

A guide to alternative remedies

A hike in medical insurance premiums is forcing consumers to consider switching to new providers, writes **Kate Butler**. We explore the best options

CONSUMERS have been hit by yet another price hike with the news that VHI, Ireland's largest provider of private medical insurance, plans to raise premiums by up to 45% from February 1.

In real terms, this means a price hike of €317 to €1,224 on Plan B, and €444 to €1,430 on Plan B Options, two of the insurer's most popular plans.

The price increases have been blamed on government policy, which has pushed the health levy up from €185 an adult to €205, and from €55 to €60 for children, while private beds in hospitals now cost an extra 21%.

All of these costs have to be absorbed by the insurers, and in turn passed on to the consumer.

Consequently, Quinn also increased its premiums on the first of January by up to 24%, while Aviva's last increase, back in May 2010, was an average of 5%.

With many people questioning whether they can afford the extra cost, there has been a huge move by consumers to explore all their options.

The Health Insurance Authority (HIA), which provides information on consumers' rights in relation to health insurance, has experienced a tenfold increase in calls to its helpline and says that many consumers are confused about their rights.

The HIA has also launched a comparison tool to help consumers compare insurer products.

Here we explain what options are open to disgruntled customers.

covered for the first 26 weeks except for accident and emergency. If you are looking for maternity benefits, then you will have to wait 52 weeks for cover.

If there is a 13-week break between policies, then you will have to start the waiting period again.

Liam Sloyan, chief executive of the HIA, points out that many health insurance consumers don't realise they have extra rights. "Health insurance isn't like motor insurance, which can charge more for high-risk drivers than low-risk drivers," he said. "A health insurer can't refuse cover. They also can't charge more for a particular product to anyone else.

"Some people with pre-existing illnesses, or older people, seem to think that they can't switch, but I always say that you can switch from the hospital bed and your cover remains in place."

CHANGE YOUR RENEWAL DATE

It's important to remember that the increases at VHI don't kick in till February 1 and, if your renewal date hasn't been reached yet, there is still time to avoid the increases.

Dermot Goode at Healthinsurancesavings.ie, an advisory service, said: "Don't forget that you can cancel your plan and renew it that afternoon and there will be no break in your cover. Do this and you can lock in the lowest rate until the renewal next year.

"Plus, people don't realise that the increases won't affect them until their renewal date: if that is late in the year, they don't need to worry about this issue until then."

Jeremy Tucker at Buyhealthinsurance.ie said: "I advise people to make sure that they get a comparison of the plan that's being recommended to them with the one they have.

"Ask insurers to explain all the differences in writing and go through it, line by line. VHI is offering insurance for kids for free, which looks great, but there is a reason something is cheap: the cover will not be as good."

LOOK FOR VALUE

If you are willing to make compromises, such as pay an excess, have a restricted choice of hospital access or give up your private room cover (which is never totally guaranteed anyway), there is value to be had. Currently, the cheapest hospital cover is offered by Quinn's Essential Starter at €416.99 a year.

"Aviva offers Level 1 hospital cover which is really good value," said Tucker.

"It offers 75% private for €560, versus €1,400 for similar cover elsewhere [75% cover means the insured person would have to pay the 25% shortfall themselves].

"If you do get sick, you would have to pay the shortfall, but at the same time you are guaranteeing good private hospital access."

There are also savings to be made at the expensive end of the scale.

"Do you need as much cover as you have?" asked Tucker. "For example, do you need to be on the Plan E, just because it's the best? It offers access to every hospital, yet if you live down the country what are the chances that you will end up in the Blackrock Clinic? You are much more likely to be treated locally."