



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

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## Renewal of Private Health Insurance – Consumer Research





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## FOREWORD

In 2015, the Central Bank of Ireland (Central Bank) commissioned Ipsos MRBI to research how consumers make decisions about health insurance products at renewal time. The research examined the lifecycle of renewing health insurance from the perspective of:

- renewing and switching behaviours generally,
- engagement between the health insurance providers (providers) and consumers, and
- information provision versus consumer needs.

The research used a nationally representative sample of 1,003 respondents who were screened to ensure that they met certain criteria. The respondents were interviewed in their homes throughout the Republic of Ireland. The interviews were conducted by Ipsos MRBI interviewers during November and December 2015.

The key findings of this research are summarised on pages 4 and 5.

At the end of 2015, 2.1 million people were insured with inpatient health insurance plans in Ireland<sup>1</sup>. The Central Bank commissioned this research to better understand these consumers' experiences and decision-making when renewing such policies, both in order to inform our own work and contribute to the wider discussion of consumer protection issues generally.

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<sup>1</sup> <http://www.hia.ie/news/newsletters>

## Key Findings

### Most respondents had renewed the same policy with the same provider

- 85% of respondents renewed the **same policy with the same provider** at last renewal and **95% of respondents renewed with the same provider** at last renewal.
- 73% of respondents **never considered making any changes** to their policy or provider.
- A behavioural dynamic may be emerging in the market where **more consumers are changing their policy without changing their provider** – of those who changed their policy without changing their provider (28%), the majority (74%) did so in the past 4 years.

### Most respondents had not contacted their provider before renewal

- Just **25% of respondents** said they **made contact with their provider** or broker in advance of the renewal date. 56% (of this 25%) made contact to discuss ways to reduce the cost of the policy and to a lesser extent, 42% (of the 25%) made contact to check policy coverage.
- 55% of those who changed their policy type or switched provider contacted their provider before the renewal date. In contrast, just 21% of those who renewed the same policy with the same provider made contact with their provider.
- The extent to which contact was initiated with the provider was also **lower amongst those in subsidised schemes** (12%) than those fully responsible for paying their premium (27%).

### Generally respondents were satisfied with the renewal process

- 86% of respondents who ever switched found the **switching process easy** and to be a positive experience.
- 74% of those renewing the same policy reported that the **information was easy to understand**.
- 94% of respondents said that they did **not feel that they had a reason to make a complaint** in relation to the renewal process.

### Most respondents who switched or were considering switching policy or provider were looking for a cheaper policy

- Two thirds (65%) of those who previously switched (ever) cited that they did so because the policy was cheaper.
- 82% who were looking to make changes to their policy/provider reported that they were looking for cheaper cover with the same benefits.

### Most respondents rated their understanding of policy coverage as 'good'

- Most respondents rated their understanding of their policy coverage as either 'very good' (29%) or 'fairly good' (58%).
- Those who have been covered by health insurance for a longer period of time were more likely to report that their knowledge of what was covered was good. 91% of those who had been covered by health insurance (although not necessarily with the same provider) for 10 or more years rated their understanding of their coverage as fairly good or very good.
- While almost two-thirds (63%) reported that their level of **coverage was adequate** for their needs, less than 1 in 5 (17%) reported that it was completely adequate, indicating **some shortfall** in this respect.

### Respondents found it difficult to choose between products

- Over half (55%) of respondents agreed with the statement that it was **difficult to choose between health insurance products**, and a similar proportion (51%) agreed that it was **difficult to find comparable information** about health insurance products.
- A range of difficulties were perceived by respondents when choosing between products and finding comparable information. These included the number of available policies, the extent of available information and the difficulty in understanding this information.

### Respondents' trust in providers was high

- 79% of respondents agreed or partly agreed with the statement "I trust health insurance providers or brokers to find the product that suits me best".
- 84% of respondents agreed or partly agreed with the statement "My provider did its best to understand my needs in full prior to renewal".

## 1. INTRODUCTION

### ▪ Background to this Study

This report details the results of research amongst consumers in Ireland to understand decision-making when renewing a health insurance policy. The Central Bank commissioned Ipsos MRBI to carry out this research to examine consumer attitudes and decision-making when renewing health insurance and to assess consumers' views of their understanding of their purchases. The research also sought to identify potential patterns and preferred behaviours in order to inform the Central Bank in the performance of its statutory objective of regulating financial services providers while ensuring that the best interests of consumers are protected.

In publishing this report, the Central Bank is sharing the findings with the wider community of stakeholders and bodies working in this field, as well as health insurance undertakings themselves, to help promote the advancement of positive outcomes for consumers.

The objectives of the research were to:

- explore the consumer path to renewal of their health insurance and any actions taken in advance of renewal,
- identify the information provided by providers in advance of renewal and the extent to which this is compatible with consumer information needs,
- understand the nature of engagement between consumers and providers during the renewal process (including channels used and initiation of contact),
- measure the extent of shopping around and switching,
- understand the perceived barriers to shopping around and switching,
- examine consumer decision-making at renewal to assess if they understood purchases/could make informed decisions,
- explore consumers perception of their understanding of product coverage and their trust in providers to provide products suited to their needs, and
- identify potential consumer behaviour that may be to their detriment.

## ▪ Methodology

This study used a nationally representative sample of 1,003 randomly selected respondents, interviewed face-to-face in their homes. Interviewing locations were selected through a stratified random sampling process, with 146 interviewing points throughout the Republic of Ireland. In order to achieve the sample, interviewing quotas were set for age, gender and social class. All interviews were conducted by Ipsos MRBI interviewers during November and December 2015<sup>2</sup>.

In selecting respondents to take part in the research, individuals were screened to ensure that they:

- were aged 18 or older,
- held private health insurance (either in own name or jointly with someone else),
- had maintained coverage for at least one year,
- paid for their policy premiums entirely/partially, and
- were personally or jointly responsible for decisions regarding choice of policy.

The research data was weighted to ensure it represented the target audience, with weights included for age, gender, social class and region.

Data provided throughout this report may not sum up to 100% due to rounding or use of multi-response questions.

## ▪ Research Coverage

The questionnaire consisted of six sections:

Section	Title	Content
1	Screening	To ensure the selection of appropriate respondents
2	Renewal notification & related information	Nature of contact with provider during latest renewal period
3	Shopping around	Actions taken before renewing health insurance
4	Engagement with provider /broker	Nature of relationship with provider/broker
5	Coverage and switching	Coverage provided by health insurance policy and previous switching behaviour
6	Classification	Demographic profile of respondent

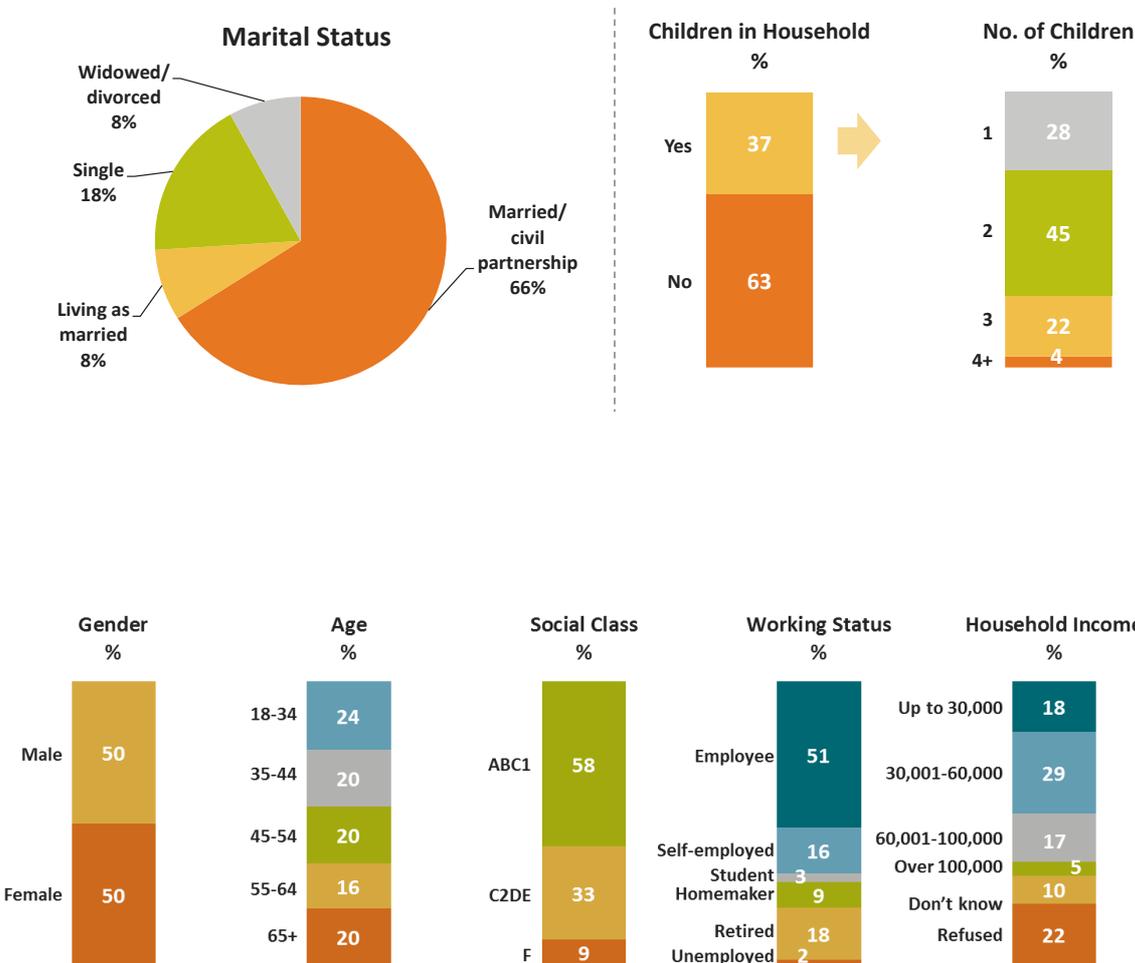
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<sup>2</sup> The consumers' responses have not been verified independently by the Central Bank of Ireland.

