# Vhi 2008

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Tuarascáil Bhliantúil
agus Cuntais
Vhi Healthcare

Vhi Healthcare
Annual Report
& Accounts

An t-aon árachóir sláinte saincheaptha in Éirinn le breis agus 50 bliain taithí...

Ireland's only specialist health insurer with over 50 years experience...

A9/0037

# Clár Na nÁbhar

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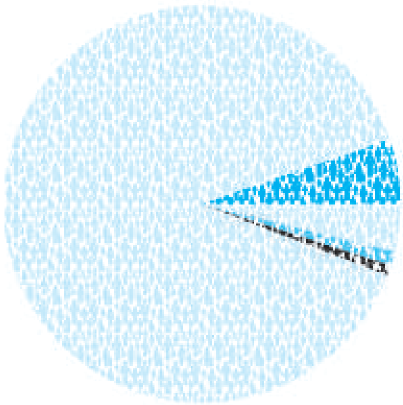
# Ionad Teagmhála
# Contact Centre



| | |
|---|---|
| **1.089 milliún** Glao ar an ionad teagmhála | **1.089 million** Calls to the contact centre |
| **64,000** Cuairteoir ar na brainsí | **64,000** Callers to the branches |
| **47,000** Ríomhphost faighte | **47,000** Emails received |
| **14,000** Ríomhphost tríd an mBainisteoir Polasaithe | **14,000** Policy manager emails |
| **6,000** Iarratas ar líne | **6,000** Online applications |

Is é Vhi Healthcare an t-aon árachóir sláinte saincheaptha in Éirinn agus tá bród orainn a bheith in ann tús áite a thabhairt do leas ár gcustaiméirí i gcónaí. Tá tábhacht ar leith ag an gcaidreamh atá againn lenár mbaill agus bhí 1.2 milliún teagmháil againn lenár mbaill anuraidh ar an teileafón, trí ríomhphost, teachtaireachtaí téacs nó díreach daoine a thug cuairt ar ár n-oifigí i gCorcaigh, Baile Átha Cliath (Sráid na Mainistreach, Dún Laoghaire agus Bóthar An Nás), Gaillimh, Gaoth Dobhair, Cill Chainnigh agus Luimneach.

As Ireland's only specialist health insurer, Vhi Healthcare takes pride in putting our customers at the centre of all that we do. Our interaction with members is particularly important to us and last year we had 1.2 million contacts with members through telephone, email, text messages or callers to our offices in Cork, Dublin (Abbey Street, Dun Laoghaire and Naas Road), Galway, Gweedore, Kilkenny and Limerick.

# Bord na Stiúrthóirí

**1. Bernard Collins – Cathaoirleach**
Tá Bernard Collins ina Phríomhoifigeach Feidhmeannach ar Lifemed Consulting Limited. Tá BA Onóracha i Síceolaíocht Thionsclaíoch Fheidhmeach/ Gnó ó Ollscoil na hÉireann, Corcaigh, Éire aige. Tá an tUasal Collins ar bhord go leor comhlachtaí eile in Éirinn agus i Meiriceá. D'oibrigh sé ar feadh 10 mbliana mar Leas-Uachtarán ar Oibríochtaí Idirnáisiúnta ag Boston Scientific Corporation go dtí 2003.*

**2. Jimmy Tolan – B.Comm., Príomhfheidhmeannach, FCA**
Thosaigh Jimmy Tolan le Vhi Healthcare mar Phríomhfheidhmeannach i mBealtaine 2008. Bhí sé ina Phríomhoifigeach Feidhmiúcháin ar Fyffes plc ó Eanáir 2007 agus rinne sé bainistíocht ar fheidhm éadála Fyffes ó 1993. Cuntasóir cáilithe atá i Jimmy Tolan agus fuair sé a oiliúint ó KPMG. Tá Céim B.Comm agus Dioplóma i gCuntasaíocht Phroifisiúnta aige ó Choláiste na hOllscoile, Baile Átha Cliath.

**3. David Went**
Bhí an tUasal Went ina Phríomhfheidhmeannach Grúpa ar Irish Life & Permanent plc ó 1998–2007, Príomhfheidhmeannach ar an Coutts Group ó 1994–1997 agus roimhe sin, mar Phríomhfheidhmeannach ar Ulster Bank Group 1987 go dtí 1994, tar éis tosú le Ulster Bank i 1976. Chaith an tUasal Went sé bliana le Citibank 1970–1976 i mBaile Átha Cliath agus in Jeddah. Tá sé ina Chathaoirleach faoi láthair ar Irish Times Ltd agus ar Fhondúireacht na Tríonóide agus Stiúrthóir i mBanc Goldman Sachs, An Eoraip. Tá BA (Mod) Eolaíocht an Dhlí LL.B ag an Uasal Went ó Choláiste na Tríonóide agus is céimí é freisin ó Óstaí an Rí mar Abhcóide.



# Board of Directors

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**1. Bernard Collins – Chairman**
Bernard Collins is Chief Executive Officer of Lifemed Consulting Limited. Mr. Collins received a BA Honours in Applied Industrial Psychology/ Business from University College Cork, Ireland. Mr. Collins maintains positions at board level on many other companies in Ireland and in the USA. He served for 10 years as Vice President of International Operations at Boston Scientific Corporation until 2003.*

**2. Jimmy Tolan – B.Comm., FCA, Chief Executive**
Jimmy Tolan joined Vhi Healthcare as Chief Executive in May 2008. Mr. Tolan was Chief Executive Officer of Fyffes plc since January 2007 and managed Fyffes acquisition function since 1993. Jimmy Tolan is a qualified accountant, having trained with KPMG. He has a B.Comm Degree and a Diploma in Professional Accounting from University College Dublin.

**3. David Went**
Mr. David Went was Group Chief Executive of Irish Life & Permanent plc from 1998–2007, Chief Executive of the Coutts Group from 1994–1997 and prior to that Chief Executive of Ulster Bank Group 1987 to 1994 having joined Ulster Bank in 1976. Mr. Went spent six years with Citibank (1970–1976) in Dublin and Jeddah. He is currently Chairman of the Irish Times Ltd and Trinity Foundation and a Director of Goldman Sachs Bank Europe. Mr. Went holds a BA (Mod) Legal Science LL.B from Trinity College and also graduated from Kings' Inns as a Barrister at Law.

**4. Liam Twohig** – B.Comm., FCA
Comhpháirtí Sinsearach, Baker Tilly Ryan Glennon; Comhpháirtithe Gnó & Cuntasóirí. Iar-Uachtarán ar Chumann Tionscail agus Tráchtála na Gearmáine-na hÉireann agus Comhalta, Institiúid na gCuntasóirí Cairte in Éirinn, Coiste Achomhairc Araíonachta.#

**5. Jim Kelly**
Stiúrthóir, KBC Bainistíocht Sócmhainní, Stiúrthóir ar Bhanc KBC Éire plc, Comhalta, An Institiúid um Bainistíocht Pinsean, Iar-Phríomh-fheidhmeannach, Mercer Human Resource Consulting, Stiúrthóir Bunaidh, Pension & Investment Consultants Ltd., Iar-Chathaoirleach, Comhairle na hÉireann um Pleanáil do Lucht Scoir.*

**6. Baroness Neuberger** – DBE
Ball de na Daonlathaigh Liobrálacha, Teach na dTiarnaí, Iontaobhaí, Fondúireacht Dhuais Booker; Iontaobhaí, Iontaobhas Carthanais Walter & Liesel Schwab; Cathaoirleach ar an gCoimisiún um Thodhchaí Saorálaithe; Uachtarán, Giúdachas Liobrálach; Údar ar *The Moral State We're In*, staidéar ar mhoráltacht agus ar bheartas poiblí sa Bhreatain sa lá atá inniu ann agus *Not Dead Yet – A Manifesto for Old Age*; Iar-Phríomh-fheidhmeannach, King's Fund; Comhalta Oinigh, Coláiste Ríoga na Lianna, Coláiste Ríoga na Siciatraithe agus Coláiste Ríoga na Lianna Ginearálta; Iar-Rabbi, Sionagóg Liobrálach Londan Theas. Cathaoirleach an / *One Housing Group* / agus Cathaoirleach an Ghrúpa um Straitéis Fhreagrach Cearrbhachais. Comhairleoir an Phríomh-Aire faoi Shaorálaíocht.

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**4. Liam Twohig** – B.Comm., FCA
Senior Partner, Baker Tilly Ryan Glennon, Business Partners and Accountants; Past President, German-Irish Chamber of Industry and Commerce; and Member, Institute of Chartered Accountants in Ireland, Disciplinary Appeals Committee.#

**5. Jim Kelly**
Director, KBC Asset Management; Director KBC Bank Ireland plc; Fellow, Pensions Management Institute; Former Chief Executive, Mercer Human Resource Consulting; Founder Director, Pension & Investment Consultants Ltd.; Former Chairman, Retirement Planning Council of Ireland.*

**6. Baroness Neuberger** – DBE
Liberal Democrat member, House of Lords; Trustee, Booker Prize Foundation; Trustee, Walter & Liesel Schwab Charitable Trust; Chair of Commission on the Future of Volunteering; President, Liberal Judaism; Author of *The Moral State We're In*, a study of morality and public policy in modern Britain and *Not Dead Yet – A Manifesto for Old Age*. Former Chief Executive, King's Fund. Honorary Fellowships from Royal College of Physicians, Royal College of Psychiatrists and Royal College of General Practitioners. Former Rabbi, South London Liberal Synagogue. Chair of One Housing Group and also Chair of Responsible Gambling Strategy Group. Advisor to Prime Minister for Volunteering.

# **Bord na Stiúrthóirí** Ar Lean.

**7. Cathal Magee** – BA, MGT, MSC
Príomhfheidhmeannach Ghrúpa Gníomhaithe *eircom* Teo; Ball, Bord Stiúrthóirí, *eircom* Group plc. Stiúrthóir, Meteor Mobile Communications Teo; Stiúrthóir Neamh-fheidhmeannach, EBS Building Society. Sular thosaigh sé le *eircom*, d'oibrigh Cathal le Grúpa Baincéireachta Náisiúnta na hAstráile sa Ríocht Aontaithe agus in Éirinn.

**8. Humphrey Murphy**
Cathaoirleach Hygienic Stainless Steel Teo., An Ríocht Aontaithe, Comhalta den Chomhlacht Rialála, Ollscoil na hÉireann Corcaigh 1997 go dtí seo. Cathaoirleach ar Choiste Iniúchta UCC 2003–go dtí seo, Stiúrthóir, Údarás Aerfort Chorcaí.*

**9. Karen Hickey–Dwyer** – FRIAI
Tá Karen Hickey-Dwyer. ina Comhpháirtí faoi láthair le Dlíodóirí Ivor Fitzpatrick agus a Chomhlacht, agus is speisialtóir í ar chúram sláinte, dlí an teaghlaigh, faillí chliniciúil agus dlíthíocht árachais. Glacadh í sna Rollaí de Dhlí-Chumann Corpraithe na hÉireann i 1998. Ball, Cumann an Bharra, Dlíodóirí Bhaile Átha Cliath; Ball, Cumann na nDlíodóirí Teaghlaigh; Ball, Dlí-Chumann na hÉireann; Ball, Cumann na nDlíodóirí Gortuithe Pearsanta; Ball, Cumann Idirnáisiúnta an Bharra.

# **Board of Directors** Continued

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**7. Cathal Magee** – BA, MGT, MSC
Acting Group Chief Executive, *eircom* Ltd. Member, Board of Directors, *eircom* Group plc. Director, Meteor Mobile Communications Ltd., Non-Executive Director of EBS Building Society. Prior to joining *eircom*, Cathal worked for the National Australian Banking Group in the UK and Ireland.

**8. Humphrey Murphy**
Chairman, Hygienic Stainless Steels Ltd UK; Member of Governing Body University College Cork 1997 to date; Chairman of UCC Audit Committee 2003–to date; Director of Cork Airport Authority.*

**9. Karen Hickey-Dwyer** – FRIAI
Ms Hickey-Dwyer is currently a Partner with Ivor Fitzpatrick & Company Solicitors, specialising in healthcare, family law, clinical negligence and insurance litigation. She was admitted to the Rolls of the Incorporate Law Society of Ireland in 1998. Member, Dublin Solicitors Bar Association; Member, Family Lawyers Association; Member, Law Society of Ireland; Member, Association of Personal Injury Lawyers; and Member, International Bar Association.

**10. Declan Moran – Stiúrthóir, Margaíocht agus Forbairt Ghnó**
Tá BSc in Eolaíocht Ríomhaireachta ag Declan Moran agus is Comhalta é d'Institiúid na nAchtúirí ó 1994. Thosaigh sé le Vhi Healthcare i 1997 ón tionscal saoil agus pinsean agus ceapadh é chuig Bord Stiúrthóirí Vhi in 2008. Tá freagracht air as bainistíocht phunann táirgí Vhi Healthcare, as táirgí agus seirbhísí nua a fhorbairt agus as saineolas achtúireachta laistigh den eagraíocht a sholáthar.

**11. Gillian Bowler – FMII FMgt.**
Cathaoirleach, Irish Life & Permanent, Plc., Stiúrthóir Neamh-fheidhmeannach, Grafton Group; Stiúrthóir Neamhfheidhmeannach, Clear Channel Ireland Ltd., Comhalta Boird, Scoil Ghnó Iarchéime Michael Smurfit, UCD.*

**12. Christy Cooney (Criostóir Ó Cuana) – Máistir Oideachais**
Uachtarán CLG (An tUachtarán)#

* Comhalta den Choiste Íocaíochta
\# Comhalta den Choiste Iniúchta



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**10. Declan Moran – Director, Marketing and Business Development**
Declan Moran has a BSc in Computer Science and is a Fellow of the Institute of Actuaries since 1994. He joined Vhi Healthcare in 1997 from the life and pensions industry and was appointed to the Vhi Board of Directors in 2008. He is responsible for the management of Vhi Healthcare's product portfolio, development of new products and services and provision of actuarial expertise within the organisation.

**11. Gillian Bowler – FMII FMgt.**
Chairman, Irish Life & Permanent, Plc.; Non-Executive Director, Grafton Group; Non-Executive Director, Clear Channel Ireland; Board Member, Michael Smurfit Graduate School of Business, UCD.*

**12. Christy Cooney – (Criostóir Ó Cuana), Master of Education**
GAA President (An-t-Uachtarán)#

* Member of Remuneration Committee
\# Member of Audit Committee

"Go bliantúil, caitheann Vhi Healthcare €775 in aghaidh an chustaiméara chun freastal ar riachtanais liachta a gcustaiméirí i gcomparáid le €350 agus €450 a mheastar a chaith cuideachtaí eile sa mhargadh árachais sláinte. Faoi láthair, táimid ag íoc €3.3 mhilliún níos mó in aghaidh na seachtaine chun freastal ar riachtanais liachta ár gcustaiméirí ná mar a chaitheamar bliain ó shin. Íocaimid i bhfad níos mó ná ár n-iomaitheoirí toisc go bhfuil riachtanais liachta níos mó ag ár gcustaiméirí, a bhaineann le próifíl aoise."

**Bernard Collins** – Cathaoirleach, Vhi Healthcare

"On an annualised basis Vhi Healthcare spent an average of €775 per customer in meeting its customers' medical needs compared to an estimated €350 to €450 on average by other companies in the health insurance market. We are currently paying out €3.3 million more per week in meeting our customers' medical needs than we did a year ago. We pay out significantly more than our competitors as our customers require significantly greater medical care due to their age profile."

**Bernard Collins** – Chairman, Vhi Healthcare

# Athbreithniú An Chathaoirligh

**Feidhmiú Airgeadais**
Bhí ár bhfeidhmiú airgeadais don tréimhse deich mí atá faoi bhreithniú níos lú, go suntasach, ná mar a bhíomar ag súil leis agus bhí easnamh €65 milliún iarchánach ar Vhi Healthcare i gcomparáid leis an mbarrachas idir €15 mhilliún agus €25 milliún a bhíomar ag súil leis. Is é is cúis leis an easnamh seo ná an gá le freastal ar an méadú 15% a bhí ar chostais riachtanais liachta ár gcustaiméirí, ach ag an am céanna ní raibh ach méadú 7% ar ioncam.

Go bliantúil, caitheann Vhi Healthcare €775 in aghaidh an chustaiméara chun freastal ar riachtanais liachta a gcustaiméirí i gcomparáid le €350 agus €450 a mheastar a chaith cuideachtaí eile sa mhargadh árachais sláinte. Faoi láthair, táimid ag íoc €3.3 mhilliún níos mó in aghaidh na seachtaine chun freastal ar riachtanais liachta ár gcustaiméirí ná mar a chaitheamar bliain ó shin. Íocaimid i bhfad níos mó ná ár n-iomaitheoirí toisc go bhfuil riachtanais liachta níos mó ag ár gcustaiméirí, a bhaineann le próifíl aoise. Creidimid freisin go bhfuil teacht ag ár gcustaiméirí ar chúraim sláinte atá níos fearr ná mar a sholáthraíonn ár n-iomaitheoirí.

**Meicníocht chun Tacaíocht a Thabhairt do Chustaiméirí Scothaosta an Mhargaidh Árachais Sláinte**
Chuir cinneadh na hArd-Chúirte i mí Iúil 2008 maidir leis an scéim um Chothromú Riosca, a bhí tagtha isteach cheana féin, díoma orainn agus ba chinneadh é nach raibh coinne leis. De réir mar atá go fírinneach, tá sé dodhéanta margadh árachais sláinte a chur ar fáil atá pobalrátaithe gan meicníocht tacaíochta do chustaiméirí scothaosta a bhunú. An rogha eile atá ann ná go ndéanfar an margadh árachais sláinte ina mhargadh rioscarátaithe trí dhearadh táirgí agus beidh sé de thoradh air seo go mbeidh ar dhaoine scothaosta sa tír costais níos airde a íoc ar phréimheanna. Ní féidir leis seo a bheith mar sprioc ag an tír agus gan aon amhras ní sprioc an Rialtais é.

