

Consumer Protection Code Consultation Paper- Proposed Argument

Response Information

I am completing this form as:

An organisation or representative body.

What is the name of your organisation or representative body?

DeCare Dental Insurance Ireland DAC

Please specify your organisation/representative body type.

Financial Services Firm (Dental and Vision insurance).

DeCare Dental, IDA Business Park, Claremorris, Co. Mayo, F12 KD85.

Tel: 094 9378608 **Email:** query@decaredental.ie www.decare.ie

This policy is underwritten by DeCare Dental Insurance Ireland DAC.

DeCare Dental Insurance Ireland DAC is a designated activity company.

Board of Directors: Dennis Casey (USA), Dani Fjelstad (USA), Alan Holmes, Seamus Kavanagh, Maureen Walsh.

Registered in Ireland. Registration No: 383762. Registered Office: Industrial Estate, Claremorris, Co. Mayo. VAT No: 6403762C

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1. Introduction & Context

DeCare Dental Insurance Ireland DAC welcomes the opportunity to share our views and feedback on *Automatic Renewal of Insurance Policies*, as part of the CBI's consultation on the revised Consumer Protection Code. We want to work with the CBI to ensure the Code is as strong as possible in bringing forward a modernised Code, which builds on the existing Code, reflecting the provision of financial services in a digital world, and enhancing clarity and predictability for firms on their consumer protection obligations.

However, we must raise our concerns about the limited nature of Section 3.3 in the Code and ask the CBI to consider further action that can be taken to address this limitation.

Now, more than ever, dental insurance has a significant role to play in Irish society to mitigate the financial burden of dental treatment. Dental insurance is a key enabler for people to attend the Dentist. Out-of-pocket costs create significant barriers to accessing oral healthcare leading to dental care being the most frequent type of care for which people report unmet needs.

Market dynamics and inflation have led consumers to place higher value on dental cover, irrespective of provider, significantly expanding the market. There should not be any unnecessary barriers that will create unintended consequences in an important and growing market that is vital for the oral and general health of Irish society.

According to the World Health Organization (WHO), oral health is a key indicator of overall health, well-being and quality of life.¹ It encompasses a variety of diseases that include dental caries, periodontal disease, tooth loss and oral cancer amongst

¹ <http://www.who.int/westernpacific/health-topics/oral-health>

other manifestations.² Oral diseases are among the most prevalent diseases globally and have serious health and economic burdens, greatly reducing quality of life for those affected and sharing risk factors with chronic disease such as heart disease, obesity and diabetes.³ The number of people with untreated oral conditions rose from 2.5 billion in 1990 to 3.5 billion in 2015.⁴

Dental insurance is a highly utilized benefit for preventive care in Ireland. Dental insurance places a heavy focus on regular exams and cleanings to mitigate more extensive and costly care down the line which are also covered by dental insurance. Continuity of care is a key principle of dental insurance.

Eighty seven percent of DeCare's members are part of a corporate dental benefits program, eighty five percent of these receive fully funded dental benefits from their employer. Thirteen percent of DeCare's members purchase dental insurance individually and fund themselves.

The requirement to opt-in for automatic renewal will create unintended consequences and several significant risks for the corporate and individual consumers.

² <http://www.who.int/health-topics/oral-health>

³ <http://www.oireachtas.ie/en/debates/debate/dail>

⁴ *Omrani M, Dental HealthCare: A Human Right in Sweeden? Fernando Pessoa University (2020) twenty-two*

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2. Key Recommendations/requests

CPC proposal: Section 3.3 *-It is now proposed that explicit opt-in for automatic renewal will apply in respect of gadget insurance, travel insurance, **dental insurance**, and pet insurance policies.*

We ask the CBI to consider:

The risks to the consumer of requiring opt-in for automatic renewal of dental insurance:

1. *Corporate members and Dental Insurance*

Companies are seeking ways to keep their staff well, retain staff in employment and foster connection.

Eighty seven percent of DeCare's current members have benefits through their company. Eighty five percent of policies are paid for by the member's employer as opposed to the individual themselves.

Decision Makers in organisations conduct an extensive tender process on an annual basis to assess pricing and benefits fit for their team. Procurement is often involved, and robust processes exist.

To ensure transparency, DeCare provides corporate leaders with access to anonymous claims data and utilization data for staff which helps to improve participation rates of staff members and gives an understanding of the long-term drivers of costs. We are committed to demonstrating that the investment in these plans produces a long-term return on investment by making significant improvements in health and wellbeing of staff and their families.