## 2. PROFILE OF RESEARCH RESPONDENTS

The figures below show the profile of the research sample for this study.

Figure 2.1 Socio-demographic profile of health insurance research respondents ('respondents')



**Figure 2.2 Key attributes of health insurance customers**

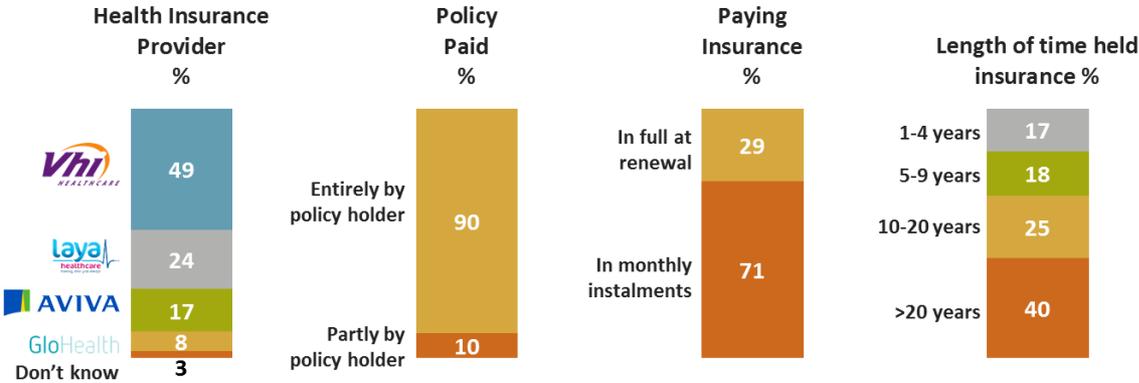
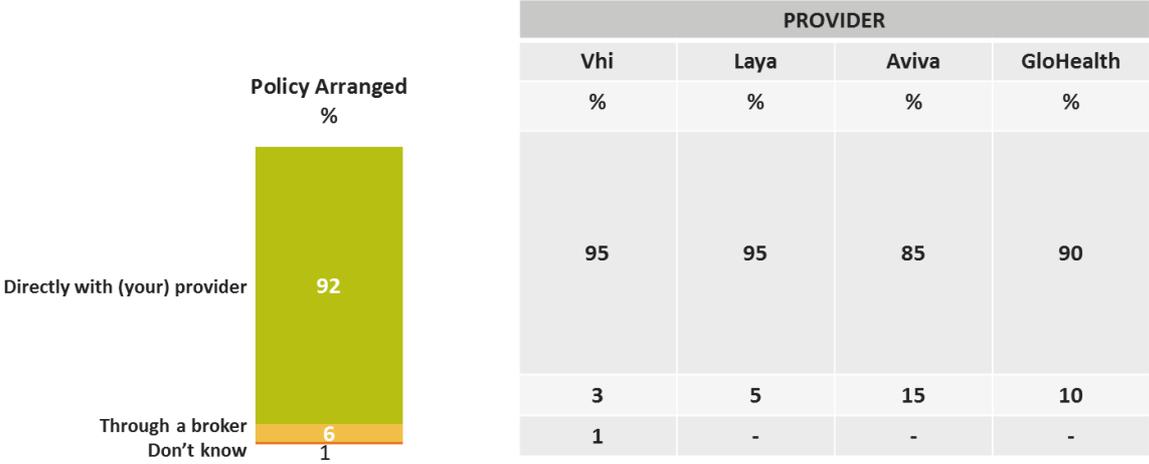


Figure 2.2 provides a profile of respondents in terms of the nature of their health insurance coverage. Almost half (49%) of respondents identified that their policy was with VHI, and the remainder were with Laya (24%), Aviva (17%) and GloHealth (8%). Of those who took part in the research, 27% of VHI customers were aged 65 or older, while a lower proportion of Laya (15%), Aviva (10%) and GloHealth customers (9%) were this age. Conversely, customers of these providers were much younger, with around half of Laya (50%) and Aviva (51%), and two-thirds of GloHealth (68%) customers aged under 45. 36% of the VHI customers were aged under 45.

90% reported that they were entirely responsible for paying the premium, with a further 10% indicating that the premium was partly paid by an employer. Younger individuals who took part in the research were more likely to be paying only part of the premium, with 19% of those aged 18 to 34 paying only part of the premium, compared with 2% of those aged 65 and older. This may be a factor of working status: looking at those who were retired showed that 97% in that group paid their full premium, compared with 84% of those in full-time employment.

Just over 7 in 10 (71%) paid their premium in monthly instalments, with 29% paying it in full at renewal. Age was a factor in this respect with 81% of those aged 18 to 34 paying in instalments, compared with 59% of those aged 55 and older.

**Figure 2.3 How policy arranged (consumer perception<sup>3</sup>)**



Q.19 Did you arrange your health insurance policy directly with <INSURER>, or was it through a broker?  
 Base: All Respondents: 1,003

Figure 2.3 shows that the vast majority of respondents reported that they arranged their policy directly with the provider (92%), with only a small proportion (6%) saying that they arranged it through a broker.

<sup>3</sup> If asked, interviewers clarified to respondents that there were only four main providers, and if it was the case that they had not arranged their health insurance through one of these, it was arranged through a broker.

### 3. RENEWING AND SWITCHING HEALTH INSURANCE

Respondents were asked for details in relation to actions taken when they renewed their policy in the last 12 months. Additionally they were asked whether or not they had switched providers in the last 12 months. This section provides a detailed overview of the extent of renewal with the same provider and switching amongst those who took part in the research.

As shown in Figure 3.1 below, a sizeable majority renew the same policy with the same provider, with this research showing that 85% did so the last time they renewed. A further 10% stayed with the same provider, although changed their policy, and 4% switched to a different provider.

**Figure 3.1 Action taken when last renewed health insurance**

	TOTAL	AGE					SOCIAL CLASS			PROVIDER			
		18-34	35-44	45-54	55-64	65+	ABC1	C2DE	F	VHI	Laya	Aviva	GloHealth
	%	%	%	%	%	%	%	%	%	%	%	%	%
Renewed the same policy with the same provider	85	81	83	83	85	92	86	80	95	91	79	77	79
I took out a different policy with the same provider	10	9	11	12	11	5	10	11	2	8	14	12	5
I took out a different policy with a different provider	4	5	5	5	3	3	4	6	3	1	5	11	10
Don't know	1	5	-	-	-	-	-	4	-	-	2	-	5

Q.18 When you were renewing your health insurance, which of these best describes what you did?  
Base: All Respondents: 1,003

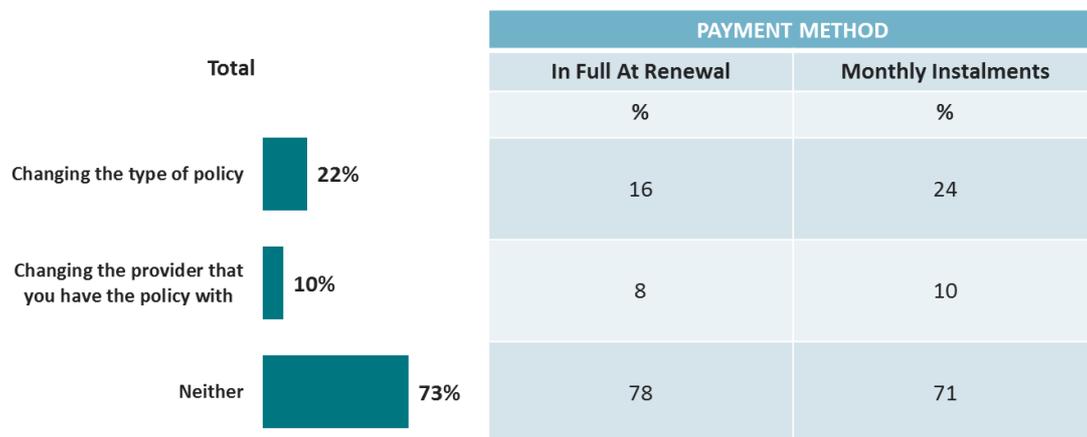
Figure 3.1 above shows the behavioural differences that existed across the respondents by age, social class and the provider with whom they had their policy at the time of being surveyed. For example, differences exist when comparing those aged 65 and older to those younger than this. 92% of those aged 65 and older renewed the same policy, compared with 81% to 85% of those in age categories younger than this. In turn, the incidence of switching providers was lower amongst those aged 55 and older (3%), compared with those aged 54 or younger (5%). Analysis by social class shows that those who took part in the research in the ABC1 category were more likely to renew the same policy with the same provider (86%) than those in the C2DE category (80%). In turn those in the C2DE category were more likely to switch providers (6%) compared to those in the ABC1 category (4%).