Tá gá le meicníocht tacaíochta chun a chinntiú go mbeidh rochtain ag daoine scothaosta den tsochaí ar árachais sláinte príobháideach ar na téarmaí céanna agus atá ag custaiméirí níos óige. Baineann sprioc an bheartais seo leis an Rialtas ar deireadh. Dá bhrí sin, d'fhógair an Roinn Sláinte agus Leanaí i mí na Samhna 2008 go bhfuil sé ar intinn aici meicníocht mar sin a thabhairt isteach trí thobhach a ghearradh ar gach cuideacht árachais sláinte i dteannta le faoiseamh breise ó cháin a thabhairt do chustaiméirí a bhfuil níos mó ná caoga bliain d'aois slánaithe acu. Foilsíodh an dréacht-Bhille, an Bille Árachais Sláinte (Leasú) (Forálacha Ilghnéitheacha) chun éifeacht a thabhairt dó sin i mí na Nollag 2008. Caithfear leis na cuideachtaí árachas sláinte go léir ar bhonn comhseasmhach faoin reachtaíocht atá beartaithe.



# Chairman's Review

**Financial Performance**
Our financial performance for the ten month period under review was significantly below our expectations and Vhi Healthcare generated a deficit after tax of €65 million compared to an expected surplus of €15 million to €25 million. The deficit can be largely attributed to the fact that the cost of meeting our customers' medical needs increased by 15% whilst our income increased by 7%.

On an annualised basis Vhi Healthcare spent an average of €775 per customer in meeting its customers medical needs compared to an estimated €350 to €450 on average by other companies in the health insurance market. We are currently paying out €3.3 million more per week in meeting our customers' medical needs than we did a year ago. We pay out significantly more than our competitors as our customers require significantly greater medical care due to their age profile. We also believe we ensure that our customers access a higher quality of care than our competitors.

**Mechanism to Support Older Health Insurance Customers**
The decision of the Supreme Court in July 2008 in respect of the Risk Equalisation scheme previously introduced was disappointing and unexpected. The reality is that it is impossible to have a community rated health insurance market without a mechanism to support older customers. The alternative is that the health insurance market will effectively become a risk rated market through product design and this will result in significantly higher premiums for older members of society. This cannot be the goal of society and it is clearly not the goal of the Government.

In order to ensure that older members of society can continue to access private health insurance on the same terms as younger customers, a support mechanism is required. This policy goal is ultimately a matter for the Government. As such, the Department of Health & Children in November 2008 announced its intention to introduce such a mechanism through a combination of a levy charged on all health insurance companies and additional tax relief for customers over the age of fifty. The draft Bill to give effect to this, the Health Insurance (Miscellaneous Provisions) Amendment Bill, was published in December 2008. All health insurance companies will be treated in a consistent manner under the proposed legislation.

The proposed mechanism to support older customers is currently based on a 50% criterion which means that insurers are only compensated for 50% of the risk of insuring customers over the age of sixty. This means that Vhi

# **Athbhreithniú an Chathaoirligh** Ar Lean.

Tá an mheicníocht atá beartaithe chun tacaíocht a thabhairt do chustaiméirí scothaosta bunaithe ar chritéir 50%, rud a chiallaíonn go gcúitítear na hárachóirí le haghaidh 50% den riosca a bhaineann le custaiméirí a raibh níos mó ná seasca bliain d'aois slán acu. Dá dheasca sin, leanann Vhi Healthcare ag cailliúint €1,000 in aghaidh na bliana nuair a thugann sé cumhdach árachais d'aon chustaiméir os cionn seachtó bliain d'aois faoin gcóras tobhaigh/faoiseamh cánach atá beartaithe. Tá beagnach 95% de na custaiméirí idir seachtó agus ochtó bliain d'aois agus beagnach 99% de na custaiméirí os cionn ochtó bliana d'aois a bhfuil árachas Vhi Healthcare acu. Beidh gá le scéim nua shofaisticiúil um Chothromú Riosca a thabhairt isteach sna blianta atá romhainn nó de rogha air sin, beidh gá le méid suntasach d'fhaoiseamh cánach breise a thabhairt do chustaiméirí scothaosta ná mar atá leagtha síos sa dréacht-Bhille chun a chinntiú go mbeidh meicníocht inbhuanaithe ann. Tá súil againn go mbeimid in ann a áiteamh ar an Rialtas nach bhfuil critéir 50% inbhuanaithe i dtéarmaí aidhmeanna an Rialtais maidir le margardh pobalráthaithe a bhaint amach. Ag glacadh leis go bhfaightear ceadú ón mBruiséil i dtaca leis an reachtaíocht atá beartaithe beidh coinne againn le go ndéantar dlí den dréacht-Bhille go luath ina dhiadh sin.

**Rialáil Airgeadais**

De réir an Achta um Árachas Sláinte Shaorálaigh (Leasú) 2008 ní mór do Vhi Healthcare a bheith in ann údarú an Rialtóra Airgeadais a fháil roimh an 1ú Meán Fómhair 2009. Bhí ísliú ó 35.3% go dtí 27.7% ar leibhéil shócmhainneachta ag deireadh na bliana agus faoi láthair tá gá le 40% ar a laghad de phréimh scríofa chun na ceanglais shócmhainneachta íosta Rialtóra Airgeadais a shásamh. Tá léibhéal na sócmhainneachta a theastóidh ón Rialtóir Airgeadais níos airde ná an léibhéal a theastóidh ó thromlach na dtíortha Eorpacha agus is dóchúil go mbeidh ísliú ar an léibhéal sócmhainneachta is gá go dtí 28% go dtí 30% nuair a chuirfear Solvency II i bhfeidhm ina iomláine. Is é tuairim Vhi Healthcare go bhfuil dóthain caipitil againn agus go bhfuil géar-riachtanas le straitéis chun údarú a fháil chomh luath agus is féidir, ionas go mbeimid in ann táirgí nua a fhorbairt ar mhaithe lenár gcustaiméirí go léir. Beidh gá le caipiteal breise chun an Rialtóir Airgeadais a shásamh.

**Caighdeán an Chúraim Sláinte**

Tá Vhi Healthcare dírithe go hiomlán ar chinntiú go mbeidh rochtain ag ár gcustaiméirí ar sheirbhísí chúraim sláinte d'ardchaighdeán ar an bpraghas is fearr. Cheangail an Vhi Healthcare ar na hospidéil phríobháideacha, nua agus atá ann cheana féin, a sholáthaíonn seirbhísí chúraim sláinte dár gcustaiméirí, creidiúnú a bhaint amach faoi dheireadh 2008. Baineann infheistíocht shuntasach leis an bpróiseas creidiúnaithe cáilíochta seo ó thaobh na n-ospidéal príobháideach de agus tá



# **Chairman's Review** Continued

Healthcare will continue to lose €1,000 per annum when insuring any customer over the age of seventy under the proposed levy/tax relief system. We currently insure almost 95% of customers between the age of seventy and eighty and almost 99% of customers over the age of eighty. To ensure that a sustainable mechanism is put in place to support older customers it will be necessary in the years ahead to introduce a new sophisticated Risk Equalisation scheme or alternatively provide a significantly greater amount of tax relief for older customers than is provided in the draft Bill. We hope to be able to persuade the Government that a 50% criterion is not sustainable in terms of meeting the Government objectives of a community rated market. Assuming that approval is obtained from Brussels for the proposed legislation we anticipate that the draft Bill will become law soon thereafter.

**Financial Regulation**

The Voluntary Health Insurance (Amendment) Act 2008 requires Vhi Healthcare to be in a position to achieve authorisation by the Financial Regulator by the 1st September 2009. Our current solvency levels have declined from 35.3% to 27.7% by year end and we currently require at least 40% of written premium in order to satisfy the Financial Regulator's minimum solvency requirements. The level of solvency required by the Financial Regulator is above what is required in most European countries and it is probable that the required solvency level will decline to 28% to 30% once Solvency II is fully enacted. It is Vhi Healthcare's view that we are adequately capitalised and it is a strategic imperative to achieve authorisation as soon as possible in order to enable us to develop new products for the benefit of all our customers. We will require additional capital in order to satisfy the Financial Regulator.

**Quality of Care**

Vhi Healthcare is totally focused on ensuring that its customers can access very high quality healthcare services at the best possible price. During the year Vhi Healthcare required that all new and existing private hospitals providing care for its customers had to achieve accreditation by the end of 2008. This quality accreditation process involved a very significant investment by private hospitals and Vhi Healthcare is pleased that all private hospitals we currently cover have successfully achieved this international standard of accreditation.

Vhi Healthcare sásta go bhfuil an creidiúnú caighdeánach idirnáisiúnta seo bainte amach ag na hospidéil phríobháideacha go léir a chumhdaíonn Vhi Healthcare.

**Ag Bainistiú Fholláine ár gCustaiméirí**

Thar an meántéarma, soláthróimid acmhainní le haghaidh na nithe seo a leanas: cosc ar ghalair, bainistiú galar, chúraim sláinte lastigh den phobal, agus bainistiú fholáinne ár gcustaiméirí. Tá sé ar intinn againn táirgí nua a fhorbairt chun saol ár gcustaiméirí a fheabhsú. Sa bhliain 2009, thionscnaíomar tionscadal scagtha le haghaidh diaibéitis Tíopa 2 agus baol chardashoithíoch agus déanfar scagadh ar beagnach 5,000 dár gcustaiméirí. Chomh maith leis sin, ó Eanáir 2009 rinneamar tuilleadh forbartha ar an gcomhghuaillíocht straitéiseach le hOspidéal Ollscolaíoch Pádraig ionas go mbeadh rochtain ar chúram síciatrach agus síceolaíoch ag ár gcustaiméirí sna Clinicí Dean, ar cuireadh ceithre díobh ar fáil, laistigh de shuíomh pobail. Is muidne an t-aon árachóir a bhfuil líne altra 24/7 aige agus faoi láthair tá níos ná 8,000 custaiméir ag úsáid na seirbhíse seo in aghaidh na míosa.

**Ár bhFostaithe**

Braitheann rathúlacht ár gnó go mór ar scileanna, díograis agus tiomantas ár bhfostaithe chun seirbhís d'ardchaighdeán a sholáthar dár gcustaiméirí. In ainneoin dhála na timpeallachta eacnamaíche in Éirinn faoi láthair is mór an t-ábhar misnigh é go leanann seachtar as gach deichniúr atá árachas sláinte acu ag roghnú Vhi Healthcare mar gheall ar an tseirbhís agus an luach a sholáthraímid. Caithimid leanúint d'fheabhas a chur ar sholáthar seirbhísí custaiméirí, an réimse ina bhfuil Vhi Healthcare faoi bhuntáiste iomaíochta. Thar ceann an Bhoird Stiúrthóirí, ba mhaith liom mo bhuíochas a ghabháil leis an mbainistíocht agus a foireann as a gcuid rannpháirtíochta i rith na bliana.

**Ionchas**

Níl amhras ar bith ach go rachaidh deacrachtaí na timpeallachta eacnamíche i bhfeidhm ar léibhéil na ballraíochta sa bhliain 2009. Caithimid leanúint de bheith ag díriú ar shlite nua éagsúla chun gur féidir linn an tseirbhís a sholáthraímid a fheabhsú, chun a chinntiú go mbeidh gnó inbhuanaithe fádtéarma againn. Is feiniméan aitheanta é go bhfuil feidhmiú eacnamaíoch níos fearr ag na heagraíochtaí atá dírithe ar nuálaíocht i dtréimhsí meathlaithe agus táim cinnte go leanann Vhi Healthcare de bheith ag díriú ar nuálaíocht ar mhaithe lenár gcustaiméirí.

**Bernard Collins**
Cathaoirleach



**Management of Our Customers' Wellbeing**

Over the medium term we will devote significantly greater resources to prevention; chronic disease management; care within the community and also to the management of our customers' wellbeing. We intend to develop products which will further improve our customers' lives. In 2009 we commenced a screening project which will see almost 5,000 of our customers screened and risk assessed for Type 2 diabetes and cardiovascular risk. Also since January 2009 we have further developed our strategic alliance with St. Patrick's University Hospital whereby our customers can access psychological and psychiatric care within a community setting in the Dean Clinics of which there are now four. We are also the only insurer with a dedicated 24/7 Nurseline and currently over 8,000 customers per month avail of this service.

**Our Employees**

The success of our business depends greatly on the skill, enthusiasm and commitment of our employees to deliver excellent service to our customers. Despite the difficult economic climate which prevails in Ireland it is heartening to see that seven in ten insured people continue to choose Vhi Healthcare because of the service and value which we provide. We must continue to excel in the provision of customer service where we clearly enjoy a competitive advantage. On behalf of the Board of Directors I would like to thank our management and staff for their contribution over the year.

**Outlook**

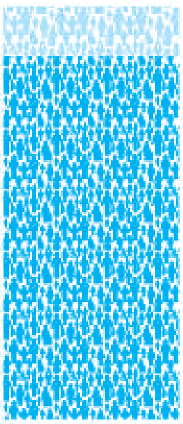
There is no doubt that the current difficult economic environment will impact on our membership levels for 2009. We must continue to innovate in order to ensure that we have a long-term sustainable business. It is a well known phenomenon that in recessionary times that those organisations that innovate will do better and I am confident that Vhi Healthcare will continue to innovate for the benefit of its customers.

**Bernard Collins**
Chairman

# Gnáthaimh Cúram Leighis
# Medical Care Procedures

Gnáthaimh Cúram Leighis in Ospidéil Phríobháideacha
Medical Procedures in Private Hospitals

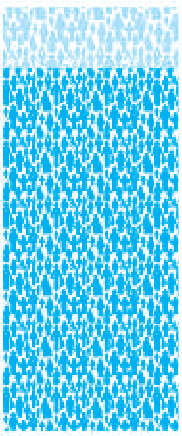
2008 (+14%)



2007

Líon na nÉileamh a Íocadh
Number of Claims Paid

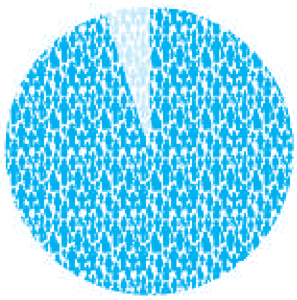
2008 (+17%)



2007

Caitheachas Ioncam Préimhe 2008 ar Riachtanais Leighis na gCustaiméirí
2008 Premium Income Spend on Customer Medical Needs

95%



2008

D'íoc Vhi Healthcare níos mó ná €981 milliún chun riachtanais leighis ár gcustaiméirí a chomhlíonadh sa tréimhse deich mí a bhfuil athbhreithniú á dhéanamh uirthi anseo. D'íoc Vhi Healthcare €775 ar an meán do gach custaiméir, le freastal ar a riachtanais cúram leighis in 2008. Díol suntais é gur tháinig ardú 14% ar an líon gnáthaimh leighis a bhí ag ár gcustaiméirí in ospidéil phríobháideacha i 2008 i gcomparáid le 2007. Tá Vhi Healthcare ag caitheamh €3.3 mhilliún breise in aghaidh na seachtaine chun an costas atá ar riachtanais cúram leighis ár gcustaiméirí a chomhlíonadh, i gcomparáid leis an am seo anuraidh.

Vhi Healthcare paid out over €981 million in meeting customer's medical needs for the ten month period under review. Vhi Healthcare paid out an average of €775 for each customer to meet their medical care needs in 2008. Significantly, the number of medical procedures which our customers accessed in private hospitals increased by 14% in 2008 compared to 2007. Currently Vhi Healthcare is spending an additional €3.3 million per week, compared to this time last year, in meeting the cost of our customers' medical care needs.

"Leanann Vhi Healthcare de bheith ag díriú ar rochtain ar chúraim sláinte d'ardchaighdeán a sholáthar ar an bpraghas is ísle is féidir. Leanfaimid ag idirbheartú thar ceann ár gcustaiméirí chun an luach is fearr a fháil agus chun cumhdach le haghaidh na ndrugaí, na teicneolaíochtaí agus cóireálacha leighis is déanaí a chinntiú.

Tá riochtaí míochaine de dheasca galair a bhaineann le stíl mhaireachtála ar cheann de na dúshláin chúraim sláinte is mó atá os comhair na tíre seo. Is réimse an-chasta é an réimse seo agus is é mo thuairim go mbeidh gá le straitéis chomhtháite chun aghaidh a thabhairt ar an dúshlán seo. Mar phríomhárachóir sláinte na Éireann, táimid ag phleanáil chun i bhfad níos mó acmhainní a dhíriú ar chosc ar galar, ar chúram sa phobal agus ar chláir um bainistiú galar ainsealach, ar mhaithe lenár gcustaiméirí sna blianta amach romhainn."

**Jimmy Tolan** – Príomhfheidhmeannach, Vhi Healthcare

"Vhi Healthcare's focus will continue to be on providing our members with access to quality healthcare at the lowest possible cost. We will continue to negotiate on their behalf to secure the best possible value and to ensure cover for the latest drugs, technologies and treatments.

Medical conditions derived from lifestyle diseases represent one of the greatest healthcare challenges for this country. This is a very complex area and in my opinion an integrated strategy will need to be adopted to meet this challenge head on. As Ireland's pre-eminent health insurer we are planning to devote significantly greater resources to prevention, care in the community and chronic disease management programmes for the benefit of our customers in the years ahead."

**Jimmy Tolan** – Chief Executive, Vhi Healthcare

# Athbhreithniú Ar Oibríochtaí

**Réamhrá**

Thug an cathaoirleach ina athbhreithniú achoimre ar na príomhimeachtaí don tréimhse 10 mí dar críoch 31 Nollaig, 2008. Ba thréimhse fíordhúshlánach í an tréimhse áirithe sin, rud atá le feiceáil sna torthaí foriomlána airgeadais a thaispeánann lánchaillteanais iarchánach de €65 milliún.

Is é is cúis leis an easnamh sin ná an méadú suntasach a bhí ar líon gnáthaimh míochaine a bhí íoctha ag Vhi Healthcare thar ceann ár gcustaiméirí sa bhliain dheireanach seo in éineacht le caillteanais inár bpunann infheistíochta. Faoi láthair tá Vhi Healthcare ag caitheamh €3.3 milliún níos mó in aghaidh na seachtaine, ná mar a caitheadh sa tréimhse chéanna an bhliain seo caite, chun na costais a bhaineann le riachtanais cúram míochaine a gcustaiméirí a ghlanadh. I rith na gceithre bliana deiridh tháinig méadú ar líon na mball ó Vhi Healthcare a chuaigh isteach sna hospidéil phríobháideacha ó 293,000 go dtí 429,000 -méadú de 2,600 iontráil in aghaidh na seachtaine. Léiríonn na figiúirí seo meánmhéadú bliantúil de bhreis agus 10% i rith na gceithre bliana. Faoi láthair táimid ag íoc idir €300 agus €400 an custaiméir níos mó ná mar a chaitheann cuideachtaí eile sa mhargadh árachais sláinte chun freastal ar riachtanais liachta ár gcustaiméirí.

