Senator [Phil Prendergast](#) called on the Equality Authority to investigate whether VHI's increase in premiums discriminates against older people.

And Active Retirement [Ireland](#) rejected what it claimed were attempts by the VHI to portray older people as a drain on the health services.

- Charlie Weston Personal Finance Editor

Irish Independent