Those respondents who had their policy with VHI were most likely to have renewed the same policy with the same provider (91%). Those respondents who had their policy with Aviva and GloHealth were more likely to have changed their provider at the last renewal (11% and 10% respectively). A difference also exists in terms of changing the type of policy whilst remaining with the same provider. Overall, 10% changed the type of policy but stayed with the same provider in the previous 12 months; however respondents who had their policy with Laya and Aviva were more likely to have

done this (14% and 12% respectively), with respondents who had their policy with VHI and GloHealth less likely to do so (8% and 5% respectively).

Figure 3.2 below shows the extent to which respondents considered making changes to their policy when it was last due for renewal. This shows that a sizeable majority did not give any consideration to making changes to their policy, with almost three quarters (73%) not considering either of the two changes measured, i.e. changing either the type of policy that they have, or the provider that they have the policy with. One in five (22%) considered changing the type of policy that they had, while one in ten (10%) considered changing the provider that they had the policy with.

**Figure 3.2 Consideration given to changes to health insurance at last renewal**



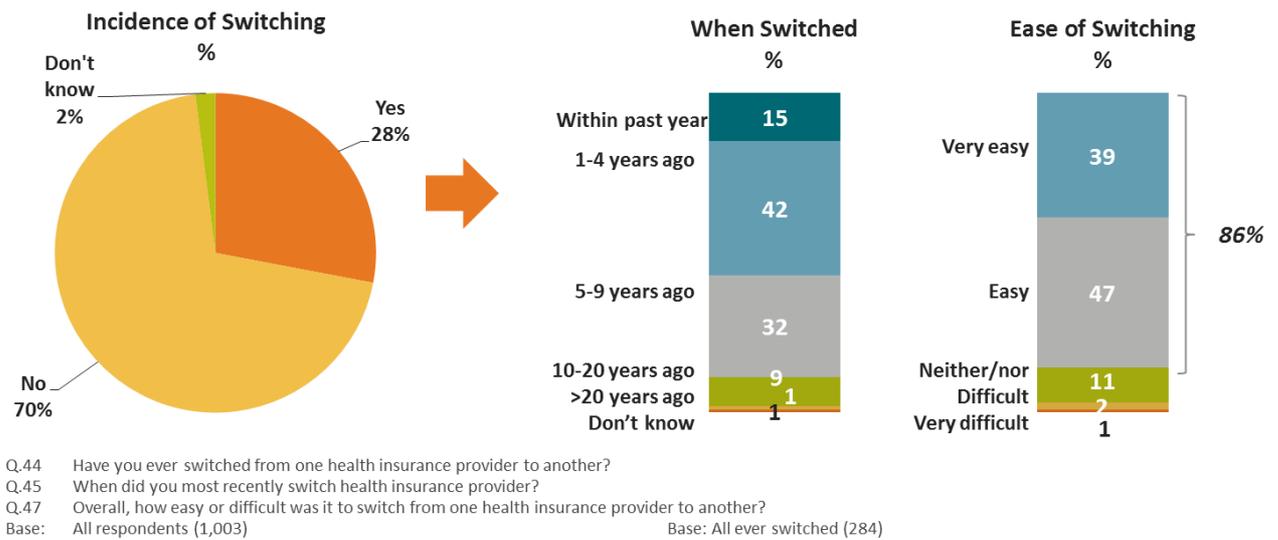
N.B. Figures sum to greater than 100% as respondents could indicate that they considered both changing the type of policy and the health insurance provider

Q.20 When your health insurance was due for renewal, did you consider making either of the following changes  
 Base: All Respondents: 1,003

Those respondents who paid their premium on a monthly basis were more likely to consider changing the type of policy (24%) and changing provider (10%) than those paying their premium in full.

Whilst a relatively small proportion (4%) of respondents had switched their provider in the past 12 months (Figure 3.1), 28% have at some stage switched between providers (Figure 3.3). The majority (57%) of this switching has happened in the past four years. Most of those who have switched reported that the process was easy, with 39% saying it was very easy and a further 47% reporting that it was easy.

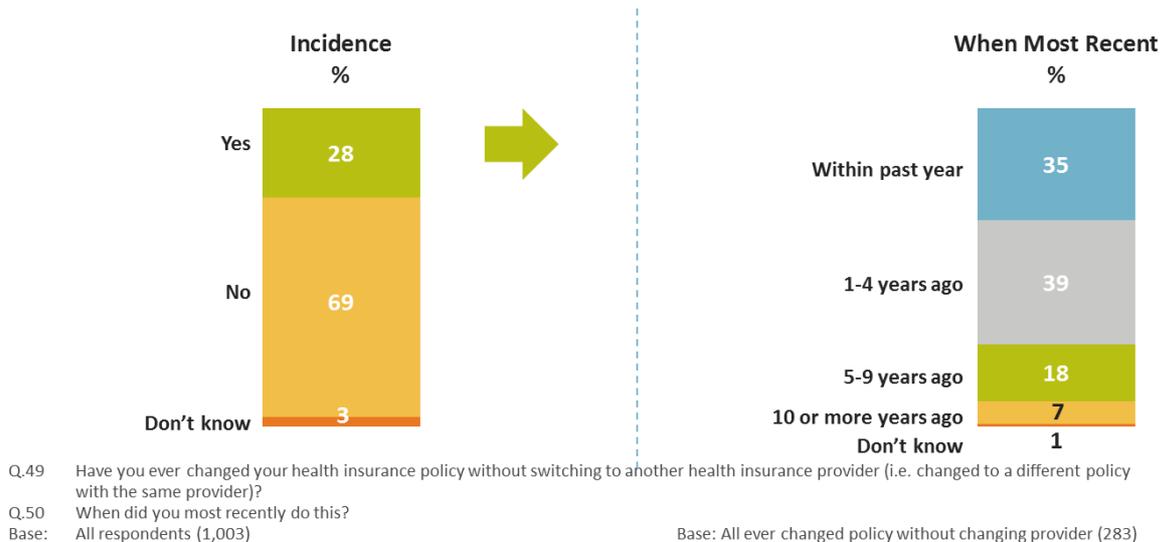
**Figure 3.3 Previous switching behaviour**



Those respondents who had their policy with GloHealth, Aviva or Laya, were more likely to have switched provider ever (55%, 48% and 46% respectively) than respondents who had their policy with VHI (10%). Respondents aged 35 to 44 were more likely to have ever previously switched than any other age group, with 37% of respondents having switched at some stage. Respondents in the ABC1 social group were more likely to have ever switched than those who were C2DE (31% and 25% respectively).

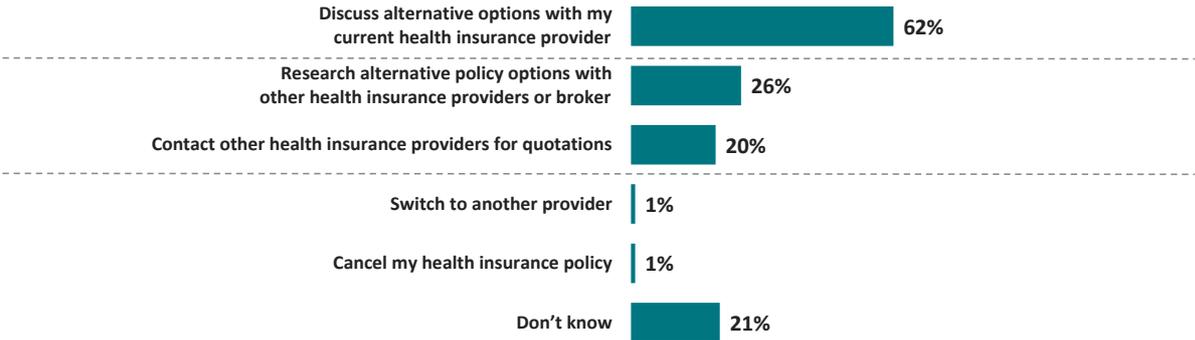
Separately, 28% of respondents had previously changed their policy type without changing provider (Figure 3.4). This was most likely to have happened within the past four years (74%).

**Figure 3.4 Previous change to policy without changing providers**



When asked to anticipate the next time their policy was due for renewal, respondents reported that they expected to consider making changes (Figure 3.5). These questions were asked at the end of the research when respondents had spent some time focussed on the matter of discussing their health insurance policy. In total, 62% reported that they would discuss alternative options with their current provider with around 1 in 4 reporting that they would research alternative options (26%) or contact other providers for quotations (20%).

**Figure 3.5 Likely actions at next renewal**



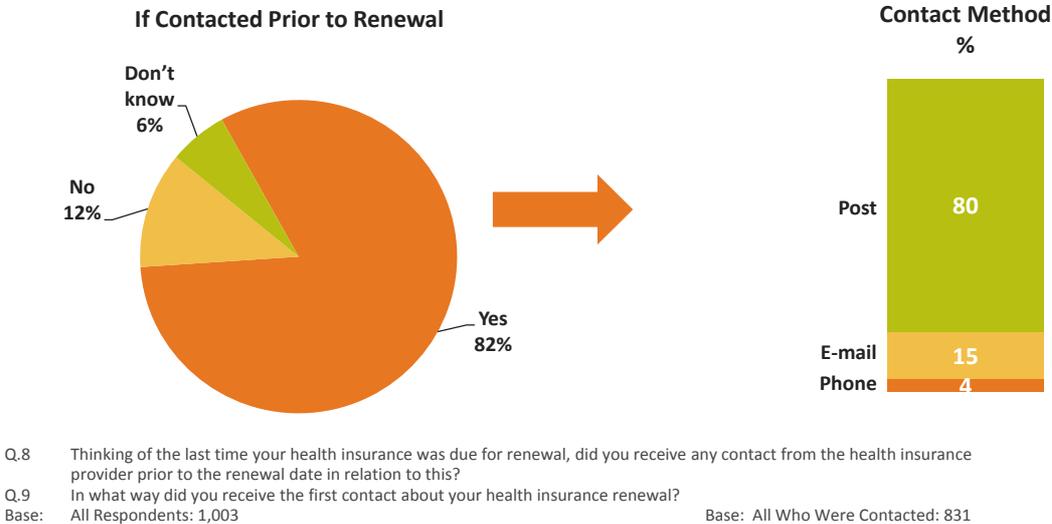
Q.51 Thinking now of the future, when your health insurance is next due for renewal which of the following do you expect you will do?  
Base: All Respondents: 1,003

## 4. ENGAGEMENT BETWEEN HEALTH INSURANCE PROVIDERS AND RESPONDENTS

Along with exploring the actions taken by respondents when renewing their health insurance, this research also explored the nature and type of engagement between providers and their customers in advance of renewal. This included both engagement initiated by the provider and the consumer, as well as engagement that the consumer may have had with other providers to get quotations.