Tá Vhi Healthcare ag leanúint de sholáthar an réimse is leithne de na saoráidí, de na drugaí agus de na teicneolaíochtaí is deireanaí atá ar fáil ar an margadh árachais sláinte. Táimid dírithe ar chinntiú go mbeidh rochtain leanúnach ag ár gcustaiméirí ar chúraim sláinte d'ardchaighdeán sa suíomh is cuí. Tá foireann mhíochaine shárchleachta shárchumasach againn agus is é aidhm Vhi Healthcare ná a bheith i bhfíorthosach amach anseo maidir le forbairtí ionas gur féidir linn freastal, cibé slí is fearr, ar riachtanais liachta ár gcustaiméirí.

**Na Torthaí Airgeadais**

Is féidir achoimre a dhéanamh ar na príomhthorthaí airgeadais mar seo a leanas:

- Ba é €1.025 bhilliún an phréimh iomlán a bhí tuillte le haghaidh na tréimhse 10 mí dar chríoch 31 Nollaig 2008, i gcomparáid le €1.153 bhilliún an bhliain roimhe sin.

- Léiríonn na torthaí glan-easnamh de €65 milliún i gcomparáid le barrachas de €62.8 milliún don bhliain dar chríoch Feabhra 2008 (gan athscríobh an chúlchiste riosca neamhchaite a áireamh). Eascraíonn an t-easnamh seo toisc go raibh Vhi Healthcare ag íoc beagnach €30 milliún níos mó ná mar a fhaigheann sé mar ioncam ó phréimheanna chun freastal ar riachtanais mhíochaine a



# Operations Review

**Introduction**

The Chairman in his review has given a summary of the key events for the ten month period ended 31 December 2008. The period in question has been a very challenging one and this has been reflected in our overall financial results which have shown total losses after tax of €65 million.

This deficit can largely be attributed to the substantial increase in the number of medical procedures paid on behalf of our customers in the past year, combined with losses on our investment portfolio. Currently Vhi Healthcare is spending an additional €3.3 million per week, compared to this time last year, in meeting the cost of its customers' medical care needs. Over the last four years the number of admissions of Vhi Healthcare members to private hospitals increased from 293,000 to 429,000 – an increase of over 2,600 admissions per week. This represents an average annual increase in excess of 10% over the last four years. We currently spend between €300 and €400 more on each of our customers in meeting their medical needs compared to that spent on their customers by other operators in the health insurance market.

Vhi Healthcare continues to provide cover for the widest range of facilities, latest drugs and technologies available on the market. Our focus is to ensure that our customers can continue to access high quality healthcare in the most appropriate setting. Vhi Healthcare has a highly talented and experienced medical team and our aim is to continue to be at the forefront of future developments in order to best serve our customers' needs.

**Financial Results**

The key financial results can be summarised as follows:

- Total earned premium for the ten month period ended 31st December 2008 was €1.025 billion compared with €1.153 billion the previous year.

- After tax results showed a net deficit of €65 million compared with a surplus of €62.8 million for the year ending February 2008 (excluding the write back of the unexpired risk reserve fund). This deficit arose because Vhi Healthcare is paying out almost €30 million more than it has received in premium income in meeting its customers' medical care needs combined with losses on our investment portfolio of €43 million. The loss on our investment portfolio which has in the past supported the growth of the organisation for the benefit of its customers equates to a loss of 5.3%. The risk element of our investment portfolio has been changed and a more positive return is expected for next year.

# Athbhreithniú Ar Oibríochtaí Ar Lean.

gcustaiméirí agus toisc gur tharla caillteanais €43 milliún a bhaineann lenár bpunann infheistíochta. Is ionann caillteanas ar an bpunann infheistíochta, a bhí mar thacaíocht d'fhás na heagraíochta ar mhaithe leis na gcustaiméirí, agus caillteanas 5.3%. Tá athrú tagtha ar riosca na punainne infheistíochta agus táthar ag súil le fáltas dearfach don bhliain seo chugainn.

- Bhí €981 milliún mar luach ar na héilimh a íocadh don tréimhse atá i gceist, méadú de 17% ar an mbliain roimhe. Tháinig an méadú sin de dheasca méadú suntasach ar líon na ngnáthamh míochaine a bhí íoctha thar ceann ár gcustaiméirí.

- Bhí 94.8% mar chóimheas éileamh Vhi Healthcare, i.e. íocaíocht as cúram míochaine mar chéatadán na préimhe tuillte, atá i bhfad níos airde ná an meánmhargadh. D'íoc Vhi Healthcare meánmhéid de €775 in aghaidh an chustaiméara chun freastal ar riachtanais liachta sa bhliain 2008. Tá an tsuim seo, go suntasach, níos airde ná na suimeanna a chaitheann na cuideachtaí eile sa mhargadh árachais sláinte, a mheastar a chaitheann idir €350 agus €450 an custaiméir.

- Is é an cóimheas sócmhainneachta i.e. cóimheas na saorchúlchistí le hioncam ó phréimheanna, ná 27.7% faoi láthair. Tá sé seo inghlactha i gcomhthéacs na gcaighdeán Eorpach agus fanann Vhi Healthcare mar chuideacht thréan ó thaobh caipitil agus airgeadais de. Ceanglaítear ar Vhi Healthcare, faoin an Acht Vhi (Leasú), rite le bheith ina reacht ag an Oireachtas i 2008, ceadúnas árachais a fháil agus ceanglaítear air bheith faoi rialú an Rialtóra Airgeadais. Tá Vhi Healthcare tiomanta go hiomlán don sprioc seo agus táimid ag féachaint ar conas is féidir linn staid na sócmhainneachta a fheabhsú. Chun an Rialtóir Airgeadais a shásamh ní mór do Vhi Healthcare caipiteal breise a fháil.

**Meicníocht maidir le Tacaíocht a Thabairt do Chustaiméirí Scothaosta a bhfuil Árachas Sláinte acu.**

D'fhógair an Rialtas ar an 19 Samhain 2008 go mbeadh sé ag tabhairt isteach sraith de bhearta eatramhacha chun tacú le pobalratú go dtí go dtabharfar isteach scéim nua um chothromú riosca. Is é atá i gceist leis na bearta seo ná faoiseamh cánach breise atá bainteach le haois agus atá íoctha as tobhach a ghearrtar ar chuideachtaí árachais sláinte, a dheonú.

Chuir Vhi Healthcare fáilte roimh an bhfógra seo ón Rialtas mar creidimid gur céim thábhachtach í seo chun pobalratú a chosaint agus chun a chinntiú gur féidir le daoine scothaosta leanúint de bheith in ann teacht ar árachas sláinte ar na téarmaí céanna agus atá ag baill den tsochaí atá níos óige.





# Operations Review Continued

- Claims paid in the period under review were €981 million, an increase of 17% on the previous year. The increase is due to a significant increase in the number of medical procedures being paid for on behalf of our customers.

- Vhi Healthcare's claims ratio, i.e. payment for medical care as a percentage of earned premium came to 94.8% which is significantly higher than the market average. Vhi Healthcare paid out an average of €775 for each customer to meet their medical care needs in 2008. This is significantly higher than others in the market whom we estimate spend between €350 and €450 per customer.

- The solvency ratio i.e. the ratio of free reserves to premium income currently stands at 27.7%. This is acceptable by European standards and Vhi Healthcare remains well capitalised and financially strong. Under the Vhi Amendment Act, passed in 2008 by the Oireachtas, Vhi Healthcare is obliged to obtain an insurance licence and be regulated by the Financial Regulator. Vhi Healthcare is totally committed to this objective and we are looking at ways to further increase our solvency position. To satisfy the Financial Regulator solvency requirements Vhi Healthcare will require additional capital.

**Mechanism to Support Older Health Insurance Customers**

On 19 November 2008 the Government announced that it would be introducing a series of interim measures in support of community rating pending the introduction of a new risk equalisation scheme. These involve the granting of additional age related tax reliefs which are financed by a levy charged on health insurance companies.

Vhi Healthcare welcomed this announcement by Government because we believe it is an important initial step to protect community rating and ensure that older people can continue to access health insurance on the same terms as younger members of society. The interim solution announced treats all insurers on an equal footing and the measure introduced should, over time, increase competition and product innovation for all customers across all ages.

In December 2008 the Minister published a draft Health Insurance (Miscellaneous Provisions) Amendment Bill 2008 to support this initiative. The stated objective of the draft Bill is to ensure that access to health insurance cover is available to all consumers without differentiation made in respect of age or health status and that this is in the interest of the common good.

Déileálann an réiteach eatramhach seo a bhí fógraithe, leis na hárachóirí go léir ar bhonn comhionann agus d'fhéadfadh an beart, thar am, iomaíocht agus nuálaíocht táirgí a mhéadú le haghaidh na gcustaiméirí go léir ag gach aois.

I mí na Nollag 2008 d'fhoilsigh an tAire an dréacht-Bhille, An Bille Árachais Sláinte (Leasú) (Forálacha Ilghnéitheacha) 2008 chun tacú leis an tionscnamh seo. Is é cuspóir sonraithe an dréacht-Bhille seo ná rochtain ar chumhdach árachas sláinte a áirithiú ag tomhaltóirí go léir, gan idirdhealú a dhéanamh maidir le haois nó bail sláinte agus go bhfuil sé seo ar mhaithe leis an leas coiteann.

Cuireadh an scéim eatramhach seo faoi bhráid an Choimisiúin Eorpaigh i Samhain mar chúnamh féideartha stáit. Má fhaightear freagra dearfach ón gCoimisiún, beimid ag dréim leis go dtabharfar reachtaíocht isteach faoi bhráid an Oireachtais go luath.

**Na hEochairghníomhaíochtaí**

**Ballraíocht agus Díolacháin**
D'ainneoin an choir chun donais eacnamaíoch, breis ar bhrúnna iomaíochta, agus an mhargaidh árachais aibí, ní raibh mórán athraithe ar léibhéal na ballraíochta agus ba é líon na mball ag deireadh na bliana ná 1,535,000.

**Ag Freastal ar Riachtanais Liachta na gCustaiméirí**
D'íoc Vhi Healthcare níos mó ná €981 milliún don tréimhse deich mí atá faoi bhreithniú, le haghaidh costas i ndáil le freastal ar riachtanais liachta a gcustaiméirí.

Ba é an méid iomlán a d'íocamar maidir le costas na ndeich éileamh is airde ná beagnach €1.8 mhilliún. Léiríonn sé seo go raibh méadú 10% thar an mbliain roimhe. I dteannta leis sin, d'íoc Vhi Healthcare as 46 éileamh, ar cóimhéid le €100,000 nó níos mó.

Tá cúram míochaine maidir le hailse ar cheann de na costais is mó i dtéarmaí na sochar ar íocadh astu i rith na bliana agus €185 milliún i gceist. Ba é an costas cóireála in aghaidh galair chroí agus costas in aghaidh ghalair an chórais imshruthaithe ná €129 milliún agus bhí sé sin leanta go dlúth le híocaíochtaí de €128 milliún maidir le cúram ortaipéideach, athchur cromáin san áireamh, bristeacha casta agus athchur glún. Íocadh €112 milliún le haghaidh costais a bhaineann le réimsí tábhachtacha eile maidir le costais cúram liachta lena n-áirítear galair a bhaineann leis an gcóras díleáite, beagnach €54 milliún le haghaidh chúraim sláinte mheabhach, agus beagnach €50 milliún maidir le saolú breis agus 16,100 leanbh.



This interim scheme was referred to the European Commission in November as a potential state aid. If there is a positive response from the Commission we anticipate that the legislation will be brought before the Oireachtas shortly.

**Key Activities**

**Membership & Sales**
Despite a slowing economy, increased competitive pressures, and a mature health insurance market, Vhi Healthcare's membership held relatively steady and at year end totalled 1,535,000.

**Meeting Customers' Medical Needs**
Vhi Healthcare paid out over €981 million in meeting customer's medical needs for the ten month period under review. The total cost of the top ten claims we paid out amounted to almost €1.8 million. This represents an increase of 10% over the previous year. In addition, last year saw Vhi Healthcare pay for 46 claims, each of which amounted to €100,000 or greater.

Cancer related medical care remains the number one in terms of benefit paid during the year with €185 million paid out. The cost of the treatment for heart and circulatory system illnesses was €129 million and this was followed closely by payments of €128 million in respect of orthopaedic care including hip replacements, complicated breaks and knee replacements. Other key areas of medical costs included €112 million which was paid out for illnesses related to the digestive system, nearly €54 million for mental health care and almost €50 million towards the delivery of over 16,100 babies.

The cost of providing high quality medical care continues to increase year on year – a factor of ongoing improvements in technologies, treatment and drugs. Despite the higher cost, this ongoing level of medical innovation is welcomed as it leads to growing numbers of positive outcomes for our members. The key cost driver however is the increase in the number of procedures for which our customers are treated. Significantly, the number of medical procedures which our customers accessed in private hospitals increased by 14% in 2008 compared to 2007.

There is currently excess capacity in the private hospital sector and Vhi Healthcare is committed to working closely with private hospital providers to ensure that new facilities are focussed on addressing un-met demand and do not result in excess medical capacity in areas where it is not required.

# **Athbhreithniú Ar Oibríochtaí** Ar Lean.

Leanann an costas maidir le soláthar cúram liachta d'ard-chaighdeán ag méadú bliain ar bhliain – mar thoradh ar na feabhsuithe leanúnacha i ndáil le teicneolaíochtaí, cóireáil agus drugaí. D'ainneoin an chostais bhreise cuirtear fáilte roimh léibhéal leanúnach an nuála míochaine mar go dtiocfaidh sé as go mbeidh torthaí dearfacha ag ár mbaill. Is é eochairthoisc ó thaobh costas de ná an méadú ar an líon gnáthamh a bhí ag ár gcustaiméirí. Go tábhachtach, bhí méadú 14% ar an líon gnáthamh a bhí ag ár gcustaiméirí sna hospidéil phríobáideacha sa bhliain 2008 i gcomparáid le 2007.

Faoi láthair tá ró-acmhainneacht san earnáil a bhaineann le na hospidéil phríobháideacha agus tá Vhi Healthcare tiomanta de bheith ag obair le soláthraithe ospidéal príobháideach chun a chinntiú go mbeidh na hacmhainní nua dírithe ar éileamh nach bhfuil freastal air faoi láthair agus chun ró-acmhainneacht mhíochaine nach bhfuil gá léi a sheachaint.

**An Chomhpháirtíocht Nua le hOspidéal Ollscolaíoch Phádraig**
Sa bhliain 2008 d'fhógair Vhi Healthcare go raibh comhpháirtíocht déanta acu le hOspidéal Ollscolaíoch Phádraig agus thug siad gealltanas réimse leathan de thionscnaimh a thacú chun saoráidí ildisciplíneacha le haghaidh othair sheachtracha, seirbhísí meabhair-shláinte atá pobalbhunaithe agus seirbhísí tacaíochta ar-líne a chur chun cinn.

Ón 1 Eanáir 2009 tá na clinicí Dean,seirbhís reigiúnach meabhair-shláinte nua atá pobalbunaithe a sholáthraíonn an fhoireann in ospidéal Ollscolaíoch Phádraig, faoi chumhdach árachais sna pleananna go léir ag Vhi Healthcare. Tá na clinicí seo lonnaithe i nDomhnach Míde, ar Shráid Capel, in Oispidéal Naomh Edmundsbury i Leamhcán agus san Ospidéal Bons Secours i nGlas Naíon agus i gClinic Vhi SwiftCare i gCorcaigh. Solathraíonn na clinicí seirbhísí ginearálta meabhair-shláinte d'othair sheachtracha, seirbhísí ina n-áirítear cláir maidir le himní agus neamhord andúile. Taispeánann taighde go mbíonn torthaí níos fearr i dtaca le tinneas síciatrach, amhail neamhord imní, nuair a úsáidtear cur chuige atá pobalbhunaithe.

**Ag Bainistiú Fholláine ár gCustaiméirí**
Thar an meántéarma, tá sé ar intinn againn acmhainní breise a chur ar fáil, agus táirgí nua a fhorbairt, dírithe ar bhainistiú galar ainsealach, chúram sa phobal agus ar ghalar a chosc d'fhonn fóllaine ár gcustaiméirí a fheabhsú. Chomh leis sin, cabhraíonn an straitéis lenár gcustaiméirí a sláinte agus a bhfolláine féin a bhainistiú i mbealach níos éifeachtúla, ní amháin trí bheith ann dóibh mar árachóir nuair atá siad tinn ach ag an am céanna, trí sholáthar an eolais agus na tacaíochta atá riachtanach dóibh chun tinneas a sheachaint sa chéad dul síos.





# **Operations Review** Continued

**New Partnership with St. Patrick's University Hospital**
2008 saw Vhi Healthcare announce a partnership with St. Patrick's University Hospital and commit to supporting a wide range of initiatives which will promote the development of multi-disciplinary outpatient facilities, community based mental health services and online support services.

Since 1 January 2009 all Vhi Healthcare plans now provide cover for the Dean Clinics, a new community based regional mental health service provided by the team in St. Patrick's University Hospital. These clinics are now located at Donaghmede, Capel Street, St. Edmundsbury Hospital in Lucan, the Bons Secours Hospital in Glasnevin and the Vhi SwiftCare Clinic in Cork. The clinics provide general mental health services on an outpatient basis including anxiety and addiction disorder programmes. Research shows that those suffering from psychiatric illnesses such as anxiety disorder have better outcomes through a community based approach.

**Management of Our Customers' Wellbeing**
Over the medium term we intend to devote significantly greater resources and develop new products which will be focused on the critical areas of chronic disease management, care in the community and prevention with a view to improving our customers' wellbeing. This strategy will also facilitate our customers in managing their health and wellness more effectively, not just being there for them when they are sick but also equipping them with the information and support that they need to prevent them from getting sick in the first place.

