



AVIVA

MediaBook

Summary

Source	Media	Headline	Date	Page
Sunday Times Money	PRESS	Cost of insuring family's health is on the rise again	09-May-2010	1

Cost of insuring family's health is on the rise again

As Aviva increases its premiums and Quinn looks for a new owner, **Niall Brady** seeks out the best deals

AVIVA HEALTH will increase its premiums from May 19 — the fourth price hike in 18 months — upping the pressure on families struggling to meet the growing cost of private health insurance.

The squeeze comes as customers face an uncertain future at Quinn Healthcare, which is looking for a buyer after its parent company, Quinn Insurance, went into administration.

Aviva customers with two children will pay €2,281 for We Plan Level 2 cover from their next renewal date, compared with the current €2,215.80, an extra €65 a year.

This is 42% more than they paid just over a year ago, when We Plan Level 2 cost €1,608 for policies renewed after October 2008.

Customers who fear being priced out of the market must act immediately. They can lock in Aviva's current prices for another year by cancelling cover then renewing it before the increased charges take effect.

Insurance companies are legally required to renew cover for those who cancel policies — provided the break in cover is not greater than 13 weeks.

Jeremy Tucker, of BuyHealthInsurance.ie, a broker, said: "I'll be contacting clients in the coming week, advising them to act now if they've got a summer renewal with Aviva."

Trading down to a cheaper policy is another option. Aviva has a new bargain-basement plan, Level 1 Access, aimed at borderline cases at risk of having to give up private health insurance because they can't afford it. Premiums are €470 a year for

adults, but Aviva has slashed the benefits provided to keep the cost low.

Dermot Goode, of HealthInsurance-Savings.ie, another broker, believes a better bet for cost-conscious customers is Aviva's Level 1 Hospital plan, which costs €520 a year for adults.

"If you can afford €470, why not pay an extra €50 to get the much better cover provided by Level 1 Hospital?" he said. "It pays the full

cost of day-case procedures in private hospitals, while Level 1 Access covers only 60%. It also pays for cardiac treatment in high-tech hospitals, such as the Blackrock Clinic, Mater Private, Beacon Hospital and Galway Clinic, while Level 1 Access pays only 35%."

Switching insurers can result in even bigger savings — and the loss of fewer benefits. VHI has the most aggressive offer: free cover for children to those switching to its new One Plus plan by June 1.

The discounts have reduced the cost of One Plan to €1,440 for a two-child family — a saving of €841 on Aviva's new price for We Plan Level 2. VHI's price advantage, though, is achieved by stripping out some of the key benefits that are standard on other policies.

One Plus requires subscribers to pay some of the cost of claims from their own pockets, with an excess of €125 on most treatments in private hospitals. Cover for everyday medical bills is minimal, with the policy making no contribution towards the costs of a doctor's visit and imposing a hefty excess of €250 per person,

per year for other outpatient benefits, such as specialist consultations.

The biggest price savings are achieved by restricting access to private hospitals. Maternity benefits are limited to public hospitals, while VHI covers only 80% of the cost of orthopaedic procedures, such as hip, knee or shoulder replacements, in private hospitals. This could leave those with One Plus cover facing shortfalls of €3,000 or more.

VHI has a more tempting offer for those who can afford to pay more. Its Nurses' and Teachers' plans cost €772.22 a year for adults and provide cover similar to VHI's Plan C, which costs €1,430.75 — almost twice as much.

Health insurance legislation means that everybody is entitled to cover under the Nurses' and Teachers' plans, even those with no connection

to either profession. Goode said: "You have to question whether VHI is overcharging subscribers on Plan C or giving away the Nurses' and Teachers' plans at a price that is uneconomical."

Quinn, meanwhile, says that families with two children can save €210 by switching to its Essential Health policy, rather than renewing cover on Aviva's Level 2 Hospital plan at the new higher premiums.

Switchers will wonder, however, about Quinn's future ownership and pricing, given that the firm is now up for sale.

The company's assurance that it is business as usual has placated Grainne Murphy, 31, from Carrigaline, Co Cork. With her husband,



Mark, 31, and sons Tadgh, 2, and Jason, 10 months, she is covered by Quinn's Health Manager Starter policy, which costs €1,868 a year.

"We're not worried," said Murphy. "Quinn has told us it's renewing policies and paying out on claims as usual."

A key attraction of the Health Manager Starter is the level of benefits for routine medical expenses, including a 50% refund of doctors' bills.

"We switched from VHI five years ago, because Quinn offered better value for the same cover," she said. "Cover for day-to-day expenses is useful, because some weeks all four of us have had to visit a doctor. There's no way we'd do without health insurance, whatever the cost."

The family's renewal date is November 1, which means they just missed out on Quinn's latest price increase, which took effect for renewals from January 1.

"The renewal date allowed us make the most of the free cover that Quinn provides for babies from the time they are born to the next renewal date," said Murphy. "Tadgh was born on November 13, which meant he had free cover for almost a year."

Quinn's customers have lived with uncertainty before, especially in the months before the company bought the business from Bupa in 2007, when the British health insurer quit Ireland.

Goode said: "Bupa withdrew on a phased basis, with policies being cancelled as they came up for renewal. This gave members time to consider their alternatives and arrange replacement cover. We can expect a similar process to be employed if another insurer decided to withdraw their services."



Acting quickly could let you make savings on your health insurance