Figure 4.1 shows that over 8 in 10 (82%) respondents recalled receiving contact from their provider prior to renewing their health insurance.

**Figure 4.1 Incidence of contact initiated by provider prior to renewal**

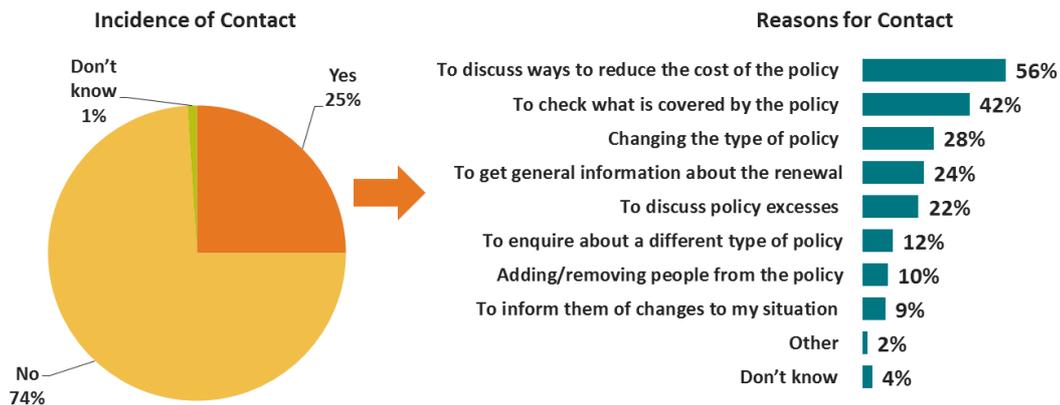


86% of those renewing with VHI recalled receiving contact in advance, compared with 85% of those who renewed with Laya and 80% of those who renewed with Aviva or GloHealth. Those who were fully responsible for paying their premium were more likely to recall receiving communication in advance than those whose employer paid part of the premium (84% and 68% respectively).

80% of respondents recalled that the initial contact received from their provider was by post. A further 15% said they received it by email, with 4% saying they received it by phone.

As shown in Figure 4.2, just 25% of respondents said they made contact with their provider or broker in advance of the renewal date. Contact levels in this respect differed by provider with more respondents who had their policy with Aviva saying they made contact (30%) than those who had their policy with other providers (Laya 27%, VHI 24% and GloHealth 21%).

**Figure 4.2 Incidence of contacting provider prior to renewal and reason why**



N.B. Figures sum to greater than 100% as respondents could provide multiple answers

Q.16 Did you make any contact with your health insurance provider or broker before the renewal date?

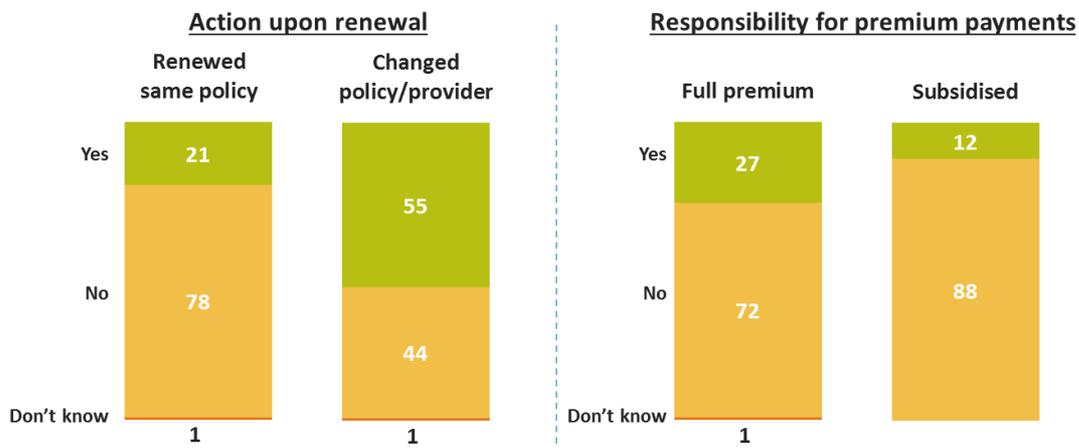
Q.17 Did you contact your health insurance provider or broker in relation to any of the following?

Base: All Respondents : 1,003

Base: All who contacted provider: 270

The prime motivators cited for contacting the providers were to discuss ways to reduce the cost of the policy (56%) or to check policy coverage (42%). This was also reflected in the renewal behaviour of the respondents, with 55% of those who changed their policy/provider contacting their existing provider before changing policy or provider. In contrast, 21% of those who renewed the same policy made contact with their existing provider.

**Figure 4.3 Incidence of contacting provider prior to renewal**



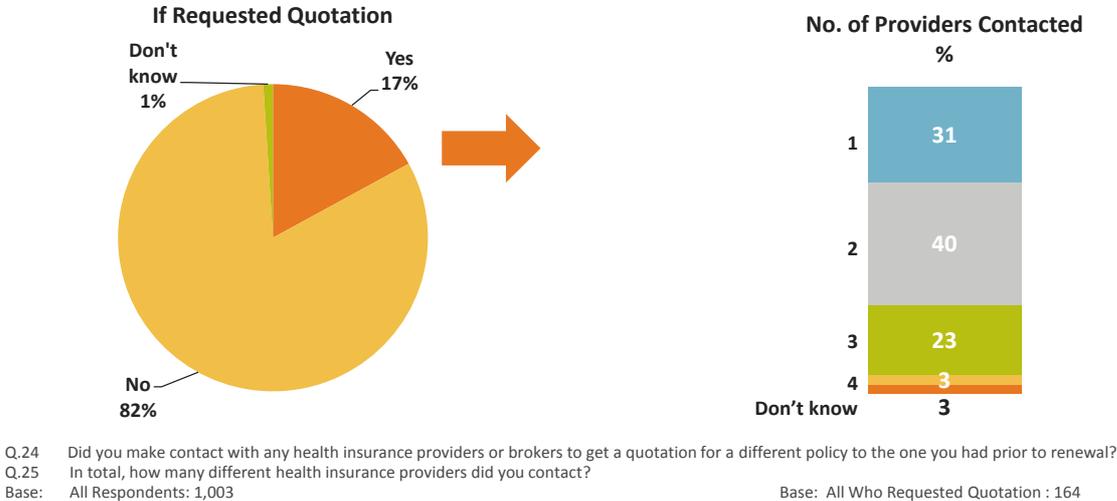
Q.16 Did you make any contact with your health insurance provider or broker before the renewal date?

Base: All Respondents : 1,003

As was the case with those who recalled that they received notice in advance of renewal, the extent to which contact was initiated by the customer with the provider was also lower amongst those in subsidised schemes (12%) than those fully responsible for paying their premium (27%) (as shown in Figure 4.3).

Figure 4.4 shows that 1 in 6 (17%) made contact with another provider in order to get a quotation for a different policy to the one they currently had.

**Figure 4.4 Contact with other providers prior to renewal**



Those respondents who had their policy with VHI were less likely to have contacted other providers, with 11% having done so. In contrast, those customers who had their policies with other providers were more likely to have requested quotations from other providers (Aviva 31%, GloHealth 22% and Laya 20%). Additionally, more younger respondents said they sought quotations from alternative providers than older respondents (for example, 18-34: 21%, 65+: 8%).

Only 10% of those in employer-subsidised schemes said they sought out quotations from other providers, compared to 18% of those who were responsible for paying the full premium. Similarly, more respondents paying in monthly instalments (19%) said they sought quotations from other providers than those who paid the premium in full (14%).

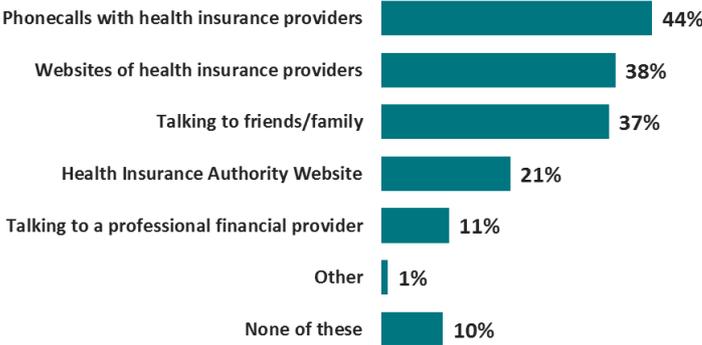
18% of those who sought quotations from another provider subsequently went on and switched to a new provider at their last renewal. Two-thirds (65%) of those who sought quotations from another provider renewed the same policy, and a further 16% of those who sought quotations from other providers took out a different policy but remained with the same provider.