In December 2008 Vhi Healthcare hosted a conference on "Lifestyle Diseases and their Management in the 21st Century" in the Royal College of Physicians which saw a panel of renowned experts present on a host of lifestyle diseases including diabetes, cancer, obesity and stress. Dr. Bernadette Carr, Medical Director, Vhi Healthcare, also announced details of a screening pilot programme which commenced in January 2009. The project will see Vhi Healthcare, with the assistance and support of the teaching units in St. James's Hospital and the Mater Hospital, provide screening services for 5,000 customers in 2009 and, if indicated, a follow-up oral glucose tolerance test. Participants will receive a report on their Type 2 diabetes and cardiovascular risk status.

I Nollaig 2008 bhí Vhi Healthcare ina óstach do chomhdháil ar "Lifestyle Diseases and their Management in the 21st Century" ("Galair a Bhaineann le Stíl Mhaireachtála agus a mBainistiú san 21ú hAois") sa Choláiste Ríoga Lianna ina raibh painéal de shaineolaithe cáilithe ar shraith de ghalair a bhaineann le stíl mhaireachtála ina n-áirítear diaibéiteas, ailse, foircheasacht, agus strus. D'fhógair an Dr. Bernadette Carr, Stiúrthóir Míochaine, freisin sonraí ar chlár píolótach scagthástála a thosaigh i mí Eanáir 2009. Beidh Vhi Healthcare, le cabhair agus tacú ó na haonaid teagaisc in Ospidéal San Séamus agus in Oispidéal an Mater Miseriocordiae, in ann leis an tionscadal seo, seirbhísí scagthástála a sholáthar do 5,000 custaiméir i 2009 agus, má tá sé léirithe, tástáil bhéil leantach a sholáthar maidir le lamháltas glúcóis. Tabharfar tuairisc do na daoine a ghlacadh páirt maidir lena ndiaibéitis Tíopa 2 agus staid a riosca cardashoithíocha.

Go dtí seo tá ghlac páirt ann an-mhaith leis an tionsnamh seo agus táimid ag súil leis go gcabhróidh an staidéar seo leis an díospóireacht ar réimse na ngalar a bhaineann le bainistiú Stíl Mhairteachtála in Éirinn agus cén chaoi is fearr is féidir lenár gcóras sláinte déileáil leis an dúshlán ollmhór seo.

Tá pleananna againn seirbhísí scagthástála breise a chur ar fáil dár gcustaiméirí sna blianta amach romhainn.

## Táirgí Éagsúla

### Clinicí SwiftCare Vhi

Leanann Clinicí Vhi SwiftCare, an chéad ghréasán forleitheadach de chlinicí siúil isteach, do chúram práinneach in Éirinn, ag dul ó neart go neart agus chuir siad cóireáil leighis ar bhreis agus 150,000 othar ón uair a osclaíodh an chéad áis i Samhain 2005. Osclaíodh dhá chlinic nua de chuid Vhi SwiftCare sa bhliain 2008, ceann amháin i gCorcaigh agus ceann eile i bPort Láirge. D'Oscail an tAire Mary Harney T.D, Aire Sláinte agus Leanaí, clinic Vhi Swiftcare i gCorcaigh, atá lonnaithe i City Gate, Machain, i mí na Samha 2008 agus d'oscail an t-iománaí John Mullane clinic Vhi SwiftCare i bPort Láirge, lonnaithe i gClinic Whitfield, go hoifigiúil i mí na Nollag 2008.

### MultiTrip ó Vhi Healthcare

Lainseáilte i mí na Feabhra 2004, tháinig MultiTrip ó Vhi Healthcare go luath chun a bheith ina ceannaire margaidh san earnáil árachas taistil i dtaca le hil-turais le níos mó ná 370,000 custaiméir agus 30% de sciar an mhargaidh san earnáil seo. Thug Vhi Healthcare isteach sochair thábhachtacha do MultiTrip le déanaí ina n-áirítear cumhdach le haghaidh laethanta saoire caite in Éirinn, cumhdach le aghaidh eitiltí a bhí curtha in áirithe i ndiaidh don turas a bheith tosaithe cheana féin, cumhdach

To date the response to this initiative has been very positive and we hope that the data provided through this study will inform future debate on the area of Lifestyle disease management in Ireland and how best to address the huge challenge this poses for our health system.

There are plans in place to roll out additional screening services for our customers in the years ahead.

## Diversified Products

### Vhi SwiftCare Clinics

The Vhi SwiftCare Clinics, Ireland's first nationwide network of walk-in, urgent care clinics continue to go from strength-to-strength and have treated over 150,000 patients since the first facility opened in November 2005. Two new Vhi SwiftCare Clinics were opened in 2008, one in Cork and another in Waterford. The Cork Vhi Swiftcare Clinic, located in City Gate, Mahon, was opened by the Minister for Health & Children, Mary Harney T.D. in November 2008 and the Waterford Vhi SwiftCare Clinic, located in Whitfield Clinic, was officially opened by Waterford hurler John Mullane in December 2008.

### MultiTrip from Vhi Healthcare

Launched in February 2004, MultiTrip from Vhi Healthcare has quickly been established as market leader of the multi trip travel insurance sector with over 30% market share in this area and over 370,000 customers. Significant benefits have recently been introduced to MultiTrip from Vhi Healthcare including cover for holidays in Ireland, cover for flights booked after the trip commences, pet care cover for additional kennels or cattery fees if a members' trip home is delayed, catastrophe cover of €1,000 for the cost of providing other similar accommodation if booked accommodation cannot be lived in due to fire, flood, earthquakes or storms. Students in full time education up to the age of 21 are also now entitled to remain on their family MultiTrip policy as a dependent.

### Global from Vhi Healthcare

2009 is the 10th anniversary of the Global product which provides expatriate health insurance to Irish citizens living abroad for more than 180 days in the year. Since first launching in January 1999, over €20 million has been paid out on approximately 16,000 claims made by Global from Vhi Healthcare customers. As can be seen from the claims figures over the past decade, Global from Vhi Healthcare provides substantial value for money. It also provides a seamless transfer back to Vhi Healthcare health insurance plans when a member returns to Ireland.

# Athbhreithniú Ar Oibríochtaí Ar Lean.

maidir le táillí a bhaineann le conchró bordála nuair tharlódh moill ar turas abhaile, cumhdach matalaing €1000, i gcásanna nach bhfuil an custaiméir in ann fanacht sa chóiríocht a bhí curtha in áirithe aige/aici de bharr dóiteáin, tuile, creathanna talún, stoirmeacha, chun costas na cóiríochta dá samhail a íoc, Tá mic léinn atá ag gabháil don oideachas lánaimseartha go haois 21 i dteideal anois fanacht ar pholasaí MultiTrip a dteaghlaigh mar spleáchóir.

**Global ó Vhi Healthcare**

I 2009 bhí comóradh deich mbliana sholáthar an táirge Global a chuireann saoránaigh Éireannacha, atá ina gconaí thar lear ar feadh níos mó ná 180 lá sa bhliain, faoi árachas sláinte. Ón uair a lainseáladh Global i mí Eanáir 1999, d'íoc Vhi Healthcare as timpeall 16,000 éileamh ar luach os cionn €20 milliún a tháinig isteach ó chustaiméirí Vhi Healthcare trí Global. Taispeánann na figiúirí a bhaineann leis na héilimh a tháinig isteach ó Global le deich mbliana anuas go bhfaigheann Vhi Healthcare luach suntasach ar a gcuid airgid. Thairis sin, níl fadhb ar bith aistriú ar ais chuig árachas sláinte Vhi Healthcare nuair a fhilleann an ball ar ais go hÉirinn.

**NurseLine 24/7 (Líne Altra) ó Vhi Healthcare**

Soláthraíonn NurseLine ó Vhi Healthcare teacht ar altraí cáilithe 24 uair sa lá, 365 lá sa bhliain trí sheirbhís ghutháin. Bíonn altraí cleachta ar fáil chun ceisteanna a fhreagairt, rochtain ar eolas faoi riochtaí míochaine a sholáthar agus eolas a chur ar fáil faoi chógais agus faoi idirghníomhaíocht na gcógas. Lean NurseLine 24/7 ag dul ó neart go neart sa bhliain 2008 agus i láthair na huaire tá an líne ag fáil níos mó ná 8,000 glaoch ar an meán in aghaidh na míosa.

**Vhi DeCare Dental**

Ba é Vhi DeCare Dental an chéad táirge árachais a bhaineann le cúram déadach ar fáil in Éirinn agus tá an t-éileamh air ag méadú gach bliain. Ag deireadh mhí na Nollag 2008 bhí cumhdach déadach ag 40,000 agus táimid ag súil le méadú ar líon na ndaoine ag fáil an árachais seo sa bhliain amach romhainn. D'íoc polasaithe Vhi DeCare Dental as timpeall 94% de na h-éilimh go léir, agus 85% de na gnáthaimh a fuair sé ó chustaiméirí a raibh an plean seo acu, ar luach suntasach ar a gcuid airgid é.

**Vhi Corporate Solutions (Réitigh Chorparáideacha)**

Is foireann speisialta í foireann Vhi Corporate Solutions a sholáthraíonn seirbhísí d'ardchaighdeán maidir le sláinte agus folláine oibrithe do cliaint chorparáideacha thar réimse leathan de thionscail. Le linn na bliana, tháinig méadú an-mhór ar an tsuim atá ag cuideachtaí sna cursaí traenála a sholáthraímid i ndáil le sláinte na foirne bainistíochta, sláinte oibrithe agus



# Operations Review Continued

**NurseLine 24/7 from Vhi Healthcare**

NurseLine 24/7 from Vhi Healthcare offers members access to qualified nurses by phone 24 hours a day, 365 days a year. Experienced nurses are available to answer queries, provide access to information on medical conditions and provide information on medications and their interactions. In 2008 NurseLine 24/7 continued to go from strength to strength, and is currently receiving an average of over 8,000 calls each month.

**Vhi DeCare Dental**

Vhi DeCare Dental was Ireland's first dental insurance product and it has continued to grow in popularity each year. At the end of December 2008, 40,000 people had dental cover and we expect this figure to grow again in the coming year. Vhi DeCare Dental policies have paid out on roughly 94% of all claims, and 85% of all procedures, submitted for payment, offering significant value for money for customers with this plan.

**Vhi Corporate Solutions**

Vhi Corporate Solutions is a specialist team offering high-quality services on a range of employee health and well-being issues to corporate clients across a wide range of industries. The past year has seen huge growth in interest in the training courses we offer in management, employee and occupational health as well as the outplacement support that we provide to clients.

**Sponsorships**

One of our largest sponsorships is the Vhi GAA Cúl Camps, a nationally co-ordinated programme aiming to encourage primary school children between the ages of 7 and 13, to learn and develop sporting and life-skills by participating in Gaelic Games, in a fun, non-competitive environment. 2008 was the third year that Vhi Healthcare partnered with the GAA to promote the Vhi GAA Cúl Camps and saw a record 83,000 children attend, similar to Croke Park's capacity. This is an increase of over 8,000 attendees since the Vhi GAA Cúl Camps were introduced in 2006.

**Technology Development**

The Vhi Healthcare claims division commenced a major project to upgrade the claims processing systems. The current phase involves the redesign and development of a new claims assessment system referred to as IAS Programme (Inpatient Adjudication System) and this went live in October 2008. Work has already started on the next phase which is the introduction of electronic data interchange between Vhi Healthcare and hospital providers. The overall programme will result in greater operational efficiencies.

sláinte cheirde chomh maith leis an tacaíocht i dtaca le sochrúchán seachtrach a chuirimid ar fáil do chliaint.

**Urraíocht**
Is iad Cúl Camps atá bainteach Cumann Lúthchleas Gael ceann de na himeachtaí a dhéanaimid urraíocht orthu agus tá na Cúl Camps bunaithe ar chlár atá comhordaithe ar bhonn náisiúnta agus atá dírithe ar spreagadh páistí scoile idir 7 agus 13 bliana d'aois, scileanna spóirt agus saoil a fhoghlaim agus a fhorbairt trí ghlacadh páirte i gCluichí Gaelacha, i dtimpeallacht thaitneamhach agus neamh-iomaíoch. Ba í 2008 an triú bliain a chuaigh Vhi Healthcare i gcomhpháirtíocht le Cumann Lúthchleas Gael chun na Cúl Camps de chuid Vhi GAA a chur chun cinn agus d'fhreastal 83,000 páiste ar na campaí an bhliain sin, cothrom le hacmhainn Pháirc an Chrócaigh. Is méadú 8,000 é seo ar líon na bpáistí a d'fhreastail ar na cluichí ó a thosaigh Cúl Camps Vhi GAA sa bhliain 2006.

**Forbairt Teicneolaíochta**
Thionscain rannán éilimh Vhi Healthcare tionscadal mór chun uasghrádú a dhéanamh ar an gcóras próiseála éileamh. Ag an gcéim seo den tionscadal caithfear córas measúnachta éileamh nua a athdhearadh agus a fhorbairt dá ngairtear Clár IAS (Impatient Adjudication System – Córas Breithnithe Othar Cónaitheach) agus thosaigh an córas seo i mí Dheireadh Fómhair 2008. Táthar ag obair cheana féin ar thabhairt isteach idirmhalartú leictreonach sonraí idir Vhi Healthcare agus na soláthraithe seirbhísí oispidéal, an chéad chéim eile den tionscadal. Beidh breis éifeachtúlachta oibríochtúla mar thoradh ar an gclár iomlán.

**Acmhainní Daonna**
Ag deireadh mhí na Nollag 2008 bhí timpeall 1,022 duine fostaí (nó 937 fostaithe lánaimseartha) ag Vhi Healthcare atá ag obair in ocht suíomh ar fud na hÉireann. Bhí traenáil agus forbairt na bhfostaithe ríthábhachtach maidir le rathúlacht ár gnó san am a chuaigh thart agus leanfaidh sé de bheith ríthábhachtach dúinn sa todhchaí. I rith 2008 dhírigh ár dtaighde ar éisteacht go géar lenár gcustaiméirí, ionas go mbeimid in ann riachtanais ár gcustaiméirí a aithint agus a fháil amach conas is féidir linn feabhas a chur ar "eispéireas nó taithí an chustaiméara". Is eochairthoisc é ó thaobh thaithí an chustaiméara de go bhfuil cumarsáid agus soláthar na bpríomhsheirbhísí custaiméirí faoi bhainistíocht ár bhfostaithe féin atá lonnaithe anseo in Éirinn.

Déanaimid bainisteoireacht ar theagmhálacha custaiméirí, agus ar an bpróiseas éileamh, agus déanaimid bainisteoireacht ar an gcaidreamh lenár scéimeanna grúpaí corparáideacha ar bhonn inmheánach.



**Human Resources**
At the end of December 2008 Vhi Healthcare employed approximately 1,022 (or 937 whole time equivalent) people spread across eight locations throughout Ireland. Investing in the training and development of our employees has been crucial to our business success in the past and will continue to be so in the future.

During 2008 our market research focused on listening carefully to our customers in order to more closely identify what our customers want, and how we can improve the 'customer experience'. A key part of this experience is the fact that all of our customer communications and key customer services are provided and managed by our own employees based here in Ireland.

We internally manage all customer contacts, process our claims, administer our policies, and manage the relationship with our corporate group schemes.

**Customer Contacts**
As Ireland's only specialist, not-for-profit health insurer, Vhi Healthcare takes pride in putting our customers at the centre of all that we do. Our interaction with members is particularly important to us and last year we had 1.2 million contacts with members through telephone, email, text messages or callers to our offices in Cork, Dublin (Abbey Street, Dun Laoghaire and Naas Road), Galway, Gweedore, Kilkenny and Limerick.

**Ensuring Sustainability**
Over the last four years the number of medical procedures which our customers have availed of has increased by more than 50% and we anticipate that this trend will continue in the years ahead. Last year the number of medical procedures we paid for in private hospitals on behalf of our customers increased by 14%. The two largest areas of medical expenditure are in the critical areas of cancer and cardiac care and in these areas there have been significant improvements in survival rates over the last ten years as a result of both technological and new drug developments.

To ensure that Vhi Healthcare can continue to meet our customers' high quality medical needs it was necessary to put through a significant price increase which we announced in November 2008. This price increase reflected the increased demand for medical care and will help to ensure that we are sustainable on behalf of our members.

# **Athbhreithniú Ar Oibríochtaí** Ar Lean.

**Teagmhálacha Custaiméirí**
Toisc gurb é Vhi Healthcare an t-aon árachóir sláinte seachbhrabúsach agus an t-aon árachóir sláinte atá ina speisialtóir, tá mórtas orainn as ár gcustaiméirí a chur i gcroílár gach ruda a dhéanaimid.

Tá an caidreamh lenár mbaill an-tábhachtach dúinn agus bhí 1.2 mhilliún teagmháil le baill an bhliain seo caite trí ghlaonna gutháin, r-phost, teachtaireachtaí téacs, no cuairteanna ar ár n-oifigí i gCorcaigh, Baile Átha Cliath (Sráid na Mainistreach, Dún Laoghaire agus Bóthar an Náis), Gaillimh, Gaoth Dobhair, Cill Chainnigh agus Luimneach.

**Inbhuanaitheacht a Chinntiú**
Bhí méadú de bhreis agus 50% ar líon na ngnáthamh míochaine a bhí ag ár gcustaiméirí le ceithre bliana anuas agus táimid ag dréim leis go leanfaidh an treocht seo ar aghaidh sna blianta amach romhainn. Bhí méadú 14% ar líon gnáthamh sna hospidéil príobháideacha a d'íocamar astu thar cheann ár gcustaiméirí. Is iad an dá réimse ríthábhachtacha ó thaobh costais mhíochaine de ná cúram ailse agus caidiach agus sna réimsí seo tá feabhas mór tagtha orthu maidir le rátaí marthanais le deich mbliana anuas de dheasca forbairtí ar theicneolaíocht agus ar dhrugaí nua.

Bhí gá le hardú suntasach ar phraghasanna a d'fhógraíomar i Samhain 2008 chun a chinntiú gur féidir le Vhi Healthcare leanúint de bheith ag freastal ar riachtanais mhíochaine d'ardchaighdeán ár gcustaiméirí.

Léirigh an t-ardú seo ar phraghsanna an t-éileamh méadaithe ar chúram míochaine agus cabhraíonn sé le hinbhuanaitheacht Vhi Healthcare a chinntiú thar cheann ár mbaill.

Ina theannta sin, d'athraíomar ár straitéis infheistíochta agus is toradh é ar an mbeart sin go mbeidh teacht isteach dearfach ar infheistíocht sa bhliain 2009.

