

**LAYA HEALTHCARE CALLS ON GOVERNMENT TO PROTECT HEALTH INSURANCE SECTOR  
FROM REACHING CRISIS POINT**

***No further penalties for the public sought in pre-Budget submission***

In its 2015 pre-Budget submission, laya healthcare has today called on Government to protect the private health insurance sector from reaching crisis point.

With nearly 500,000 members, Ireland's second largest private healthcare insurance provider is focusing on two key issues that have contributed significantly to the high cost of premiums; the Government Health Insurance Levy and a cap on tax relief.

Laya healthcare is asking that no new penalties, namely an increase in levies or a further cap on tax relief, are introduced in Budget 2015 by the Minister for Finance.

Since the introduction of the Government Health Insurance Levy in 2009, charges have jumped from €160 to €399 per adult, an increase of 149% in less than five years.

Budget 2014 reduced the amount of tax relief at source for health insurance policies on premiums in excess of €1,000, resulting in over 90% of policy holders having to pay more for their health insurance\*.

Since 2008, around 300,000 people have abandoned their private health insurance and laya healthcare's own research shows that 83% of people leave the health insurance market because of price.

Dónal Clancy, managing director of laya healthcare said, "If 300,000 people have been forced out of the private system, there is only one place for them to go, the public health system, which is already under considerable pressure. We are urging Government not to penalise the public any further through measures that will only serve to drive more people away from private health insurance and into the public system.

"In theory, the introduction of Lifetime Community Rating, which was recently signed into legislation by the former Minister for Health is a sound decision. However, people will not and indeed, cannot come in to the system unless insurance is made affordable. This means no more levies and no more caps on tax relief."

Laya healthcare's pre-Budget submission contends that unless urgent action is taken by Government now, thousands more people will have no option but to drop their health insurance cover over the coming months. Recent figures from the Health Insurance Authority demonstrate that the average dropout rate during 2014 has been 7,000 people

per month and if this trend continues, an additional 210,000 people will abandon their private health insurance between now and the end of 2016.

“This will have a profound effect on an already unsustainable health insurance market and add fire to a public health system that simply won’t be able to cope,” said Dónal Clancy.

“These issues need to be addressed in order to protect the private health insurance market from reaching crisis point and I hope that the Government gives due consideration to the issue of rising insurance prices when framing the next Budget.”

A copy of laya healthcare’s pre-Budget submission is available via the following link:

[http://www.layahealthcare.ie/media/site/pdfs/Pre\\_Budget\\_Submission\\_2015.pdf](http://www.layahealthcare.ie/media/site/pdfs/Pre_Budget_Submission_2015.pdf)

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**Notes to editors**

Insurance Ireland \*