Figure 4.5 shows the sources of information used by respondents when considering making changes to their insurance. Over 4 in 10 (44%) used telephone contact with providers for this information, and 38% used websites of providers. A similar proportion (37%) talked to family and friends and 1 in 5 (21%) sourced information from the Health Insurance Authority website<sup>4</sup>.

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<sup>4</sup> www.hia.ie

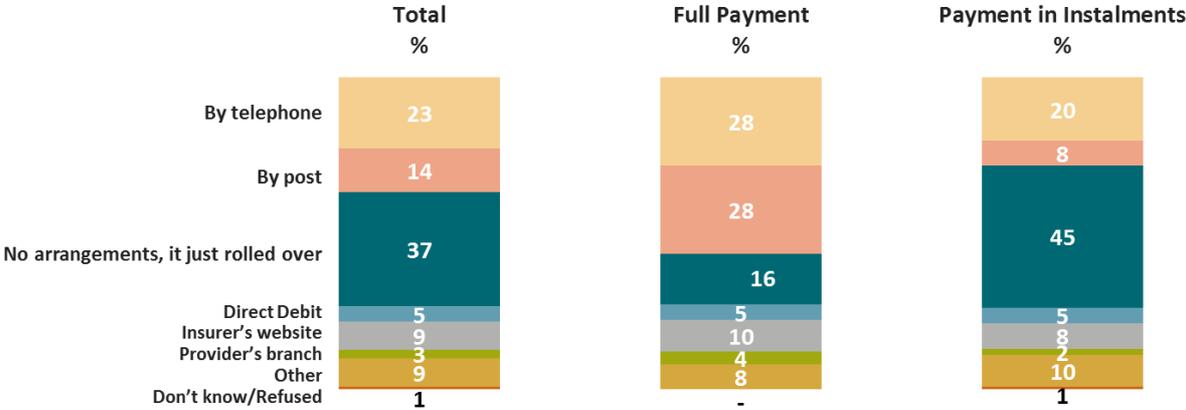
**Figure 4.5. Sources of information used when considering making changes to policy**



Q.23 When considering making changes to your health policy which of these sources of information did you use?  
 Base: All who considered changing policy/provider: 270

Respondents were also asked about how they paid their premium or made arrangements for paying their premium. As can be seen in Figure 4.6, whilst contact by post was most common at the initial stage in the renewal process, telephone contact was most common at the final stage of arranging payment with 23% paying their premium in this way. A further 14% reported that they paid their premium by post. As shown in Figure 4.6, over a third (37%) reported that they did not make any specific arrangements to pay their premium and instead allowed it to “roll over” into a new policy.

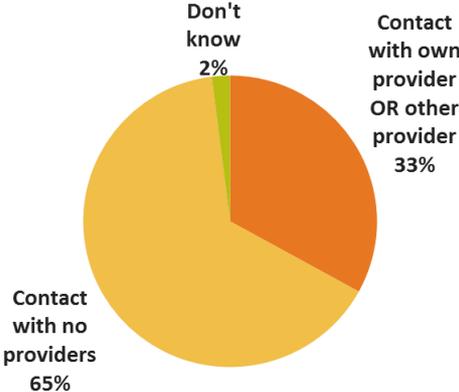
**Figure 4.6 Method of payment**



Q.27 [IF PAY PREMIUM IN FULL] – In which of the following ways did you pay your health insurance premium?  
 [IF PAY PREMIUM IN INSTALMENTS] – In which of the following ways did you make arrangements to pay your monthly instalments?  
 Base: All Respondents: 1,003

As shown in Figure 4.7, given the relatively low levels of contact with the provider, it is clear that most respondents (65%) were renewing their health insurance policy without making contact with either their own provider, or another provider to discuss any aspect of it.

**Figure 4.7. Contact with providers prior to renewal**



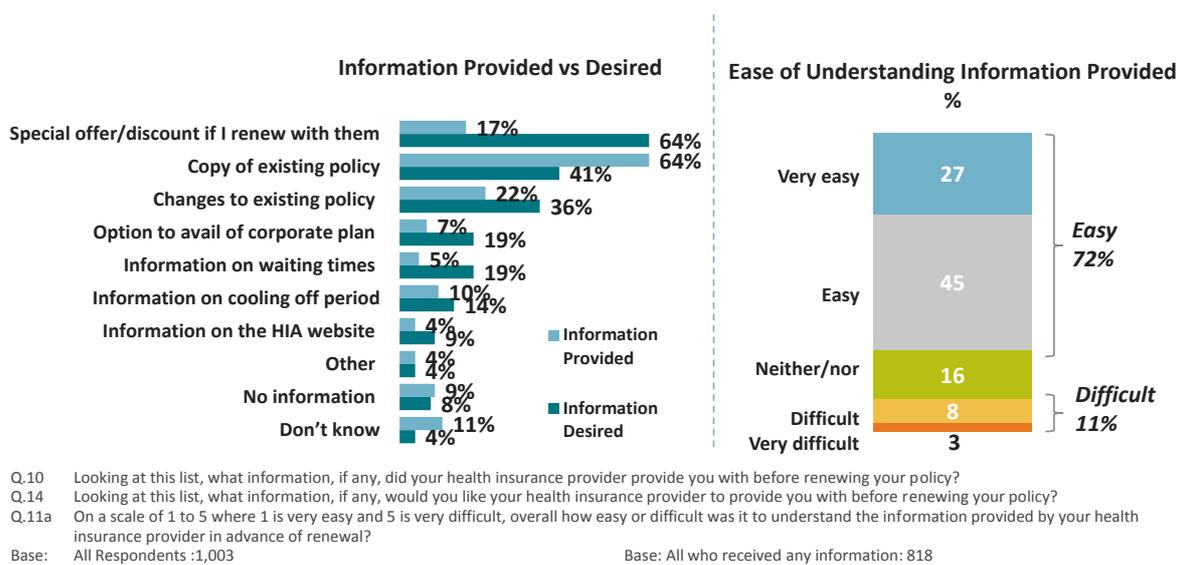
Q.16 Did you make any contact with your health insurance provider or broker before the renewal date?  
Q.24 Did you make contact with any health insurance providers or brokers to get a quotation for a different policy to the one you had prior to renewal?  
Base: All Respondents: 1,003

## 5. INFORMATION PROVISION AND RESPONDENT INFORMATION NEEDS

This research also sought to understand the nature of the information received or desired by respondents and the extent to which the information received met their needs.

Respondents were asked to identify the information that they recalled receiving from their provider in advance of renewal, as well as what information they would like to receive. Figure 5.1 compares the responses to both of these questions in order to identify whether or not the information they received was aligned with what they would like to receive.

**Figure 5.1 Information provided by provider versus that desired by consumer & ease of understanding**



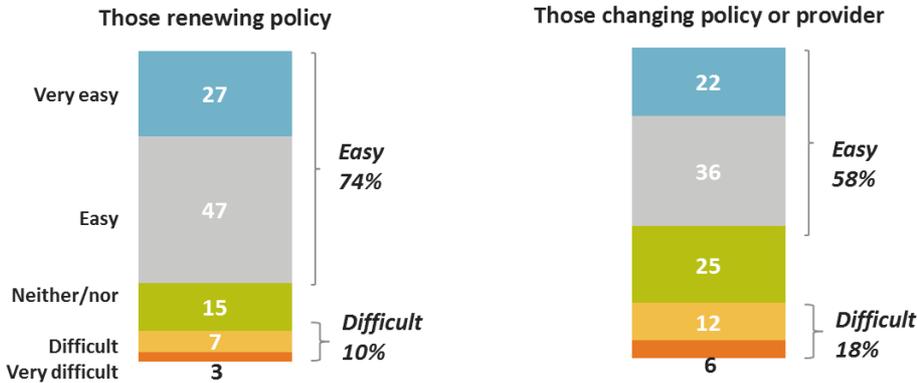
Overall, 72% reported that the information they received before renewal was easy to understand, as shown in Figure 5.1. Some difference existed in this respect based on which provider the respondent had their policy with. 76% of those renewing with Laya indicated that the information received was easy to understand, compared with 73%, 71% and 69% for VHI, GloHealth and Aviva respectively.

The most common form of information respondents cited receiving was a copy of the existing policy with almost two thirds (64%) recalling that they received this. Almost 1 in 4 (22%) reported that they were provided with details of changes to the existing policy and 1 in 6 (17%) recalled being informed of a special offer or discount if they renewed their policy.

The most common form of information desired amongst those who took part in the research was special offers or discounts for renewing (64%) with a copy of their existing policy and changes to their policy sought by 41% and 36% of respondents respectively. As such, whilst more respondents reported receiving a copy of the existing policy than wanted to receive this, fewer reported receiving information on special offers or discounts than wanted to receive this.

Those aged 65 and older were less likely to report that they wished to receive information on special offers or discounts, although a majority (55%) would like to receive this. Additionally, those in social class ABC1 were more likely than those in social class C2DE to wish to receive information on corporate rates (22% and 15% respectively).