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2. Unintentional Consequences of introducing Opt-In for Corporate members

The employer selects the dental insurance provider and appropriate products for staff. There would not be any benefit in requiring the consumer to opt in on an annual basis. This may also frustrate the company that is providing the dental cover for their team. It may be counter-productive to their vision which is to enable their staff to improve their oral health.

It would also create several risks for the consumer which may result in unintentional lapses in consumer coverage for dental treatment which is fully funded by their employer.

3. Increased Risk of Gaps in Coverage

Requiring opt-in for automatic renewal may result in a higher possibility of customers forgetting to renew their dental insurance. If consumers fail to actively opt in by a specified enrolment window, their coverage may lapse, creating a gap in coverage until they are able to re-enrol leaving them uninsured and unprotected against dental emergencies or unexpected oral health issues and vulnerable to unforeseen dental costs.

4. The Reapplication of waiting periods already

If consumers fail to actively opt in by a specified deadline, the unintended lapse in coverage may result in consumers having waiting periods reapplied when they re-enrol. These waiting periods can be up to 18 months for some major treatments.

5. Increased Administrative Burden for Individual Consumers and Family members

Opt-in requirements place an additional administrative burden on consumers, who must remember to take action to renew their dental insurance annually. This is

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challenging for individuals with busy schedules or those who overlook renewal notifications. This will result in more phone calls for members, insurers, and dental practices. The focus should be on an efficient and consumer friendly journey that results in attendance at a dental appointment. A delay or cancellation in an appointment could result in months of untreated dental decay. Waiting lists at practices are up to three months in many cases. Cancellations may result in the application of a cancellation by the dental practice.

In DeCare's most recent Customer Service satisfaction survey 2023, the most important measure of satisfaction and success for our customers was the comprehensive and continuous cover leading to peace of mind. This was followed closely by seamless member experience. The unintended consequence of the introduction of this measure will have an impact on satisfaction rates for all dental insurance providers. This measure will be counterproductive and result in consumer complaints.

6. Detrimental effect on continuity of care for members that require additional cover during certain times in their lives

Opt-in requirements can disrupt the continuity of care for individuals who rely on consistent dental insurance coverage for ongoing treatments or preventative services and treatment for periodontal disease. Individuals who delay or forego necessary dental treatments or preventative services, can negatively impact their (health and) oral health outcomes and potentially, lead to more complex and costly health and dental issues at a later stage. There are certain conditions which require more frequent cleanings such as chemotherapy, pregnancy, and diabetes. Lapses in cover could result in members not availing of these extra benefits during delicate and stressful times in their lives.

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7. *An unintentional decrease in dental cover*

An unintended consequence of this measure is that members may drop dental insurance cover entirely, irrespective of insurance company. This is counterproductive and will set Irish oral healthcare back exponentially. Irish citizens are placing value on looking after their oral health, as seen in the increasing number of corporate and individual members and families taking out and retaining dental cover with all providers. There are considerable capacity challenges at dental practices in the Irish market to deal with. There should not be additional and unnecessary barriers placed in the market that will have a negative impact on society.

One of these barriers identified by the World Health Organization is a lack of insurance or disposable income. Unsurprisingly, many patients are avoiding dentists due to affordability issues and are potentially at the greater risk of many preventable diseases.⁵

To eradicate the risks outlined above, we urge the CBI to consider removing the explicit opt-in for automatic for dental insurance policies.

Oral and General Health factors for consideration

On the 31 May 2021, at the 74th World Health Assembly, the World Health Organisation urged member states to frame oral health policies, plans and projects for the management of oral health care according to the vision and political agendas in health projected for 2030, in which oral health is considered as an integral part of general health, responding to the needs and demands of the public for good oral health.⁶

⁵ <https://harmreductionjournal.biomedcentral.com/articles/10.1186/s12954-022-00626-4>

⁶ https://apps.who.int/gb/ebwha/pdf_files/WHA74/A74_R5-en.pdf

According to the recent Healthcare Cost and Utilization Project conducted in the United States, individuals without dental benefits are more likely to have extractions and dentures and less likely to receive restorative care or treatment for gum disease. Furthermore, those without dental benefits report higher incidences of other illnesses. According to the “Healthcare Cost and Utilization Project (HCUP) National Emergency” data sample they are:

- Sixty-seven percent more likely to have heart disease.
- Fifty percent more likely to have osteoporosis; and
- Twenty-nine percent more likely to have diabetes.

We urge the CBI to consider the importance of dental insurance and its link to overall health. We welcome your thoughts, if, you would like to have a meeting or call, in relation to any of the matters raised in this submission or a general discussion, please let us know.

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