Ó dheiridh na bliana tá caibidlí ar siúl lenár soláthraithe míochaine príobháideacha agus cé nach bhfuil na caibidlí ar fad seo curtha i gcrích fós, creidimid go mbeidh €20 milliún de choigilteas de thoradh na gcaibidlí seo nach raibh sa phlean don bhliain 2009 agus chuireann sé sin ar ár gcumas laghdú de €100 agus de €120 ar na rátaí páistí i bPlean B agus Roghanna B faoi seach a chur i ngníomh. Rachaidh an laghdú seo chun tairbhe do thart ar 200,000 teaghlach.



# **Operations Review** Continued

In addition we altered our investment strategy which should result in a positive investment return in 2009.

Subsequent to the year end we have been engaged in negotiations with our private medical providers and while all these negotiations have yet to be concluded we believe we will generate €20 million of savings against our original plan for 2009 and this has enabled us to reduce the 2009 children's rate in Plan B and B Options by €100 and €120 respectively. This reduction will benefit approximately 200,000 families.

We are committed to continue to negotiate strongly on behalf of our members so that we can continue to deliver value for money.

**Outlook**

**Period ended 31st December 2008**
We anticipate a challenging year ahead and the economic and competitive environment will undoubtedly impact on our membership levels. In 2009 we again expect to pay more than 95% of customers' premium income in meeting their medical needs. This is significantly higher than the market average.

We have the lowest administration costs in our sector and Vhi Healthcare will ensure that there will be no increase in our administration costs in 2009. In fact we have targeted a significant reduction in this area. We have also introduced a range of cost containment initiatives right across the organisation including negotiations with providers of medical services and any savings achieved will be passed back to our customers.

**Medium Term Strategy**
Vhi Healthcare's focus will continue to be on providing our members with access to quality healthcare at the lowest possible cost. We will continue to negotiate on their behalf to secure the best possible value and to ensure cover for the latest drugs, technologies and treatments.

Medical conditions derived from lifestyle diseases represent one of the greatest healthcare challenges for this country. This is a very complex area and in my opinion an integrated strategy will need to be adopted to meet this challenge head on. As Ireland's pre-eminent health insurer we are planning to devote significantly greater resources to prevention, care in the community and chronic disease management programmes for the benefit of our customers in the years ahead.

Táimid tiomanta do leanúint ag déanamh caibidlí go díograiseach thar ceann ár mball chun leanúint ag soláthar luach ar airgid.

**Ionchas**

**An Tréimhse dar Críoch 31 Nollaig 2008**
Táimid ag dréim leis go mbeidh bliain dhúshlánach amach romhainn agus rachaidh an timpeallacht eacnamaíoch agus iomaíoch i gcion ar léibhéil na ballraíochta. Sa bhliain 2009 táimid ag súil leis go n-íocfaimid 95% d'ioncam préimhe custaiméirí chun freastal ar a riachtanais mhíochaine. Tá sé seo níos airde, go suntasach, ná an meánmhargadh.

Tá na costais is lú maidir le riarachán san earnáil árachais sláinte ag Vhi Healthcare agus áiritheoimid nach mbeidh méadú ar chostais riaracháin sa bhliain 2009. Beimid ag díriú ar chostais sa réimse seo a laghdú go suntasach. Thugamar raon tionscnamh i dtaca le costais a shrianadh isteach ar fud na heagraíochta ina n-áirítear dul i caibidlí le soláthraithe seirbhísí míochaine agus tabharfar ar ais do na custaiméirí aon choigilteas a bhainimid amach.

**An Straitéis Mheántéarmach**
Leanann Vhi Healthcare de bheith ag díriú ar rochtain ar chúraim sláinte d'ardchaighdeán a sholáthar ar an bpraghas is ísle is féidir. Leanfaimid ag idirbheartú thar ceann ár gcustaiméirí chun an luach is fearr a fháil agus chun cumhdach le haghaidh na ndrugaí, na dteicneolaíochtaí agus cóireálacha leighis is déanaí a chinntiú.

Tá riochtaí míochaine de dheasca galair a bhaineann le stíl mhaireachtála ar cheann de na dúshláin chúraim sláinte is mó atá os comhair na tíre seo. Is réimse an-chasta é an réimse seo agus is é mo thuairim go mbeidh gá le straitéis chomhtháite chun aghaidh a thabhairt ar an dúshlán seo. Mar phríomhárachóir sláinte na hÉireann, táimid ag phleanáil chun i bhfad níos mó acmhainní a dhíriú ar chosc ar galar, ar chúram sa phobal agus ar chláir um bainistiú galar ainsealach, ar mhaithe lenár gcustaiméirí sna blianta amach romhainn.

Leanfaimid ar aghaidh freisin ag nuáil agus ag forbairt táirgí nua chun cáilíocht bheatha dár gcustaiméirí a fheabhsú.

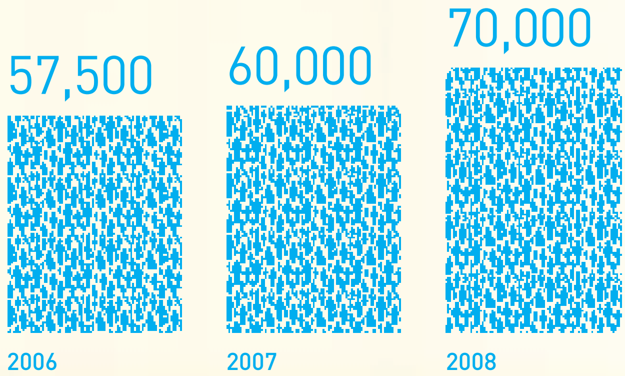
**Jimmy Tolan**
Príomhfheidhmeannach



We will also continue to innovate and develop new products which will add real value to our customers' lives.

**Jimmy Tolan**
Chief Executive

## Glaonna ar NurseLine
## Calls to Nurseline




Tairgeann NurseLine 24/7 ó Vhi Healthcare rochtain ar an teileafón d’altraí cáilithe do bhaill 24 uair sa lá, 365 lá sa bhliain. Tá altraí a bhfuil taithí acu ar fáil chun fiosrúcháin a fhreagairt, chun eolas a sholáthar maidir le riochtaí leighis agus chun faisnéis a chur ar fáil faoi chógais agus faoin gcaoi a mbíonn siad ag imoibriú lena chéile. Lean NurseLine 24/7 ar aghaidh ag dul ó neart go neart i 2008 agus faoi láthair, faigheann sé níos mó ná 8,000 glaoch ar an meán gach mí.

NurseLine 24/7 from Vhi Healthcare offers members access to qualified nurses by phone 24 hours a day, 365 days a year. Experienced nurses are available to answer queries, provide access to information on medical conditions and provide information on medications and their interactions. In 2008 NurseLine 24/7 continued to go from strength to strength, and is currently receiving an average of over 8,000 calls each month.

# Foireann Bainistíochta Feidhmiúcháin

**1. Jimmy Tolan – B.Comm., FCA, Príomhfheidhmeannach**
Thosaigh Jimmy Tolan le Vhi Healthcare mar Phríomhfheidhmeannach i mBealtaine 2008. Bhí an tUasal Tolan ina Phríomhoifigeach Feidhmiúcháin ar Fyffes plc ó Eanáir 2007 agus rinne sé bainistíocht ar fheidhm éadála Fyffes ó 1993. Cuntasóir cáilithe atá i Jimmy Tolan agus fuair sé a oiliúint le KPMG. Tá Céim B.Comm agus Dioplóma i gCuntasaíocht Phroifisiúnta aige ó Choláiste na hOllscoile, Baile Átha Cliath.

**2. Dr. Bernadette Carr – MD, FRCPI, MPH, LFOM. Stiúrthóir – Míochaine**
Is lia agus eipidéimeolaí í Bernadette Carr le taithí fhairsing chliniciúil agus taighde. Is céimí de Choláiste na hOllscoile, Corcaigh í, agus i measc a cáilíochtaí tá Comhaltacht UCLA, Dochtúireacht i Leigheas, Coláiste na Tríonóide, Baile Átha Cliath, Ceadúnach de Dhámh an Leighis Saothair, agus Máistreacht i Sláinte Phoiblí agus Dioplóma i nDeirmeolaíocht Phraiticiúil (Cardiff). Toghadh í ar Chomhaltacht Choláiste Ríoga na Máinlianna in Éirinn in 1996. Thosaigh Bernadette le Vhi Healthcare i 1994 mar Stiúrthóir Leighis agus i measc na bhfreagrachtaí atá uirthi tá: caidreamh le soláthróirí agus idirbheartaíochtaí conartha; measúnú ar fhorbairtí leighis agus chúraim sláinte.

**3. Willie Shannon – BBS, FCA, Stiúrthóir – Airgeadas**
Is céimí é William Shannon de Choláiste na Tríonóide, Baile Átha Cliath, áit a bhfuair sé a BBS i 1974. Cháiligh sé mar chuntasóir cairte i 1977 agus thosaigh sé le gnólacht mhór bróicéirí árachais i 1987. Ceapadh é ina dhiaidh sin mar Cheannasaí Airgeadais an Ghrúpa i 1989. Thosaigh sé le Vhi Healthcare mar Stiúrthóir Airgeadais in 2002. Tá sé ina bhall de roinnt coistí in Institiúid na gCuntasóirí Cairte. Is iar-Chathaoirleach é ar Choiste Airgeadais, Institiúid Árachais na hÉireann agus iar-Uachtarán ar Chumann na bhFeidhmeannach Airgeadais.



# Executive Management Team

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2.

3.

**1. Jimmy Tolan – B.Comm., FCA, Chief Executive**
Jimmy Tolan joined Vhi Healthcare as Chief Executive in May 2008. Mr. Tolan was Chief Executive Officer of Fyffes plc since January 2007 and managed Fyffes acquisition function since 1993. Jimmy Tolan is a qualified accountant, having trained with KPMG. He has a B.Comm Degree and a Diploma in Professional Accounting from University College Dublin.

**2. Dr. Bernadette Carr – MD, FRCPI, MPH, LFOM. Director – Medical**
Bernadette Carr is a physician and epidemiologist with extensive clinical and research experience. A graduate of UCC, her qualifications include Fellowship in UCLA, Doctorate in Medicine TCD. Licentiate of Faculty of Occupational Medicine. Masters Public Health and Diploma in Practical Dermatology (Cardiff). She was elected to Fellowship of the Royal College of Physicians in Ireland in 1996. Bernadette joined Vhi Healthcare in 1994 as Medical Director and her responsibilities include: provider relations and contract negotiations; medical and healthcare development assessment.

**3. Willie Shannon – BBS, FCA, Director – Finance**
Willie Shannon is a graduate of TCD, having obtained his BBS in 1974. He qualified as a chartered accountant in 1977 and joined a large firm of insurance brokers in 1987. He was subsequently appointed Group Finance Director in 1989. He joined Vhi Healthcare as Director of Finance in 2002. He serves on several committees in the Institute of Chartered Accountants. He is also a past Chairman of the Finance Committee of the Insurance Institute of Ireland and Past President of the Financial Executives Association.

4.

5.

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**4. Tony McSweeney** – Stiúrthóir – Gnó Indibhidiúil agus Corparáideach

Thosaigh Tony McSweeney, atá ina chomhalta d'Institiúid Margaíochta na hÉireann agus ina Chomhalta d'Institiúid Díolacháin na hÉireann, le Vhi Healthcare ón tionscal saoil agus pinsean i 1996. Tá freagracht air as Seirbhísí do Chustaiméirí, Riarachán Custaiméirí agus Díolacháin.

**5. John Creedon** – Stiúrthóir – Éilimh

Tá BSC ag John Creedon i bhFeidhmiúcháin Ríomhaire ó Ollscoil Bhaile Átha Cliath. Tá freagracht air as seirbhís iomlán, riarachán agus íocaíocht éileamh. Bhí roinnt post sinsearach aige le Vhi Healthcare, sular ceapadh é ina Stiúrthóir i 1996.

**6. Margaret Molony** – Stiúrthóir – Teicneolaíocht Faisnéise

Tá níos mó ná 22 bliain de thaithí ag Margaret Molony i Vhi Healthcare agus tá freagracht uirthi as seirbhísí teicneolaíochta faisnéise san eagraíocht. Thosaigh Margaret le Vhi Healthcare i 1986 agus bhí roinnt post sinsearach aici, an ceann is déanaí mar Bhainisteoir Chláir IAS sular ceapadh í sa phost ina bhfuil sé anois i 2008.

**7. Declan Moran** – Stiúrthóir – Margaíocht agus Forbairt Ghnó

Tá BSc in Eolaíocht Ríomhaireachta ag Declan Moran agus is Comhalta é d'Institiúid na nAchtúirí ó 1994. Thosaigh sé le Vhi Healthcare i 1997 ón tionscal saoil agus pinsean agus ceapadh é chuig Bord Stiúrthóirí Vhi in 2008. Tá freagracht air as bainistíocht punann táirgí Vhi Healthcare, as táirgí agus seirbhísí nua a fhorbairt agus as saineolas achtúireachta laistigh den eagraíocht a sholáthar.

**8. Michael Owens** – Stiúrthóir – Acmhainní Daonna

Tá BA ag Michael Owens i gCaidreamh Tionsclaíoch agus is Comhalta Cairte den CIPD é Michael Owens agus thosaigh sé le Vhi Healthcare i Lúnasa 1999 agus tá os cionn 28 bliain taithí aige i mbainistíocht acmhainní daonna, innealtóireacht éadrom, páipéar agus prionta, miondíol tráchtála agus árachas.

**4. Tony McSweeney** – Director – Individual and Corporate Business

Tony McSweeney, a member of the Marketing Institute of Ireland and a Fellow of the Sales Institute of Ireland, joined Vhi Healthcare from the life and pensions industry in 1996. He is responsible for Customer Services, Customer Administration and Sales.

**5. John Creedon** – Director – Claims

John Creedon has a BSc in Computer Applications from Dublin City University. He is responsible for the overall service, administration and payment of claims. John has held a number of senior positions within Vhi Healthcare prior to his appointment as a Director in 1996.

**6. Margaret Molony** – Director – Information Technology

Margaret Molony has over 22 years experience in Vhi Healthcare and is responsible for Information Technology Services in the organisation. Margaret joined Vhi Healthcare in 1986 and has held a number of senior positions within Vhi Healthcare, most recently as IAS Programme Manager prior to her current appointment in 2008.

**7. Declan Moran** – Director – Marketing and Business Development

Declan Moran has a BSc in Computer Science and is a Fellow of the Institute of Actuaries since 1994. He joined Vhi Healthcare in 1997 from the life and pensions industry and was appointed to the Vhi Board of Directors in 2008. He is responsible for the management of Vhi Healthcare's product portfolio, development of new products and services and provision of actuarial expertise within the organisation.

**8. Michael Owens** – Director – Human Resources

Michael Owens has a BA in industrial relations and is a Chartered Fellow of CIPD. He joined Vhi Healthcare in August 1999 and has over 28 years experience in human resources management in light engineering,paper and print, commercial retailing and insurance.

# Tuarascáil na Stiúrthóirí

Tá áthas ar na Stiúrthóirí an 52ú Tuarascáil Bhliantúil a chur i láthair de réir Alt 20 (1) den Acht Árachais Sláinte Shaorálaigh 1957. Tá cuntais an Bhoird agus na nótaí lena mbaineann atá mar chuid de na cuntais san áireamh sa tuarascáil seo agus tá siad ullmhaithe de réir caighdeáin chuntasaíochta a bhfuil glactha leo go ginearálta in Éirinn agus cloínn siad le Rialacháin (Cuntais: Gnóthais Árachais) an Aontais Eorpaigh 1996.

**1. Príomhghníomhaíochtaí**
Is corparáid reachtúil é an Bord Árachais Cúram Sláinte arna bhunú ag an Acht Árachais Sláinte Shaorálaigh 1957 agus tá mar chuspóirí aige córas airgeadais do chúraim sláinte príobháideach a chur ar fáil, arna chur i bhfeidhm ar bhunús cúnaimh fhrithpháirtigh.

**2. Torthaí**
Tá na torthaí do na deich mí go dtí an 31 Nollaig 2008 leagtha amach sa Chuntas Ioncaim agus Caiteachais.

**3. Athbhreithniú Gnó agus Forbairtí Amach Anseo**
Tá athbhreithniú ar ghnó a rinneadh i rith na bliana, chomh maith le tuairim an Bhoird ar fhorbairtí dóchúla amach anseo, le fáil i Ráiteas an Chathaoirligh.

**4. Freagrachtaí Stiúrthóirí**
Éilítear ar stiúrthóirí cuntais a ullmhú do gach bliain airgeadais, a thugann léirgeas cruinn cothrom ar staid reatha an Bhoird agus ar bharrachas nó easnamh an Bhoird sa tréimhse sin.

Agus na cuntais seo á n-ullmhú, ní mór do na stiúrthóirí:

- polasaithe cuntasaíochta cuí a roghnú agus iad a chur i bhfeidhm go comhsheasmhach;
- breithiúnais agus meastúcháin atá réasúnta agus stuama a dhéanamh; agus
- na cuntais a ullmhú ar an mbonn gur gnóthas leantach atá ann mura bhfuil sé míoiriúnach glacadh leis go leanfaidh an Bord ar aghaidh i ngnó.

Tá freagracht ar na Stiúrthóirí leabhair chuntais chearta a choimeád, a thaispeánann go réasúnta cruinn, staid airgeadais na heagraíochta ag am ar bith agus a chuireann ar a gcumas a chinntiú go bhfuil na cuntais réitithe de réir caighdeáin chuntasaíochta nglactar leo go ginearálta in Éirinn agus a chloínn le Rialacháin na gComhphobal Eorpach (Cuntais: Gnóthais Árachais) 1996. Tá freagracht orthu freisin sócmhainní na heagraíochta a chosaint agus dá bharr, céimeanna réasúnta a thógáil ar mhaithe le calaois agus mírialtachtaí eile a bhrath agus a chosc.

# Report of the Directors

The Directors have pleasure in submitting their 52nd Annual Report in accordance with Section 20 (1) of the Voluntary Health Insurance Act 1957. The Accounts of the Board and the related notes which form part of the Accounts are included in this report, and have been prepared in accordance with accounting standards generally accepted in Ireland and comply with the European Communities (Insurance Undertakings: Accounts) Regulations 1996.