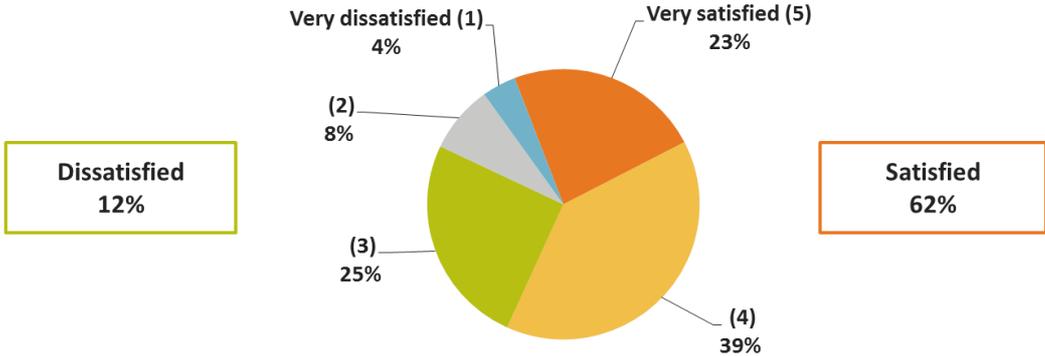
**Figure 5.2 Ease of understanding information provided by action upon renewal**



Q.11a On a scale of 1 to 5 where 1 is very easy and 5 is very difficult, overall how easy or difficult was it to understand the information provided by your health insurance provider in advance of renewal?  
 Base: All who received any information: 818

The extent to which the information was easy or not to understand differed by actions taken upon renewal (Figure 5.2). 74% of those renewing the same policy reported that the information was easy to understand, compared to 58% of those changing their policy or provider. No notable differences existed in this respect across key socio-demographic groups.

**Figure 5.3 Ratings of satisfaction with information provided (rating scale 1 to 5)**

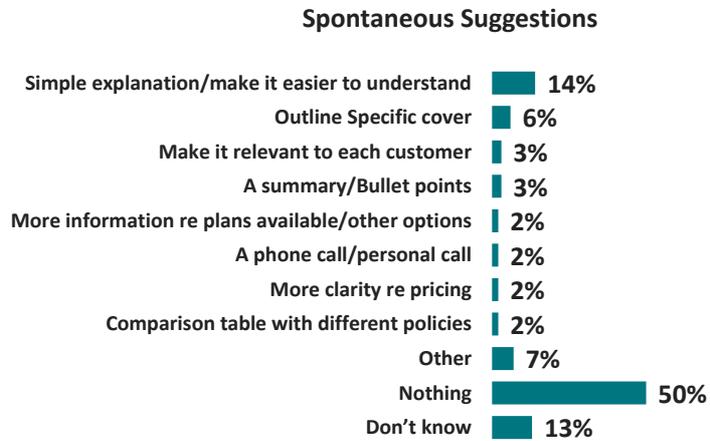


Q.12 On a scale from 1 to 5 where 1 is very dissatisfied and 5 is very satisfied, how satisfied or dissatisfied were you with the information received from your health insurance provider in advance of renewal?  
 Base: All who received information: 818

Most respondents reported that they were satisfied with the information received (Figure 5.3), with 23% very satisfied with the information. Some differences existed in this respect based on which provider the respondent had their policy with. 70% of those renewing with Laya indicated that they

were satisfied with the information received, compared with 63%, 62% and 59% for Aviva, VHI and GloHealth respectively.

**Figure 5.4 Suggested improvements to information provided**

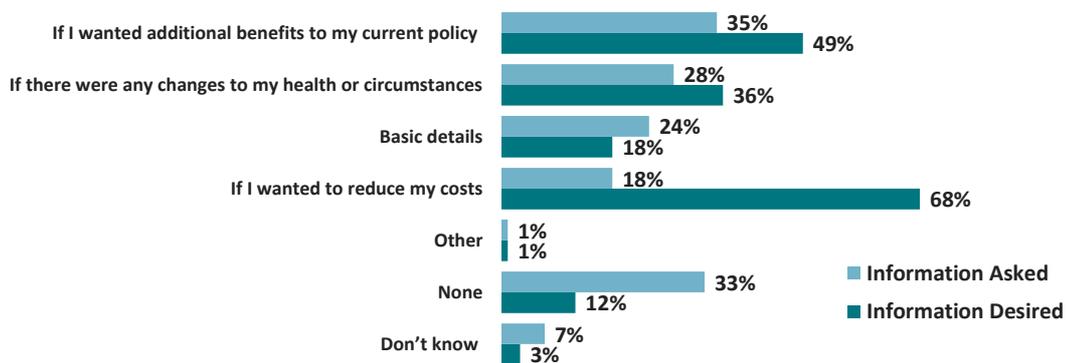


Q.11b In hindsight, what could your provider have done or provided you with, to make the information more easily understood?  
 Base: All who received information: 818

Figure 5.4 shows respondents’ suggestions in terms of improvements that could be made to the information provided. Half (50%) of respondents did not suggest a specific improvement, with most of the suggested improvements relating to simplifying the information provided or making it more relevant to them.

It follows that most respondents could not identify a specific improvement that could be made to make the information easier to understand with many of the suggestions relating to simplifying content to make it easier to understand.

**Figure 5.5 Information requested by provider in advance of renewal**

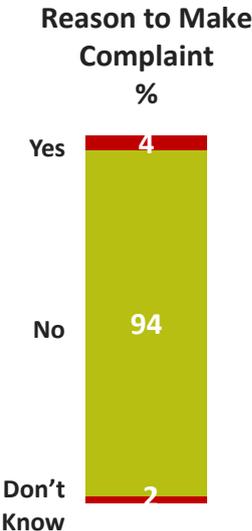


Q.13 And, looking at this list, what information, if any, did the health insurance provider ask you for before renewing your policy?  
 Q.15 And, looking at this list, what information, if any, would you like your health insurance provider to ask you for before renewing your policy?  
 Base: All Respondents: 1,003

In addition to information received, respondents were also asked about information requested from them by the provider (Figure 5.5). One-third (33%) reported that no information was requested from them. Over a third (35%) said they were asked by their provider whether or not they wanted additional benefits to their current policy, with lower proportions asked about changes to their health or circumstances (28%), basic details such as contact information (24%) or whether or not they wanted to reduce their costs (18%).

Comparing this to information that the respondent would have liked to have been asked about indicates a key difference in this respect. Over two-thirds (68%) said they would like to be asked whether or not they would like to reduce their costs. This indicated that almost four times as many respondents would have liked to have been asked this than was the case based on what was reported by respondents. The desire to be asked this was common across all key socio-demographic groups with at least 6 in 10 of all age, social class and working status groups citing this preference.

**Figure 5.6 Whether respondent felt there was a reason to complain about the renewal process**



Q.28 Thinking back over the period of your health insurance renewal, do you feel you had a reason to make a complaint in relation to any aspect of it?  
 Base: All Respondents: 1,003

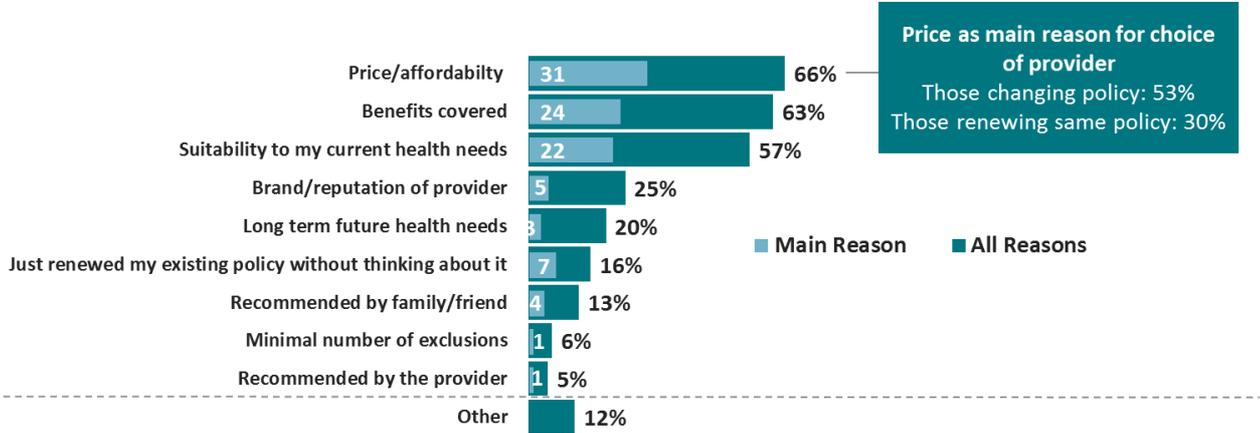
Despite many differences in respect of expectations around information provision, the vast majority (94%) of respondents did not feel they had a reason to make a complaint. As shown in Figure 5.6, one in twenty-five (4%) reported that they felt they had a reason to make a complaint in relation to the renewal process. No notable differences were observed across providers in this respect.

## 6. MOTIVATORS AND PERCEIVED BARRIERS TO SHOPPING AROUND AND SWITCHING

This research explored motivations in a number of ways. This section initially looks at the reasons provided by respondents for choosing their current health insurance policy, as well as reasons for switching and renewing or not making changes. Additionally, it explores respondents’ perceptions of providers and any perceived difficulties comparing policies and shopping around.

Respondents cited three key reasons for choosing a particular health insurance policy: price/affordability, benefits covered and suitability to current health needs (Figure 6.1). Each of the three were broadly equal in terms of importance, with price/affordability given as the main reason by 31%, followed by benefits covered (24%) and suitability to current health needs (22%).

