

Now VHI targets corporate plans for raft of price hikes

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THE VHI has confirmed that it will increase premiums on corporate plans from the beginning of March.

Last week the health insurer revealed plans to increase the cost of private premiums by up to 45pc from next month.

The company has said it has not yet decided on the level of increase to the corporate plans.

A spokesperson for VHI said the corporate increase followed the same rationale for the general public increase - people were accessing medical services more and costs for services in general had risen.

Corporate plans are also available to individuals and many people had switched to them because they offered cheaper cover with similar benefits to private plans.

The price increase for private plans will come into effect on February 1.

Junior Minister John Moloney last night called on the insurer to delay the increases until legislation dealing with community rating has been published. He said it was quite obvious the increases were an attempt by VHI to make sure legislation was brought forward.

He said it was the responsibility of the Government to deal with the level of public concern. Legislation would be

ready in two to three months, whichever parties were in government.

Some 60pc of policyholders with VHI will see the cost of their premiums increase by 15pc when their policy falls due for renewal and others will see the costs rise by 45pc.

Popular

Families on the Parents and Kids plan, VHI's most popular family plan, will see their premiums increase by 15pc in February - which is about €331 per year.

The premium for one adult on Plan B will be increased by €317 to €1,224 and on Plan B Options by €44 to €1,430.

This will be an increase of

€26 per month for Plan B customers and €37 per month for Plan B Options customers.

Some 29pc of VHI customers are on Plan B or Plan B Options schemes.

An industry source said they would expect a minimum increase on corporate plans because VHI would not want to cause upset to companies where they insured thousands of people.

However, Jeremy Tucker, managing director of Tailored Finance, an independent broker, said companies should be concerned. "Large companies should be worried about the news and shopping around to see what else is on offer.

"Perhaps VHI will box clever and not follow suit on the pri-

vate plans but then that would twist the rules of the marketplace," he said.

Rival insurer Aviva said it hoped the increase would be fair. The company said it had no plans for a price increase but would review the situation in light of implications from the Budget.

Customers suffering the effects of the increase can buy themselves some more time, according to Mr Tucker.

"If your renewal date is after February 1 then contact VHI and change it to before February 1 so you will have the next 12 months at your current price and buy yourself some time to look for alternative cover," he said.