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**An Bille Árachais Sláinte (Leasú), 2025**  
**Health Insurance (Amendment) Bill 2025**

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*Meabhrán Míniúcháin agus Airgeadais*  
*Explanatory and Financial Memorandum*

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**AN BILLE ÁRACHAIS SLÁINTE (LEASÚ), 2025  
HEALTH INSURANCE (AMENDMENT) BILL 2025**

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**EXPLANATORY AND FINANCIAL MEMORANDUM**

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Ireland has a community-rated voluntary private health insurance market, meaning each person pays the same price for the same health insurance policy. The Risk Equalisation Scheme is the mechanism designed to support the objective of a community-rated health insurance market.

The Risk Equalisation Scheme has been provided for under the Health Insurance Acts since 1 January 2013. Under the Scheme, insurers receive Risk Equalisation Credits to compensate for the additional cost of insuring older and less healthy members. The credits are funded by stamp duty levies.

The stamp duty levies are collected from insurers for every health insurance contract issued and transferred to a Risk Equalisation Fund administered by the Health Insurance Authority.

The rates of credits and levies are based on recommendations from the Health Insurance Authority following an evaluation and analysis of health insurance market data.

The Risk Equalisation Credits and stamp duty rates are updated on an annual basis to ensure they align with the estimates of the insured population and the type, number and cost of claims that that will be made on their health insurance plans. As contracts are renewed on an annual basis, the stamp duty levied on the contract should be utilised for the benefit of the insured population during the timeframe of their contracts.

Legislation is required each year to revise the applicable risk equalisation credits and the corresponding stamp duty levies necessary to fund them.

**Financial Implications of the Bill**

The Risk Equalisation Scheme is designed to be Exchequer neutral, with the amount of the stamp duty levy calculated to offset the costs associated with the provision of the risk equalisation credits (age-related health credits, high-cost claims credits and hospital utilisation credits). Any surpluses or deficits that arise under the Scheme are rolled over to the following year and are taken into account when recommending revised risk equalisation credits and corresponding stamp duty levies.

## **Objects of the Bill**

The purpose of this Bill is to specify the risk equalisation credits to be paid from the Risk Equalisation Fund from 1 April 2026; and to make consequential amendments to the Stamp Duties Consolidation Act 1999 to revise the stamp duty levies required to fund the risk equalisation credits.

The Bill will also amend the term of appointment of the Chair of the Health Insurance Authority, in order to bring it into alignment with the Code of Practice for the Governance of State Bodies.

*Section 1* defines the Principal Act as the Health Insurance Act 1994.

*Section 2* amends section 11C of the Principal Act to provide for 1 April 2026 as the effective date for revised credits payable from the Risk Equalisation Fund.

*Section 3* amends Schedule 1 to the Principal Act to provide for a change in the term of appointment for the Chairperson of the Health Insurance Authority.

*Section 4* amends Schedule 3 to the Principal Act by the substitution of revised figures for overnight and day case hospital utilisation credits and includes a transitional provision for contracts entered into on or after 1 April 2024 but before 1 April 2026.

*Section 5* amends Schedule 4 to the Principal Act by the substitution of Table 2 which revises the applicable (Age Related) credits payable from the Risk Equalisation Fund. The amount of credit depends on the person's age, sex and whether they have advanced or non-advanced cover. The amounts are applicable on or after 1 April 2026.

*Section 6* amends Schedule 5 of the Principal Act by the substitution of a revised percentage specified for the purposes of definitions relating to high cost claims, and includes a transitional provision for contracts entered into on or after 1 April 2024 but before 1 April 2026.

*Section 7* amends section 125A of the Stamp Duties Consolidation Act 1999 to specify the applicable stamp duty rates for (i) 1 January 2026 to 31 March 2026 and (ii) 1 April 2026 onwards.

*Section 8* provides for the short title, commencement, collective citation and construction of the Bill.

*An Roinn Sláinte,  
Samhain, 2025.*