**Figure 6.1 Reasons for choice of health insurance policy**

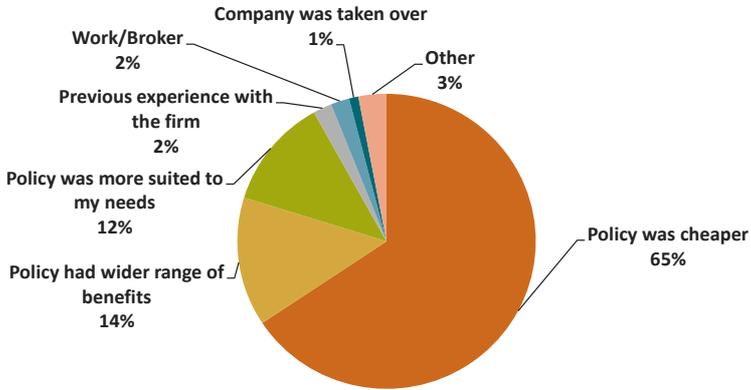


Q.42 Which one of these was the main reason why you chose your current health insurance policy?  
 Q.43 And for what other reasons did you choose your current health insurance policy?  
 Base: All Respondents: 1,003

Differences also existed by social class, with more respondents in social class ABC1 than those in social class C2DE citing benefits covered as the main reason for choice of their current policy (29% and 14% respectively), whilst more customers who took part in the research in social class C2DE cited price/affordability (40%) (ABC1: 28%).

Price was cited as the most important reason for choice of their current provider by those not renewing the same policy. 53% of those switching provider or changing policy at their most recent renewal gave price this as the main reason for choice of their current provider, compared with 30% of those renewing the same policy.

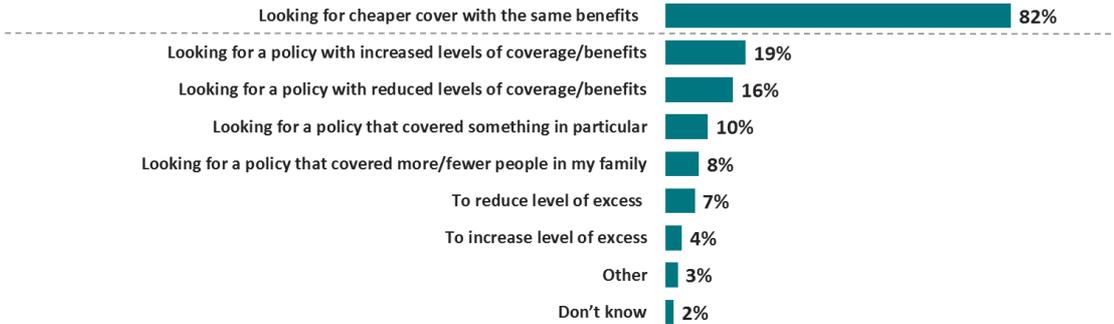
**Figure 6.2 Reasons for switching to a different provider (Spontaneous)**



Q.46 What was the main reason that you switched health insurance provider?  
 Base: All who ever switched between providers: 289

Analysis of those who switched, or were considering switching shows that price was the key motivator in this respect. Over 8 in 10 (82%) who ever considered making changes to their policy or provider said that they were looking for cheaper cover with the same benefits (Figure 6.3), and two-thirds (65%) of those who previously switched said that they did so because the policy was cheaper (Figure 6.2). Other factors (such as superior levels of coverage) were only a factor for the minority, with price being the key determinant in the decision to consider switching or actually switch providers.

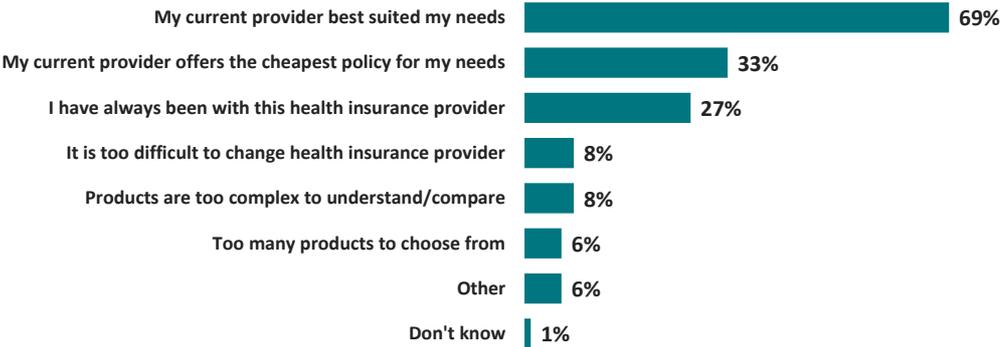
**Figure 6.3 Reasons for considering making changes to policy or provider (Spontaneous)**



Q.22 For what reasons were you looking to make changes to your health policy?  
 Base: All who considered changing the policy or provider: 270

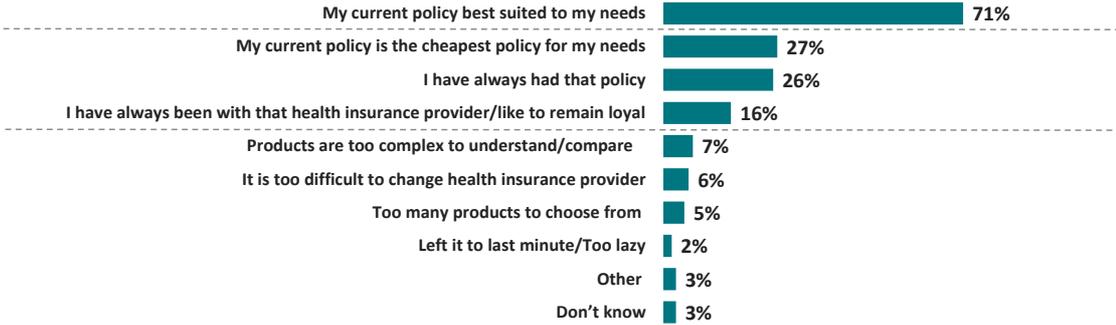
Those who did not switch providers, or did not consider making changes to their policy, were asked about their reasons for not doing so (Figures 6.4 and 6.5). 69% of those remaining with the same provider stated the belief that the current provider best suited their needs as the reason for doing so, with a similar proportion citing this as the reason for not considering making any changes to their policy. Whilst price was cited as a key factor in terms of choice of policy, it was only given by a minority as a reason for not switching (33%) or not considering switching (27%) to another provider.

**Figure 6.4 Reasons for not switching to a different provider (Spontaneous)**



Q.26 For what reasons did you not switch to a different provider?  
 Base: All who renewed same policy/took out different policy but with the same provider: 960

**Figure 6.5 Reasons for not considering making changes to policy or provider (Spontaneous)**

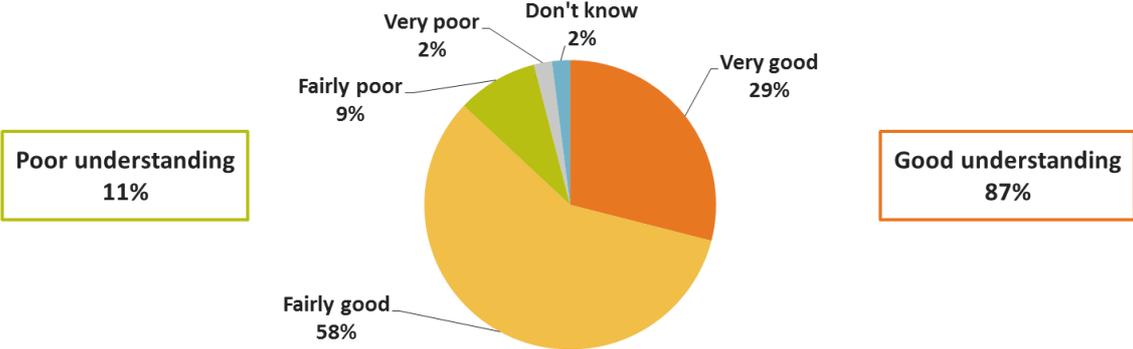


Q.21 For what reasons did you not consider making any changes to your health policy?  
 Base: All who didn't consider changing the policy or provider: 733

# 7. UNDERSTANDING OF POLICY COVERAGE & BARRIERS TO SHOPPING AROUND

Assumed knowledge of policy coverage was high, with 29% of respondents rating their understanding as very good and 58% rating it as fairly good. Only 11% rated their understanding as fairly poor or very poor.

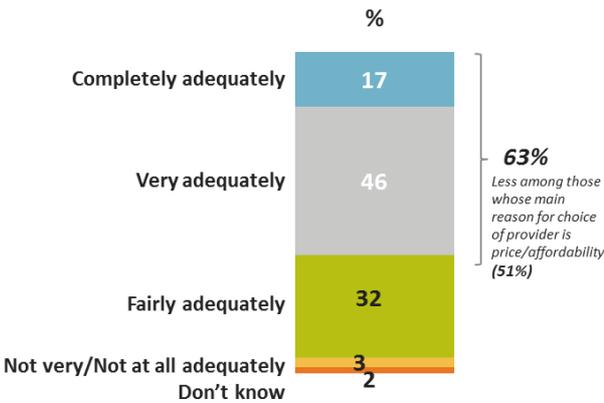
**Figure 7.1 Assumed knowledge of understanding of what is covered by health insurance policy**



Q.39 How would you rate your current understanding of what is covered by your health insurance policy?  
 Would you say it is ...?  
 Base: All Respondents: 1,003

Respondents who were covered by health insurance for a longer period were more likely to rate their knowledge of what was covered as fairly good or very good. 91% of those who had been covered by health insurance (although not necessarily with the same provider) for 10 or more years rated their understanding of their coverage as fairly good or very good. This compares to 81% of those who had been covered for a shorter period. Those who were older were more likely to rate their understanding as fairly good or very good than the youngest respondents. 95% of those aged 65 and older rated their knowledge of what was covered as fairly good or very good, compared with 79% of those aged under 35.