**1. Principal Activities**
The Voluntary Health Insurance Board is a statutory corporation established by the Voluntary Health Insurance Act 1957 and has as its objective the provision of a financing system for private healthcare, carried out on a mutual assistance basis.

**2. Results**
The results for the 10 months to 31 December 2008 are set out in the Income and Expenditure Account.

**3. Business Review and Future Developments**
A review of business transacted during the year, together with the Board's views of likely future developments is contained in the Chairman's Statement.

**4. Directors' Responsibilities**
The directors are required to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period.

In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume the Board will continue in business.

The Directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the accounts are prepared in accordance with accounting standards generally accepted in Ireland and comply with the European Communities (Insurance Undertakings: Accounts) Regulations 1996. They are also responsible for safeguarding the assets of the

**5. Rialachas Corparáideach**
Tacaíonn na Stiúrthóirí le prionsabail Rialachais Chorparáidigh atá mínithe sa Chomhchód Rialachais Chorparáidigh. Leasaigh an Chomhairle Tuairiscithe Airgeadais an Comhchód Rialachais Chorparáidigh i Meitheamh 2006. Cé nach comhlacht liostáilte é féin tá an Bord ag iarraidh comhlíonadh le forálacha an Chóid atá infheidhmithe agus dá bharr, tuairiscíonn sé thíos ar chomhlíonadh leis an gcód le linn na bliana.

Measann na Stiúrthóirí go bhfuil nósanna imeachta i bhfeidhm ag an mBord le comhlíonadh leis na forálacha leagtha amach in Alt 1 den Chomhchód: Cód Rialachais Chorparáidigh agus Cód an Dea-Chleachtais, ach amháin maidir le ceapadh agus téarmaí oifige Stiúrthóirí atá mar fhreagracht ar an Aire Sláinte agus Leanaí. Dá bharr sin, níl Coiste Ainmniúcháin ná Stiúrthóir Neamhspleách Sinsearach ag an mBord.

**Bord Stiúrthóirí**
Tá rólanna an Chathaoirligh agus an phríomhfheidhmeannaigh leithleach agus le linn na bliana airgeadais ba chomhaltaí ceaptha fheidhmeannacha ar an mBord iad an Príomhfheidhmeannach agus an Stiúrthóir Margaíochta agus Forbartha Gnó. Ceaptar gach Stiúrthóir neamhfheidhmeannach ag an Aire Sláinte agus Leanaí do théarma oifige cúig bliana.

Tagann an Bord le chéile ocht n-uaire ar a laghad in aghaidh na bliana agus bíonn sceideal foirmeálta de nithe aige a choinnítear siar go speisialta ar mhaithe le cinntí a dhéanamh, lena n-áirítear faomhadh foriomlán an phlean straitéisigh, buiséid bhliantúla, tuarascáil bhliantúil agus cuntais agus mórghníomhaíochtaí corparáideacha. Cuirtear páipeir Boird chuig gach ball in am a dhóthain roimh chruinnithe. Tá oiliúint agus treoir chuí ar fáil do gach stiúrthóir arna cheapadh nó arna ceapadh chuig an mBord, le hoiliúint bhreise ar fáil ina dhiaidh sin, de réir mar is gá. Tá nósanna imeachta curtha i dtoll a chéile freisin ag an mBord do Stiúrthóirí chun glacadh le comhairle ghairmiúil neamhspleách. Tá rochtain ag gach Stiúrthóir ar chomhairle agus ar sheirbhísí an Rúnaí. Tá clúdach árachais dliteanach do Stiúrthóirí i bhfeidhm ag an mBord. Tá próiseas curtha i bhfeidhm ag an mBord chun meastachán a dhéanamh ar a fheidhmiú.

organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**5. Corporate Governance**
The Directors support the principles of Corporate Governance outlined in the Combined Code of Corporate Governance. The Financial Reporting Council revised the Combined Code on Corporate Governance in June 2006. While not itself a listed company, the Board has sought to comply with the provisions of the Code that are applicable and hence reports below on compliance throughout the year with the Code.

The Directors consider that the Board has in place the procedures to comply with the provisions laid out in section 1 of the Combined Code: Code of Corporate Governance and Code of Best Practice, except in respect of the appointment and terms of office of Directors, which are the responsibility of the Minister for Health and Children. For this reason, the Board does not have a Nomination Committee or a Senior Independent Director.

**Board of Directors**
The roles of Chairman and Chief Executive are separate and during the financial year the Chief Executive and Director of Marketing and Business Development were appointed executive directors of the Board. All non-executive Directors are appointed by the Minister for Health and Children for 5 year terms of office.

The Board meets at least eight times annually and has a formal schedule of matters specifically reserved to it for decision which includes approval of the overall strategic plan, annual budgets, annual report and accounts and major corporate activities. Board papers are sent to each member in sufficient time before meetings. Appropriate training and briefing is available to all directors on appointment to the Board, with further training available subsequently, as required. The Board has also drawn up procedures for Directors to take independent professional advice. All Directors have access to the advice and services of the Secretary. The Board has Director's liability insurance cover in place. The Board has put in place a process for appraisal of its performance.

# Tuarascáil na Stiúrthóirí Ar Lean.

### Freastal ar Chruinnithe Boird a bhí ann le linn na bliana airgeadais

| | Bord | Iniúchadh | Luach Saothair |
|---|---|---|---|
| Bernard Collins* | 10 | | 2 |
| Gillian Bowler | 7 | | 2 |
| Humphrey Murphy | 8 | | 1 |
| Liam Twohig** | 8 | 4 | |
| Christy Cooney | 7 | 1 | |
| Jim Kelly | 9 | | 1 |
| Julia Neuberger | 9 | | |
| Cathal Magee | 9 | 3 | |
| Karen Hickey-Dwyer | 8 | | |
| Vincent Sheridan (Ar Scor 30 Aibreán 2008) | 2 | | |
| David Went | 10 | | |
| Jimmy Tolan (Ceaptha 1 Bealtaine 2008) | 8 | | |
| Declan Moran (Ceaptha 1 Bealtaine 2008) | 7 | | |

*Cathaoirleach an Choiste Luach Saothair **Cathaoirleach an Choiste Iniúchta

Athbhreithníonn an Bord na socruithe atá i bhfeidhm a cheadaíonn d'fhostóirí aon bhuarthaí faoi ghníomhartha éagóracha féideartha i dtuarascáil airgeadais nó i gcúrsaí eile a chur in iúl. Má tá sé ag teastáil, cinnteoidh sé go ndéanfar imscrúdú cuí agus caingean athleanúna.

**Coiste Iniúchta**

Tá Coiste Iniúchta ceaptha ag an mBord ar a bhfuil triúr Stiúrthóirí neamh-Fheidhmíochta. Tagann an Coiste Iniúchta le chéile ceithre huaire in aghaidh na bliana ar a laghad agus athbhreithníonn siad na cuntais bhliantúla, rialú inmheánach agus ábhair chomhlíonta agus éifeachtacht an iniúchta inmheánaigh agus seachtraigh. Tugann comhaltaí ón gCoiste Iniúchta aghaidh freisin ar shaincheist an riosca, a bhfuil nósanna imeachta bainistíochta agus prótacail tuairiscithe i bhfeidhm.

# Report of the Directors Continued

### Attendance at Board Meetings held during the financial year

| | Board | Audit | Remuneration |
|---|---|---|---|
| Bernard Collins* | 10 | | 2 |
| Gillian Bowler | 7 | | 2 |
| Humphrey Murphy | 8 | | 1 |
| Liam Twohig** | 8 | 4 | |
| Christy Cooney | 7 | 1 | |
| Jim Kelly | 9 | | 1 |
| Julia Neuberger | 9 | | |
| Cathal Magee | 9 | 3 | |
| Karen Hickey-Dwyer | 8 | | |
| Vincent Sheridan (Retired 30 April 2008) | 2 | | |
| David Went | 10 | | |
| Jimmy Tolan (Appointed 1 May 2008) | 8 | | |
| Declan Moran (Appointed 1 May 2008) | 7 | | |

*Chairman of the Remuneration Committee **Chairman of the Audit Committee

The Board reviews the arrangements in place that allow employees to raise any concerns about possible wrongdoings in financial reporting or other matters. If required, it will ensure that appropriate investigation and follow-up action is taken.

**Audit Committee**

The Board has appointed an Audit Committee which is comprised of three non-Executive Directors. The Audit Committee meets at least four times a year and reviews the annual accounts, internal control and compliance matters and the effectiveness of internal and external audit. The members of the Audit Committee also address the issue of risk, the purpose of which is to ensure that appropriate risk management procedures and reporting protocols are in place.

Déanann an Coiste Iniúchta moltaí don Bhord maidir le ceapachán iniúchóirí seachtracha agus déanann siad measúnú ar a n-oibiachtúlacht agus neamhspleáchas. Déantar athbhreithniú freisin ar phlean iniúchta sheachtraigh agus fionnachtana ó iniúchadh na ráiteas airgeadais. Tá príomhrólanna agus freagrachtaí an Choiste Iniúchta leagtha amach i dtéarmaí tagartha scríofa agus tá siad ar fáil ar iarratas.

Tá próiseas i bhfeidhm ag an gCoiste Iniúchta chun a chinntiú nach ndéantar comhghéilleadh ar neamhspleáchas an iniúchta, lena n-áirítear monatóireacht ar nádúr agus méid na seirbhísí curtha ar fáil ag na hiniúchóirí seachtracha, trína athbhreithniú bliantúil ar tháillí a íoctar ar sheirbhísí iniúchta agus neamhiniúchta.

**Coiste Luach Saothair**

Tá Coiste Iniúchta ceaptha ag an mBord freisin ar a bhfuil an Cathaoirleach agus trí Stiúrthóir neamh-Fheidhmíochta. Tá freagracht ar an gCoiste seo as iarrthóirí a mholadh do cheapacháin shinsireacha agus as polasaithe luach saothair. Le linn na bliana, tar éis ar scor an Phríomhfheidhmeannaigh, thóg an Coiste Luach Saothair orthu féin an próiseas chun Príomhfheidhmeannach nua a aithint agus a cheapadh.

**Rialú Inmheánach**

Tá éifeacht tugtha do na moltaí Rialaithe Inmheánaigh ag an mBord: Treoir do Stiúrthóirí ar an gComhchód (Treoir Turnbull) a foilsíodh i Meán Fómhair 1999 agus leasaithe in 2005.

Tá freagracht ar na Stiúrthóirí as córas rialaithe inmheánaigh an Bhoird agus as athbhreithniú ar a éifeachtacht agus comhlíonann siad an fhreagracht seo trí chruinnithe rialta an Choiste Iniúchta. Tá freagracht sannaithe orthu as cur i bhfeidhm an chórais seo do lucht Bainistíochta Feidhmeannaí.

Tugann an córas rialaithe inmheánaigh dearbhú réasúnta ach ní dearbhú absalóideach chun sóchmhainní a chosaint i gcoinne úsáide nó cóirithe neamhúdaraithe agus taifid chuntasaíochta chuí a choimeád agus dearbhú iontaofacht an eolais a thugann siad, d'úsáid agus d'fhoilsiú araon.

Is iad seo a leanas príomhghnéithe an chórais:

- go mbíonn polasaithe, nósanna imeachta agus struchtúir eagraíochta fhoirmiúla i bhfeidhm a thacaíonn le timpeallacht rialaithe láidir a chothú;

- áirítear sa straitéis ghnó, sa phróiseas pleanála agus buiséadaithe anailís ar rioscaí móra gnó a théann i

The Audit Committee makes recommendations to the Board in relation to the appointment of the external auditors and assess their objectivity and independence. The external audit plan and findings from the audit of the financial statements are also reviewed. The main roles and responsibilities of the Audit Committee are set out in written terms of reference and are available on request.

The Audit Committee has a process in place to ensure the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by external auditors through its annual review of fees paid to the external auditors for audit and non-audit services.

**Remuneration Committee**

The Board has also appointed a Remuneration Committee comprising of the Chairman and three non-Executive Directors. This committee is responsible for recommending candidates for senior management appointments and remuneration policies. During the year, following the retirement of the Chief Executive, the Remuneration Committee undertook the process of identifying and appointing a new Chief Executive.

**Internal Control**

The Board has given effect to the recommendations of Internal Control: Guidance for Directors on the Combined Code (The Turnbull Guidance) which was published in September 1999 and revised in 2005.

The Directors are responsible for the Board's system of internal control and for reviewing its effectiveness and meet this responsibility through regular meetings of the Audit Committee. They have assigned responsibility for the implementation of this system to Executive Management.

The system of internal control provides reasonable, but not absolute, assurance of the safeguarding of assets against unauthorised use or disposition and the maintenance of proper accounting records and the reliability of the information they produce, for both internal use and publication.

The key elements of the system are:

- formal policies, procedures and organisational structures are in place which support the maintenance of a strong control environment;

- the business strategy, planning and budgetary process includes analysis of the major business risks which affect

# Tuarascáil na Stiúrthóirí Ar Lean.

bhfeidhm ar an eagraíocht. Is próiseas leanúnach é measúnú riosca ar a gcuireann an Bord béim shuntasach;

- cuirtear táscairí feidhmíochta agus faisnéis bhainistíochta ar fáil ar bhonn míosúil. Cumasaíonn sé seo monatóireacht ar dhul chun cinn i gcoinne cuspóirí níos fadtéarmaí agus buiséid bhliantúla, measúnú ar threochtaí agus gníomhú ar éagsúlachtaí. Ullmhaítear buiséid mhionsonraithe go bliantúil i gcomhthéacs pleananna straitéiseacha níos fadtéarmaí agus bíonn siad uasdátaithe go rialta;

- déantar nósanna imeachta cuntasaíochta a dhoiciméadú, sainmhínítear timtriallta idirbheart, mionsonraítear amchláir chuntasaíochta, rialaítear coimeádain uathoibríochta, déantar próisis athbhreithnithe agus réiteach a chur i bhfeidhm, leithscartar dualgais agus déantar teorainneacha údaraithe a sheiceáil. Tá freagracht tugtha d'fhoirne cáilithe a bhfuil taithí acu as gach feidhm mhór ghnó;

- ullmhaíonn feidhm an Iniúchta Inmheánaigh plean Iniúchta Inmheánaigh agus tugann an Coiste Iniúchta faomhadh dó. Tuairiscíonn Iniúchadh Inmhéanach chuig an gCoiste Iniúchta go rialta.

**Gnóthas Leantach**

Tá na cuntais ullmhaithe ar bhunús an ghnóthais leantaigh agus, de réir éilimh an Chomhchóid agus tuairiscíonn na Stiúrthóirí gur shásaigh siad iad féin gur gnóthas leantach é an Bord, ag a bhfuil acmhainní a dhóthain chun leanúint ar aghaidh ag feidhmiú sa todhchaí. Ag teacht ar an tuairim seo, tá athbhreithniú déanta ag na Stiúrthóirí ar bhuiséad an Bhoird do 2009 agus ar na pleananna meántéarmach mar atá leagtha amach i straitéis chorparáideach an Bhoird.

**6. Luach Saothair na Stiúrthóirí**

Tá leibhéil luach saothair bliantúil don Chathaoirleach agus do gach Stiúrthóir neamhfheidhmíochta leagtha amach ag an Rialtas ag €24,000 agus €14,000 faoi seach. Ní fhaigheann Stiúrthóirí neamhfheidhmeannacha aon luach saothair eile agus ní bhíonn aon chomhaontuithe seirbhíse nó conarthaí acu leis an mBord.

**7. Príomhrioscaí agus neamhchinnteachtaí**

Éilíonn dlí comhlachta anois ar chomhlachtaí cur síos a dhéanamh ar na príomhrioscaí agus neamhchinnteachtaí atá os a gcomhair. Cé nach bhfuil an Bord faoi réir ag forálacha dlí comhlachta, measann na Stiúrthóirí gur rialachas corparáideach den scoth é a leithéid de chur síos a dhéanamh.

# Report of the Directors Continued

the organisation. Risk assessment is a continuous process on which the Board places significant emphasis;

- a comprehensive set of management information and performance indicators is produced promptly on a monthly basis. This enables progress against longer term objectives and annual budgets to be monitored, trends to be evaluated and variances to be acted upon. Detailed budgets are prepared annually in the context of longer term strategic plans and are updated regularly;

- accounting procedures are documented, transaction cycles are defined, accounting timetables are detailed, automated interfaces are controlled, review and reconciliation processes are carried out, duties are segregated and authorisation limits are checked. Experienced and qualified staff have been allocated responsibility for all major business functions;

- the Internal Audit function prepares an Internal Audit plan which is approved by the Audit Committee. Internal Audit reports to the Audit Committee on an ongoing basis.

**Going Concern**

The accounts have been prepared on the going concern basis and, in accordance with the requirements of the Combined Code, the Directors report that they have satisfied themselves that the Board is a going concern, having adequate resources to continue in operational existence for the foreseeable future. In forming this view the directors have reviewed the Board's budget for 2009 and the medium term plans as set out in the corporate strategy of the Board.

**6. Directors' Remuneration**

Annual remuneration levels for the Chairman and each non-executive Director have been set by Government at €24,000 and €14,000 respectively. Non-executive Directors do not receive any other remuneration nor do they have any service agreements or contracts with the Board.

**7. Principal risks and uncertainties**

Irish company law now requires companies to give a description of the principal risks and uncertainties which they face. Notwithstanding that the Board is not subject to company law provisions, the Directors consider it sound corporate governance to provide such a description.

Is iad seo a leanas na príomhrioscaí atá os comhair an ghnó:

I Is bagairt mhór do ghnó í an neamhchinnteacht leanúnach faoi scéim Chothroime Riosca. In Iúil 2008 shocraigh an Chúirt Uachtarach go raibh an scéim Chothroime Riosca, curtha i ngníomh cheana ag an Aire Sláinte agus Leanaí, le héifeacht ó 1 Eanáir 2006, neamhbhailí.

I Nollaig 2008 foilsíodh an Bille Leasaithe Árachas Sláinte (Forálacha ilchinéalacha) le ceann dá chuspóirí luaite a chomhpháirtíocht idirghlúine agus árachas sláinte pobalrátaithe a bhisiú.

Creideann Vhi Healthcare go mbeidh leasú suntasach ag teastáil ón mBille le cuspóir luaite an Rialtais a chomhlíonadh. Chomh maith leis sin, tá an Bille dréachtaithe ar an mbonn gur beart idirlinne (trí bliana) é agus níl aon chinnteacht ann maidir le céard a tharlóidh tar éis don tréimhse trí bliana seo a bheith thart.

