

Number of Voluntary Health Insurance Scheme policies exceeds 300 000 in first six months

The Food and Health Bureau today (January 16) encouraged citizens to purchase Certified Plans under the Voluntary Health Insurance Scheme (VHIS) early. Relevant premiums are eligible for tax deduction.

A spokesman for the Food and Health Bureau said, "The VHIS was fully implemented in April 2019 to strengthen the benefit level for hospital insurance products. As at the end of last September, the number of policies exceeded 300 000. The response was encouraging. For both the newly insured and migrants to VHIS Certified Plans, the relevant number of policies increased from the second quarter to the third quarter last year.

"According to the estimate by an independent consultant before the launch of the VHIS, about 1 million people would purchase Certified Plans in the first two years of implementation of the VHIS. With reference to the latest statistics, we are cautiously optimistic on achieving this estimate."

Currently, 57 Certified Plans (including 29 Standard Plans and 28 Flexi Plans) have been certified by the Food and Health Bureau and are available in the market, offering 207 products for consumers' choice. These products are offered by 29 insurance companies, which account for about 90 per cent of the health insurance market under rough estimation.

Among those insured by the 300 000 policies, about 96 per cent purchased Flexi Plans, which provide higher benefits. The others purchased Standard Plans.

In addition, about one-third of the insured are aged below 30 and about half are aged below 40. The above figures reflect that the VHIS is also attractive to the younger generation.

"A large number of VHIS Certified Plans are offered in a wide variety. We welcome the feature article on the VHIS by the Consumer Council in the latest issue of Choice magazine which provides useful information for consumers," the spokesman added.

"The relevant article mentions that the VHIS Standard Plans provided by different insurance companies have the same basic coverage and benefit limits, but with different premiums. Apart from premium consideration, consumers are also suggested to pay attention to factors including the reputations and services of relevant companies. As regards Flexi Plans, the product design can be more flexible than Standard Plans to meet the diverse needs of consumers. We are delighted that insurance companies provide a wide range of Flexi Plans with different designs, offering choices for consumers

with different needs."

To facilitate product comparison by consumers, a "Plan Search" function in the consumer corner of the VHIS website (www.vhis.gov.hk) has been added. The function not only enhances market transparency but also enables consumers to compare the benefit coverage and features of different products provided by various insurance companies, and make informed choices according to their needs and budget.

The VHIS is part of the Food and Health Bureau's effort in maintaining the public-private balance among other important policy initiatives. The VHIS seeks to regulate the individual indemnity hospital insurance products and improve market transparency, providing consumers with greater confidence in purchasing health insurance and using private healthcare services when in need, thereby alleviating pressure on the public hospital services in the long run.

Payments of relevant qualifying premiums made for the purchase of VHIS Certified Plans before March 31 this year, up to a maximum of \$8,000 per insured person per annum, are eligible for tax deduction for the year of assessment 2019-20. If the highest marginal tax rate of 17 per cent is applied, the tax saving would be \$1,360 for each insured person. There is no limit on the number of policies and insured persons to claim tax deduction. Please refer to the VHIS website (www.vhis.gov.hk) for details.