**Figure 7.2 Perceived adequacy of health insurance policy coverage**



Q.41 To what extent do you think what is covered by your health insurance policy adequately meets your needs?  
 Base: All Respondents: 1,003

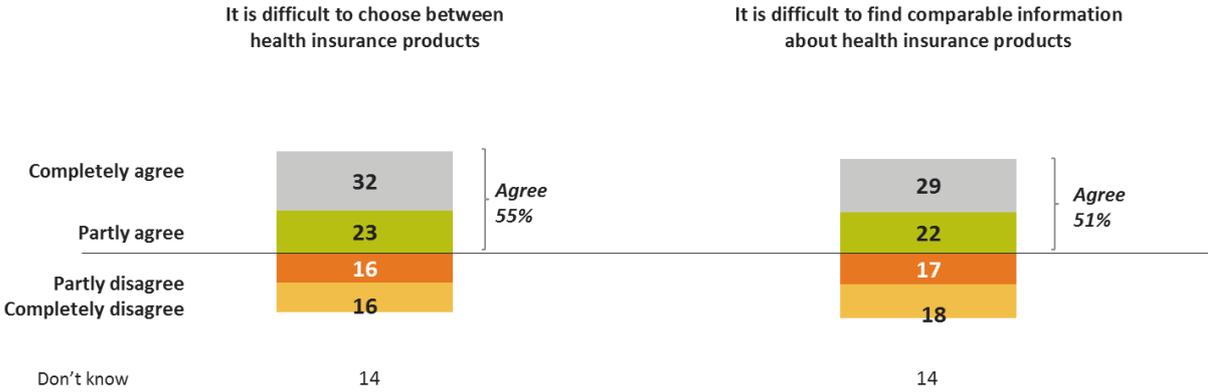
As can be seen in Figure 7.2, when asked whether they felt their level of coverage adequately met their needs, almost two-thirds of respondents (63%) reported that their level of coverage was adequate for their needs. However, less than 1 in 5 (17%) perceived that it was completely adequate.

70% of respondents who had their policy with VHI stated that their level of coverage was completely adequate or very adequate, compared to those respondents who had their policy with GloHealth (60%), Aviva (57%) and Laya (56%). A difference also existed by age with 68% of those aged 65 and older stating that their coverage was adequate, compared with 59% of those aged under 35.

A further difference existed in respect of reasons for choice of policy. Fewer of those respondents for whom their main reason for choice of policy was price/affordability said that their policy adequately met their needs, with 51% indicating that it was completely adequate or very adequate. This could include respondents making a trade-off in respect of coverage in order to achieve a lower price.

Earlier in this report it was identified that respondents who had previously switched their policy had identified a positive experience with switching, with 86% (Figure 3.3) finding the process to be easy. However, further exploration of attitudes towards switching shows that many considered the overall process of selecting a new product to be less straightforward. Over half (55%) agreed with the statement that it was difficult to choose between health insurance products, and a similar proportion (51%) agreed that it was difficult to find comparable information about health insurance products, as is shown in Figure 7.3.

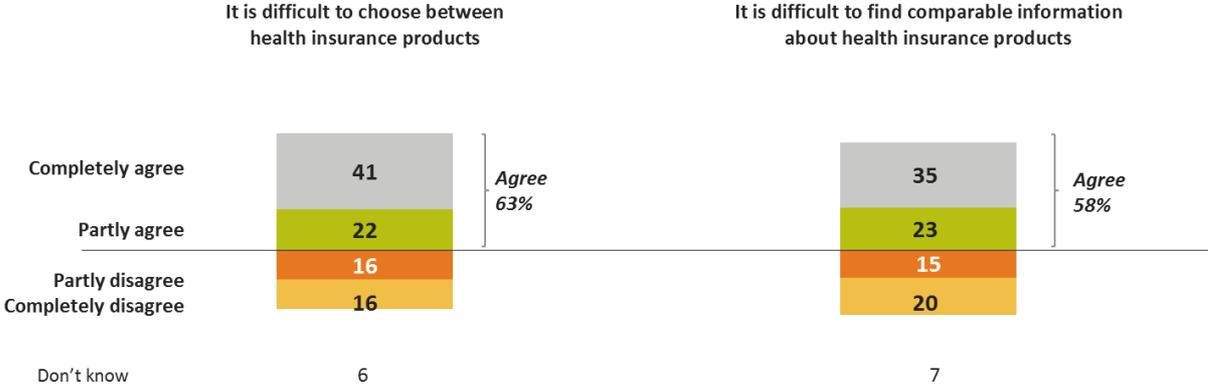
**Figure 7.3 Difficulties in comparisons between health insurance products (All respondents)**



Q.32-36 On a scale of 1 to 4 where 1 is completely disagree and 4 is completely agree, to what extent do you agree or disagree with each of the following statements  
 Base: All Respondents: 1,003

Figure 7.4 below shows that while those who previously switched (ever) stated that the process was easy (Fig 3.3 86%), most of these respondents agreed that it was difficult to choose between health insurance products (63%) and to find comparable information about health insurance products (58%).

**Figure 7.4 Perceived difficulties in comparisons between health insurance products (All who ever switched policies)**

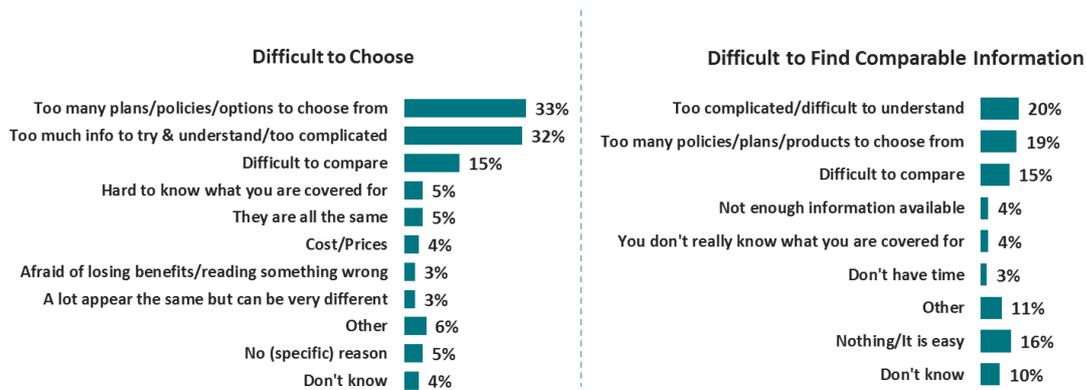


Q.32-36 On a scale of 1 to 4 where 1 is completely disagree and 4 is completely agree, to what extent do you agree or disagree with each of the following statements  
 Base: All ever switched (284)

Respondents cited a range of difficulties when choosing between products and finding comparable information, including the number of available policies, the extent of information and the difficulty in understanding the information (Figure 7.5). These factors were common amongst those who had

and had not previously switched, indicating that they were reflective of the reality for some when switching providers.

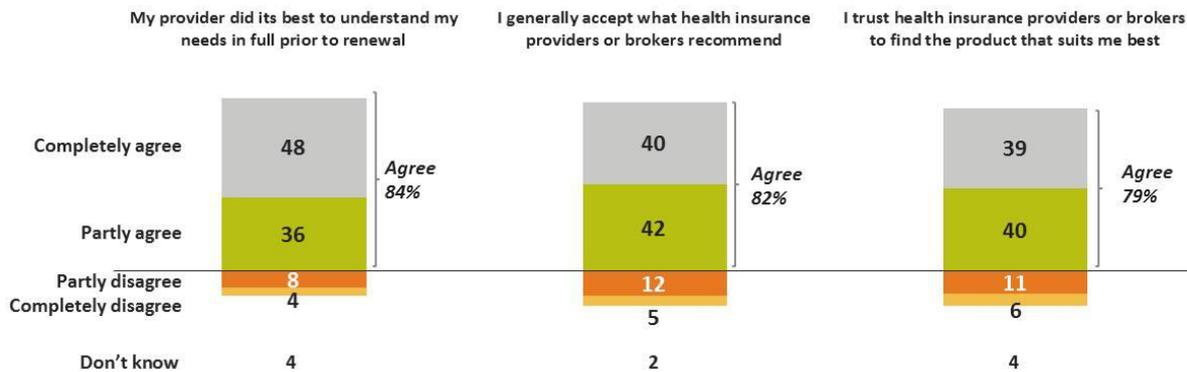
**Figure 7.5 Reasons for perceived difficulties in comparisons between health insurance products**



Q.37-38 (For each of final two statements) – For what reasons do you agree that [INSERT STATEMENT]  
 Base: All who find it difficult to choose between insurance products: 552 Base: All who find it difficult to find comparable information: 521

Figure 7.6 evidences respondents' attitudes towards providers' and brokers' understanding of their needs and whether they offer the respondent the most suitable product.

**Figure 7.6 Attitudes towards providers**



Q.32-36 On a scale of 1 to 4 where 1 is completely disagree and 4 is completely agree, to what extent do you agree or disagree with each of the following statements  
 Base: All Respondents: 1,003

The positive attitude to providers and brokers evidenced in Figure 7.6 was common across the four providers, and all key demographic sub-groups (age, social class, working status). Respondents aged 18 to 34 were more likely than those who were older to agree with each of the three statements (89%, 83% and 85% respectively).



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