II Tá iarrtha ag an Aire Sláinte agus Leanaí go mbeadh Vhi Healthcare in ann cur isteach ar cheadúnas mar árachóir údaraithe chuig an Rialtóir Airgeadais roimh Mheán Fómhair 2009. Agus iarratas á mheasúnú aige, cuireann an Rialtóir Airgeadais líon tastálacha i bhfeidhm, lena n-áirítear, inter alia,

a) leorgacht an leibhéil shócmhainneachta reatha
b) leorgacht staid shócmhainneachta mheántéarmach bunaithe ar réamh-mheastacháin réalaíocha 5 bliana, idir dhoirbh agus soirbh.

Caithfidh go mbeidh Vhi Healthcare caipitilithe maith go leor leis an Rialtóir Airgeadais a shásamh faoi gach cnámhscéal, lena n-áirítear nuair nach gcuirtear scéim Chothroime Riosca níos buaine i bhfeidhm seachas an beart idirlinne.

III Thug an tAcht Árachais Sláinte Shaorálaigh (Leasú) 2008 cumhachtaí tráchtála breise do Vhi Healthcare ach ní bheidh feidhm leis seo ach amháin i ndiaidh dó a bheith faomhaithe agus ceadúnaithe ag an Rialtóir Airgeadais. (féach 11 thuas)

IV Riosca bainteach le (1) thuas is ea an brath ar bhrabúsacht ar líon beag a dhóthain eochairghrúpaí scéimeanna ag a bhfuil próifíl aoise an-óg. Laghdóidh tabhairt isteach scéim Chothroime Riosca éifeachtach an riosca seo go suntasach.

V Tá brúnna ollmhóra ar chostas cúram sláinte a d'fhéadfadh, trí phréimheanna árachais a thiomáint suas,

The principal risks facing the business are:

I The continuing uncertainty over a Risk Equalisation scheme represents a major threat to the business. In July 2008 the Supreme Court decided that the Risk Equalisation scheme, previously activated by the Minister for Health and Children with effect from 1st January 2006, was invalid.

In December 2008 the Health Insurance (Miscellaneous Provisions) Amendment Bill was published with as one of its stated objects the enhancement of intergenerational solidarity and community rated health insurance.

Vhi Healthcare believe that the Bill as drafted will require substantial amendment in order to meet the Government's stated objective. In addition the Bill is drafted on the basis of being an interim (three year) measure and there is no certainty as to what will happen after this three-year period has expired.

II The Minister for Health and Children has requested that Vhi Healthcare be in a position to apply for a licence as an authorised insurer to the Financial Regulator by September 2009. In assessing an application the Financial Regulator applies a number of tests, including, inter alia,

a) the adequacy of the current solvency level
b) the adequacy of the medium term solvency position based on 5 year optimistic, pessimistic and realistic projections.

Vhi Healthcare will have to be sufficiently well capitalised to satisfy the Financial Regulator under all scenarios, including a scenario where the interim measure is not replaced by a more permanent Risk Equalisation scheme.

III The Voluntary Health Insurance (Amendment) Act 2008 gave additional commercial powers to Vhi Healthcare but these will apply only after it is approved and licensed by the Financial Regulator. (see II above)

IV A related risk to (I) above is the dependency for profitability on a relatively small number of key group schemes which have very young age profiles. The introduction of an effective Risk Equalisation scheme will significantly reduce this risk.

V There are enormous pressures on the cost of healthcare which could, by driving up insurance premiums, seriously reduce the take-up of private health insurance in the market. These cost drivers include:

# Tuarascáil na Stiúrthóirí Ar Lean.

tógáil suas árachas sláinte príobháideach a laghdú go mór sa mhargadh. Áirítear sna tiománaithe costais seo:

- méadú an-suntasach ar fáil chumas leapacha príobháideacha, mar is tréith de mhargadh cúram sláinte é go méadóidh éileamh chun soláthar a mheaitseáil
- daonra ag dul in aois
- forbairt drugaí costasacha nua agus teicneolaíochtaí do chóireáil agus nósanna imeachta diagnóiseacha araon
- ionchais níos airde maidir le cáilíocht agus rochtain mar thoradh ar níos mó saibhris agus níos mó eolais ar chúrsaí leighis
- boilsciú leighis ag ardú níos tapúla ná gnáthbhoilsciú

  Is riosca bainteach é go mbeidh an taithí éileamh níos mó ná méid iompair na ndliteanas árachais. D'fhéadfadh sé seo tárlú dá mbeadh minicíocht agus/nó costas éileamh níos mó ná sin a bhí measta. Téann an-chuid fachtóirí i bhfeidhm ar mhinicíocht agus costas éileamh, lena n-áirítear iad siúd a tagraíodh dóibh thuas. Deimhnítear costas éilimh gan íoc fós agus riosca éagtha ag baint úsáide as teicnící achtúireachta cuí chun éilimh a ndlitear ar an mBord a réamh-mheas.

Úsáideann Vhi Healthcare líon Eochartháscairí Feidhmíochta ar fud a chuid gníomhaíochtaí éagsúla agus tá na cinn is suntasaí leagtha amach sa Tuarascáil Bhliantúil.

**8. Mear-íocaíocht Cuntas**
Aithníonn an Bord a fhreagracht cloí le forálacha Acht Cuntas na Mear-íocaíochta 1997 a chinntiú (mar atá leasaithe ag an gComhphobal Eorpach (íocaíocht dhéanach i ngnóthais thráchtála) Rialacháin, 2002). Tá nósanna imeachta ann chun an dáta dlite le sonraisc a íoc a shainaithint agus le híocaíocht a dhéanamh ar a leithéid de dhátaí agus dá réir, tá an Bord sásta gur chomhlíon an Bord Árachais Sláinte Shaorálaigh éilimh na Rialachán.

**9. Leabhair Chuntais**
Tá na Stiúrthóirí freagrach as a chinntiú gur choimeád an Bord leabhair chearta chuntais agus tá sé seo bainte amach trí phearsanra cuntasaíochta cáilithe cuí a fhostú agus trí chórais chuntasaíochta chuí a chothú. Tá na leabhair chuntais suite ag príomhoifig an Bhoird ag Teach Vhi, Sráid na Mainistreach Íochtarach, Baile Átha Cliath 1.



# Report of the Directors Continued

- a very significant increase in the availability of private bed capacity, because a characteristic of the healthcare market is that demand will expand to match supply
- an ageing population
- the development of expensive new drugs and technologies both for treatment and diagnostic procedures
- higher expectations with regard to quality and access deriving from increased affluence and medical information
- medical inflation running ahead of normal inflation

  A related risk is that the actual claims experience shall exceed the carrying amount of the insurance liabilities. This could occur if the frequency and/or cost of claims are greater than estimated. The frequency and cost of claims are impacted by several factors including those noted above. The cost of outstanding claims and unexpired risk reserves are determined using appropriate actuarial techniques to project the claims for which the Board will be liable.

Vhi Healthcare uses a number of Key Performance Indicators throughout its various activities and the most significant are set out in the Annual Report.

**8. Prompt Payment of Accounts**
The Board acknowledges its responsibility for ensuring compliance with the provisions of the Prompt Payment of Accounts Act 1997 (as amended by the European Communities (late payment in commercial transactions) Regulations, 2002). Procedures have been put in place to identify the dates upon which invoices fall due for payment and for payments to be made on such dates, and accordingly, the Board is satisfied that the Voluntary Health Insurance Board has complied with the requirements of the Regulations.

**9. Books of Account**
The Directors are responsible for ensuring that proper books of account are maintained by the Board and this has been achieved by the employment of appropriately qualified accounting personnel and by maintaining appropriate accounting systems. The books of account are located at the head office of the Board at Vhi House, Lower Abbey Street, Dublin 1.

**10. Iniúchóirí**

Leanann na hiniúchóirí Deloitte & Touche, Cuntasóirí Cairte, in oifig de réir Alt 19 (2) d'Acht Árachais Sláinte Shaoránaigh 1957.

Ar son an Bhoird:

**Bernard Collins**
Cathaoirleach

**Liam Twohig**
Stiúrthóir

30 Aibreán 2009



**10. Auditors**

The auditors Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 19 (2) of the Voluntary Health Insurance Act 1957.

On behalf of the Board:

**Bernard Collins**
Chairman

**Liam Twohig**
Director

30 April 2009

# Tuarascáil na nIniúchóirí
(Is aistriúchán é seo)

**Tuarascáil neamhspleách na nIniúchóirí chuig Stiúrthóirí an Bhoird ar an mBord Árachais Sláinte Shaorálaigh.**
Tá na ráitis airgeadais den Bhord Árachais Sláinte Shaorálaigh iniúchta againn don tréimhse dar críoch 31 Nollaig 2008 ina bhfuil an cuntas Ioncaim agus Caiteachais, an Clár Comhardaithe, an Ráiteas ar Shreabhadh Airgid, Ráiteas na nGnóthachan agus na gCaillteanas iomlán aitheanta, ráiteas na bpolasaithe cuntasaíochta agus na nótaí gaolmhara 1–23. Bhí na ráitis airgeadais seo ullmhaithe de réir na bpolasaithe cuntasaíochta leagtha amach ansin.

Déantar an tuarascáil seo do Stiúrthóirí Boird an Bhoird Árachais Sláinte Shaorálaigh agus dóibh siúd amháin, de réir Alt 19 den Acht Árachais Sláinte Shaorálaigh 1957. Thugamar faoinár n-obair iniúchta ionas go bhféadfaimis a rá leis na stiúrthóirí na nithe sin a éilítear orainn a rá leo i dtuarascáil iniúchóirí agus ní do chríoch ar bith eile. Chomh fada is atá ceadaithe de réir an dlí, nílimid freagrach do ghrúpa ar bith, seachas don Bhord agus do na Stiúrthóir mar aonán, maidir lenár n-obair iniúchta, don tuarascáil seo, nó do na tuairimí atá meáite againn.

**Freagrachtaí na Stiúrthóirí agus na nIniúchóirí Faoi Seach**
Tá freagracht ar na Stiurthóirí an Tuarascáil Bhliantúil a ullmhú, lena n-áirítear, mar atá leagtha amach i Ráiteas Freagrachtaí na Stiúrthóirí, ullmhú na ráiteas airgeadais de réir dlí infheidhmithe agus caighdeáin chuntasaíochta eisithe ag an mBord Caighdeáin Chuntasaíochta agus foilsithe ag Institiúid na gCuntasóirí Cairte in Éirinn (Cleachtas Cuntasaíochta a bhfuil Glactha leis go Ginearálta in Éirinn).

Is é an fhreagracht atá orainn, mar iniúchóirí neamhspleácha, ná na ráitis airgeadais a iniúchadh de réir riachtanais rialála agus dhlithiúla ábhartha agus de réir na gCaighdeán Idirnáisiúnta ar Iniúchóireacht (An Ríocht Aontaithe agus Éire).

Tuairiscímid daoibh ár dtuairim cibé an dtugann nó nach dtugann na ráitis airgeadais léargas cruinn agus cothrom, de réir an Chleachtais Chuntasaíochta a glactar leis go Ginearálta in Éirinn agus cibé ar ullmhaíodh iad i gceart nó nár ullmhaíodh de réir Rialachán na gComhphobal Eorpach (Gnóthais Árachais: Cuntais) 1996.

Déanaimid athbhreithniú ar cibé an bhfuil an ráiteas rialachais chorparáidigh ionadaíoch ar chomhlíonadh deonach an Bhoird leis na naoi bhforáil den Chód FRC a sonraíodh dár n-athbhreithniú agus tuairiscímid mura bhfuil. Ní éilítear orainn teacht ar thuairim ar éifeachtacht nósanna imeachta chorparáidigh rialaithe an Bhoird ná ar a rialuithe inmheánacha.

Léimid an fhaisnéis eile atá sa tuarascáil bhliantúil agus déanaimid na himpleachtaí a mheas dár dtuarascáil má thugaimid faoi deara aon mhíráiteas dealraitheach nó



# Report of the Auditors

**Independent Auditors' report to the Directors of the Board of the Voluntary Health Insurance Board.**
We have audited the financial statements of Voluntary Health Insurance Board for the period ended 31 December 2008 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the statement of accounting policies and the related notes 1–23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Directors of the Board of the Voluntary Health Insurance Board, in accordance with Section 19 of the Voluntary Health Insurance Act 1957. Our audit work has been undertaken so that we might state to the Directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board and the Directors as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**
The Directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the European Communities (Insurance Undertakings: Accounts) Regulations 1996.

We review whether the corporate governance statement reflects the Board's voluntary compliance with the nine provisions of the FRC Codes specified for our review and we report if it does not. We are not required to form an opinion on the effectiveness of the Board's corporate governance procedures or its internal controls.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatement or material neamhréireachtaí ábhair leis an ráiteas airgeadais. Is éard atá san fhaisnéis eile ná Tuarascáil an Stiúrthóra amháin, ina bhfuil an ráiteas rialála corparáidí istigh léi, Ráiteas an Chathaoirligh, an tAthbhreithniú ar Oibríochtaí agus an tAthbhreithniú ar Thorthaí Comparáideacha agus Graif. Ní théann ár bhfreagrachtaí chomh fada le faisnéis eile.

**An bunús atá le tuairim an iniúchta**

Rinneamar ár n-iniúchadh de réir Caighdeáin Idirnáisiúnta ar Iniúchóireacht (An Ríocht Aontaithe agus Éire) arna n-eisiúint ag an mBord um Chleachtais Iniúchóireachta. Áirítear ar iniúchadh scrúdú, ar bhonn tastála, ar fhianaise ábhartha do na méideanna agus na nochtuithe sna ráitis airgeadais. Airítear ann freisin measúnú ar na meastúcháin agus na breithiúnais shuntasacha a rinne na Stiúrthóirí in ullmhú na ráiteas airgeadais agus ar cibé an bhfuil nó nach bhfuil na cleachtais chuntasaíochta oiriúnach do chúinsí an Bhoird, curtha i bhfeidhm go comhsheasmhach agus nochtaithe go hoiriúnach.

Phleanálamar agus chuireamar ár n-iniúchadh i gcrích chun gach eolas agus míniúchan a fháil a mheasamar a bheith riachtanach ar mhaithe le fianaise a dhóthain a chur ar fáil dúinn ionas go mbeimis in ann dearbhú réasúnta a thabhairt go bhfuil na ráitis airgeadais saor ó mhíráiteas nithiúil, bíodh siad de bharr calaoise nó neamhréireachta nó botún eile. Agus muid ag teacht ar ár dtuairim, rinneamar measúnú ar leordhóthaineacht cur i láthair na faisnéise sna ráitis airgeadais.

**Béim ar Ábhar – Cothromú Riosca agus Riachtanais Sócmhainneachta**

Agus muid ag teacht ar ár dtuairim, nach bhfuil maolaithe, rinneamar breithniú ar dhóthaineacht na nochtuithe i Nóta 10 maidir le inmharthanacht airgeadais an Bhoird sa chás nach gcuirtear scéim chothroime riosca i ngníomh agus an riachtanas i Nóta 11 go bhfuil na Boird in ann iarratas ar cheadúnas árachais a dhéanamh ar an Rialtóir Airgeadais roimh Mheán Fómhair 2009. Ag cur san áireamh a shuntasaí is atá na neamhchinnteachtaí seo agus an tionchar féideartha a d'fhéadfadh a bheith ag na neamhchinnteachtaí seo ar an mBord, measaimid gur cheart bhur n-aird a tharraingt ar na nithe seo.

**Tuairim**

In ár dtuairim, tugann na ráitis airgeadais léargas cruinn agus cothrom, de réir an Chleachtais Chuntasaíochta a nglactar leis go Ginearálta in Éirinn agus de réir Rialachán na gComhphobal Eorpach (Gnóthais Árachais: Cuntais) 1996, ar staid reatha an chomhlachta ar an 31 Nollaig 2008 agus ar an easnamh don bhliain sin dar críoch.

**Deloitte & Touche**

Cuntasóirí Cairte agus Iniúchóirí Cláraithe, Baile Átha Cliath.
30 Aibreán 2009



inconsistencies with the financial statements. The other information comprises only the Director's Report, which includes the corporate governance statement, the Chairman's Statement, the Operations Review and the Comparative Results and Graphs. Our responsibilities do not extend to other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Board, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

**Emphasis of matter – Risk Equalisation and Solvency Requirement**

Without qualifying our opinion, we have considered the disclosures made in Note 10 regarding the financial viability of the Board in the event that a risk equalisation scheme is not activated and the requirement in Note 11 that the Board needs to be in a position to apply for an insurance licence from the Financial Regulator by September 2009. In view of the significance of these uncertainties and their potential impact on the Board, we consider that these matters should be drawn to your attention.

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland and the European Communities (Insurance Undertakings: Accounts) Regulations 1996, of the state of the affairs of the company as at 31 December 2008 and of the deficit for the year then ended.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors, Dublin.
30 April 2009

# Ráiteas maidir le Beartais Chuntasaíochta

**Bunús Ullmhúcháin**
Ullmhaítear na cuntais de réir an Chleachtais Chuntasaíochta a nglactar leis go Ginearálta in Éirinn agus de réir Rialacháin na gComhphobal Eorpach (Gnóthais Árachais: Cuntais) 1996 agus de réir an Ráitis um Chleachtas Molta ar Chuntasaíocht i nGnó an Árachais (SORP) arna ghlacadh ag Cumann Árachóirí na Breataine.

Is iad seo a leanas na polasaithe cuntasaíochta a nglactar leo:

**Bunús Cuntasaíochta**
Ullmhaítear na cuntais de réir choinbhinsiúin an chostais stairiúil, arna mhionathrú ag an athluacháil ar infheistíochtaí.

Éilíonn ullmhú na gcuntas de réir na bprionsabal cuntasaíochta a nglactar leo go ginearálta, go ndéanfar breithiúnas nuair atáthar i mbun próiseas polasaithe cuntasaíochta an Bhoird a chur i bhfeidhm. Baineann na réimsí ina bhfuil ardleibhéal breithiúnais nó castachta i gceist, nó réimsí ina bhfuil boinn tuisceana nó meastacháin ina ndíol suntais do na cuntais, go príomha le forálacha ar éilimh atá le socrú agus rioscaí nach bhfuil éagtha fós agus atá doiciméadaithe sna polasaithe cuntasaíochta thíos. Tá forálacha ar éilimh nach bhfuil socraithe agus rioscaí nach bhfuil éagtha fós, bunaithe ar mhodhanna achtúireachta ríofa atá faofa ag achtúirí comhairleacha an Bhoird, Watson Wyatt LLP.

**Préimheanna Scríofa**
Is éard atá sna hollphréimheanna scríofa ná an t-ioncam préimhe atá infhála ó bhaill i ndáil le polasaithe a thosóidh sa bhliain airgeadais.

Is éard atá i bpréimheanna neamhthuillte ná an chuid sin de phréimheanna scríofa sa bhliain sin a bhaineann leis an téarma neamhéagtha polasaithe atá i bhfeidhm ag dáta an chláir chomhardaithe, agus iad ríofa ar bhunús roinnte ama.

**Éilimh a Tabhaíodh**
Is éard atá in éilimh a tabhaíodh ná éilimh agus speansais ghaolmhara a íocadh sa bhliain agus athruithe i bhforálacha ar éilimh nach bhfuil socraithe fós, lena n-áirítear foráil do chostas measta ar éilimh atá tuairiscithe ach nach bhfuil íoctha fós, éilimh a tabhaíodh ach nach bhfuil tuaraiscithe agus speansais ghaolmhara láimhseála.

**Rioscaí Neamhéagtha**
Déantar foráil, bunaithe ar eolas atá ar fáil ag dáta an chláir chomhardaithe, d'aon easnaimh frithghealltа mheasta a bhaineann le rioscaí neamhéagtha tar éis brabach ábhartha infheistíochta a chur san áireamh. Déantar boinn tuisceana



# Statement of Accounting Policies

**Basis of Preparation**
The accounts are prepared in accordance with accounting standards generally accepted in Ireland, the European Communities (Insurance Undertakings: Accounts) Regulations 1996 and the Statement of Recommended Practice on Accounting for Insurance Business (SORP) as adopted by the Association of British Insurers.

The following are the principal accounting policies adopted:

**Basis of Accounting**
The accounts are prepared under the historical cost convention modified by the revaluation of investments.

The preparation of accounts in accordance with generally accepted accounting principles requires the exercise of judgement in the process of applying the Board's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts, relate primarily to provisions for claims outstanding and unexpired risks, and are documented in the accounting policies below. The provisions for outstanding claims and unexpired risks are based on actuarial methods of calculation reviewed by the Board's consulting actuaries, Watson Wyatt LLP.

**Premiums Written**
Gross premiums written consist of the premium income receivable from members in respect of policies commencing in the financial year.

Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired term of policies in force at the balance sheet date, calculated on a time apportionment basis.

**Claims Incurred**
Claims incurred comprise claims and related expenses paid in the year and changes in provisions for outstanding claims, including provisions for the estimated cost of claims reported but not yet paid, claims incurred but not reported and related handling expenses.

**Unexpired Risks**
Provision is made, based on information available at the balance sheet date, for any estimated underwriting deficits related to unexpired risks after taking into account relevant investment return. Prudent assumptions are made so that the provision should be sufficient in reasonably foreseeable adverse circumstances, refer to Note 10.

stuama a mheas ionas go mbeidh an foráil leordhóthaineach i gcúinsí neamhfhabhracha atá le tuar go réasúnta; féach nóta 10.

**Cánachas Iarchurtha**

Soláthraítear cánachas iarchurtha ar dhifríochtaí ama idir bharrachas an Bhoird ar féidir cáin a ghearradh air agus a bharrachas mar a luaitear sna cuntais. Déantar na forálacha ag na rátaí cánach atáthar ag súil a mbeidh i bhfeidhm sna tréimhsí ina bhfuil na difríochtaí ama ceaptha iompú ar ais. Aithnítear sócmhainní cánach iarchurtha sa mhéid is go bhfuil sé dóchúil go bhfaighfear ar ais iad.

**Sócmhainní Inláimhsithe**

Luaitear sócmhainní inláimhsithe ag costas lúide dímheas carntha. Ríomhtar dímheas chun costas na sócmhainní a díscríobh thar a saol úsáideach measta ar bhonn líne dírí mar seo a leanas:

| | |
|---|---|
| Mótarfheithiclí | 4 bliana |
| Trealamh ríomhaireachta | 4 bliana |
| Bogearraí | 4–6 bliana |
| Troscán, feisteas agus trealamh oifige | 5 bliana |

I gcás caiteachais shubstaintiúil a tharraingítear ar fhorbairt chórais ríomhaireachta agus a mheastar a bhfuil tairbhe eacnamaíoch don Bhord aige a mhairfidh níos mó ná bliain amháin isteach sa todhchaí, déanfar é a chaipitliú agus a dhímheas thar an tréimhse a mbeifear ag súil go dtiocfaidh na tairbhí eacnamaíochta chun cinn. Tá an tréimhse seo faoi réir ag uasmhéid sé bliana. I gcás éiginnteachta maidir lena thairbhe eacnamaíoch sa todhchaí, déantar an caiteachas a chur in aghaidh an chuntais Ioncaim agus Caiteachais.

**Infheistíochtaí**

Luaitear infheistíochtaí do thrádáil, lena n-áirítear urrúis liostáilte, ag luach an mhargaidh. Is éard atá i luach an mhargaidh ná an praghas margaidh ar an meán, lúide ús carntha ag dáta an chláir chomhardaithe. Cinntítear gnóthachain/caillteanais ar idirbhearta infheistíochta ar bhonn an mheánchostais agus déantar iad a thaifeadadh sa chuntas Ioncaim agus Caiteachais.

Luaitear infheistíochtaí nuair atá i gceist iad a choinneáil go dtí an dáta fuascailte, lena n-áirítear stoic rialtais agus stoic ráthaithe rialtais, ag costas amúchta thar an tréimhse idir an dáta a ceannaíodh iad agus dáta a bhfuascailte.

Déantar luacháil ar thalamh agus foirgnimh go bliantúil ar bhunús luach an mhargaidh oscailte. Déanann luachóirí



**Deferred Taxation**

Deferred taxation is provided on timing differences between the taxable surplus of the Board and its surplus as stated in the accounts. The provisions are made at the taxation rates which are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are recognised to the extent that it is probable that they will be recovered.

**Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of the assets over their estimated useful lives on a straight line basis as follows:

| | |
|---|---|
| Motor vehicles | 4 years |
| Computer equipment | 4 years |
| Software | 4–6 years |
| Furniture, fittings and office equipment | 5 years |

Expenditure incurred on the development of computer systems which is substantial in amount and is considered to have an economic benefit to the Board lasting more than one year into the future is capitalised and depreciated over the period in which the economic benefits are expected to arise. This period is subject to a maximum of six years. In the event of uncertainty regarding its future economic benefit, the expenditure is charged to the Income and Expenditure account.

**Investments**

Investments held for trading, including listed securities, are stated at market value. Market value represents the bid price less accrued interest at the balance sheet date. Realised gains/losses on investment transactions are determined on an average cost basis and recorded in the Income and Expenditure account.

Investments, where the intention is to hold them to redemption date, including government and government guaranteed stocks, are stated at amortised cost over the period between date of purchase and redemption date.

Land and buildings are valued annually on an open market value basis. Valuations are made by independent professionally qualified valuers. All properties occupied by the Board are maintained in a continual state of sound repair. As a result, the directors consider that the economic lives and residual values of these properties are such that any depreciation is insignificant and is therefore not provided.

# Ráiteas maidir le Beartais Chuntasaíochta Ar Lean.

cáilithe gairmiúla neamhspleácha na luachálacha. Coinnítear gach áitreabh atá i seilbh an Bhoird i gcaoi mhaith go leanúnach. Mar thoradh air sin, measann na stiúrthóirí go bhfuil aon dímheas i saol eacnamaíoch agus luachanna fuílleacha na bhfoirgneamh seo neamhshuntasach agus ní dhéantar foráil dó mar sin.

**Lagú**
Déantar measúnú ar infheistíochtaí airgeadais, seachas iad siúd ag luach an mhargaidh, le haghaidh táscairí lagaithe ag dáta gach clár comhardaithe. Déantar sócmhainní airgeadais a lagú nuair atá fianaise oibiachtúil ann, go gcuirfear isteach ar shreafa airgid mheasta an infheistíochta sa todhchaí, de thoradh imeacht amháin nó níos mó a tharla tar éis aitheantas tosaigh na sócmhainne airgeadais.

**Infheistíocht Ioncaim**
Glactar leis go n-áirítear le hús ar stoic úis shocraithe agus ar thaiscí bainc ioncam a thuilltear ar bhunús lá go lá. Áirítear ioncam ar ghnáthscaireanna ar bhunús díbhinní a fhaightear i rith na bliana airgeadais.

**Sochar Infheistíochta**
Tuairiscítear torthaí oibriúcháin ar bhunús sochar infheistíochta i rith téarma níos faide. Ríomhtar an sochar infheistíochta sa téarma níos faide, bunaithe ar rátaí a athbhreithnítear go bliantúil agus tugann siad aitheantas don taithí stairiúil agus d'ionchais na stiúrthóirí reatha ar shocair infheistíochta. Déantar an luaineacht i sochar infheistíochta sa ghearrthéarma, atá ionann is an difríocht idir an sochar sa téarma níos faide agus an sochar féin a ionchorprú nuair atáthar ag teacht ar an mbarrachas/easnamh roimh chánachas.

Tá leithdháileadh an tsochair infheistíochta ón gcuntas neamhtheicniúil chuig an gcuntas teicniúil bunaithe ar shochar infheistíochta sa téarma níos faide atá inchurtha leis an ngnó árachais.

**Sochair Scoir**
Déantar an costas a bhaineann le sochair a sholáthar agus na dliteanais um phleananna sochar sainmhínithe a chinntiú, trí úsáid a bhaint as an modh creidmheasa aonaid a bhfuiltear ag súil leis, le luachálacha achtúireachta á ndéanamh ag dáta gach clár comhardaithe.

Aithnítear costas seirbhíse, costas úis agus sochar ar shócmhainní scéime sa chuntas ioncaim agus caiteachais. Aithnítear gnóthachain agus caillteanais sa ráiteas um ghnóthachain agus caillteanais iomlána aitheanta. Aithnítear





# Statement of Accounting Policies Continued

**Impairment**
Financial assets, other than those at market value, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

**Investment Income**
Interest on fixed interest stocks and bank deposits is taken to include income as earned on a day-to-day basis. Income from equities is included on the basis of dividends received during the financial year.

**Investment Return**
Operating results are reported on the basis of longer term investment return. The longer term investment return is calculated based on rates which are reviewed annually and reflect both historical experience and the directors' current expectations for investment returns. The short term fluctuation in investment return, representing the difference between the longer term return and the actual return, is incorporated in arriving at surplus/(deficit) before taxation.

The allocation of investment return from the non-technical account to the technical account is based on the longer term return on investments attributable to the insurance business.

**Retirement Benefits**
The cost of providing benefits and the liabilities of defined benefit plans are determined, using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Current service cost, interest cost and return on scheme assets are recognised in the income and expenditure account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Past service cost is recognised immediately. The net surplus or deficit on the defined benefit pension scheme is recognised, net of deferred taxation, on the balance sheet.

In addition, the Board also provides benefits to certain retirees in respect of health insurance cover, which are unfunded. The Boards' obligation in respect of these benefits is measured using the projected unit credit method and is discounted to present value, with actuarial valuations carried out at each balance sheet date. The full amount of the Board's obligation is recognised on the balance sheet and the charge for the year is included in the income and expenditure account.

costas seirbhíse san am atá thart láithreach. Aithnítear an barrachas nó easnamh glan ar an scéim pinsean sochar sainmhínithe, glan ó chánachas iarchurtha, ar an gclár comhardaithe.

Chomh maith leis sin, soláthraíonn an Bord sochair do lucht scortha áirithe maidir le clúdach árachais sláinte, nach bhfuil maoinithe. Déantar oibleagáid an Bhoird i ndáil leis na sochair seo a thomhas ag baint úsáide as an modh creidmheasa aonaid réamh-mheasta, agus déantar é a lascainiú ag an luach reatha le luachálacha achtúireachta á ndéanamh ag dáta gach clár comhardaithe. Aithnítear méid iomlán oibleagáid an Bhoird ar an gclár comhardaithe agus áirítear an muirear don bhliain sa chuntas ioncaim agus caiteachais.

**Costais éadála iarchurtha**

Cuirtear síos mar chostais na speansais a thabhaítear i rith na bliana airgeadais atá inchurtha i leith éadáil ghnó nua sa tréimhse chuntasaíochta chéanna ina saothraítear na préimheanna lena mbaineann siad. Aithnítear gach costas éadála eile mar speansais nuair a thabhaítear iad.

I ndiaidh dóibh a bheith aitheanta den chéad uair, iarchuirtear na costais seo i gcomhréir leis an soláthar do phréimheanna neamhthuillte. I bhfocail eile, tá an méid atá iarchurtha ionann is an céatadán de na costais éadála iomlána a bhaineann an soláthar do phréimheanna neamhthuillte le hollphréimheanna scríofa. Déantar taifead ar amúchadh sa chuntas ioncaim agus caiteachais.

Déantar athbhreithniú ar chostais éadála ag deireadh gach tréimhse tuairiscithe agus díscríobhtar iad sa chás nach mbreithnítear orthu a bheith in-aisghabhála ó chorlaigh ionchais sa todhchaí.

**Deferred acquisition costs**

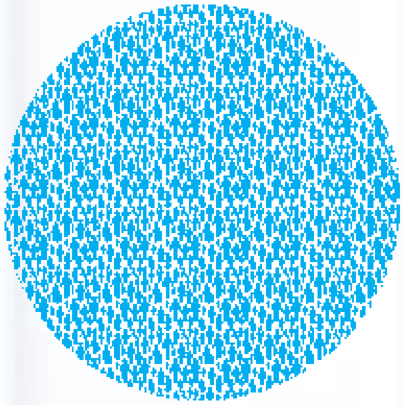
The costs incurred during the financial year that are directly attributable to the acquisition of new business are expensed in the same accounting period as the premiums to which they relate are earned. All other acquisition costs are recognised as an expense when incurred.

Subsequent to initial recognition, these costs are deferred commensurate with the unearned premiums provision. In other words, the amount that has been deferred is the proportion of the total acquisition costs which the unearned premiums provision bears to gross written premiums. Amortisation is recorded in the income and expenditure account.

Deferred acquisition costs are reviewed at the end of each reporting period and are written-off where they are no longer considered to be recoverable from expected future margins.

## Caighdeáin Feabhais
## Standards of Excellence

100%



2008

Rinne Vhi Healthcare éileamh go gcuirfeadh gach ospidéal príobháideach nua mar aon leo sin atá ann cheana féin cúram leighis ar fáil, a bheidh in ann caighdeáin creidiúnaithe idirnáisiúnta do cháilíocht a bhaint amach faoi dheireadh 2008. Chuir na hospidéil phríobháideacha an próiseas creidiúnaithe seo do cháilíocht i bhfeidhm agus thug Vhi Healthcare páirt-mhaoiniú dó.

Vhi Healthcare required that all new and existing private hospitals providing care for its customers to achieve international quality accreditation standards by the end of 2008. This quality accreditation process was successfully implemented by the private hospitals and was partially funded by Vhi Healthcare.

# Cuntas Ioncaim & Caiteachais

# Income & Expenditure Account

| CUNTAS TEICNIÚIL: ÁRACHAS SLÁINTE | TECHNICAL ACCOUNT: HEALTH INSURANCE | Nótaí / Notes | 10 mí go Noll 2008 / 10 months to Dec 2008 €m | Mar a Athluadh sa bhliain dar críoch Feabh 2008 / As re-stated Year ended Feb 2008 €m |
|---|---|---|---|---|
| **Gníomhaíochtaí Leanúnacha** | **Continuing Activities** | | | |
| **Préimh Thuillte:** | **Earned Premium:** | 1 | | |
| Préimheanna comhlána scríofa | Gross premiums written | | 900.1 | 1,194.8 |
| Athrú ar sholáthar do phréimheanna neamhthuillte | Change in the provision for unearned premiums | | 125.3 | (41.8) |
| | | | **1,025.4** | 1,153.0 |
| **Fáltas infheistíochta leithdháilte arna aistriú ón gcuntas neamhtheicniúil** | **Allocated investment return transferred from the non-technical account** | | **34.7** | 33.3 |
| | | | **1,060.1** | 1,186.3 |
| **Éilimh a tabhaíodh:** | **Claims incurred:** | | | |
| Éilimh a íocadh | Claims paid | | (981.4) | (1,007.4) |
| Athrú ar an soláthar do na héilimh | Change in the provision for claims | | 22.5 | 2.4 |
| | | | **(958.9)** | (1,005.0) |
| **Soláthairtí teicniúla eile:** | **Other technical provisions:** | | | |
| Cúlchiste rioscaí neamhchaite | Unexpired risk reserve | 10 | **(13.1)** | 64.9 |
| **Glan-chostais oibriúcháin** | **Net operating expenses** | 2 | **(84.7)** | (91.4) |
| **Iarmhéid sa chuntas teicniúil árachas sláinte** | **Balance on the health insurance technical account** | | **3.4** | 154.8 |

# Cuntas Ioncaim & Caiteachais

# Income & Expenditure Account

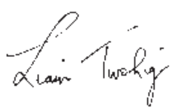
| CUNTAS NEAMHTHEICNIÚIL: ÁRACHAS SLÁINTE | NON-TECHNICAL ACCOUNT: HEALTH INSURANCE | Nótaí<br>Notes | **10 mí go Noll 2008**<br>**10 months to Dec 2008**<br>**€m** | Mar a Athluadh sa bhliain dar críoch Feabh 2008<br>As re-stated Year ended Feb 2008<br>€m |
|---|---|---|---|---|
| **Gníomhaíochtaí Leanúnacha** | **Continuing Activities** | | | |
| **Iarmhéid sa chuntas teicniúil árachas sláinte** | **Balance on the health insurance technical account** | | **3.4** | 154.8 |
| Fáltas ó infheistíocht fhadtéarmach | Longer term investment return | 3 | 34.7 | 33.3 |
| Fáltas infheistíochta leithdháilte arna aistriú go dtí an cuntas teicniúil árachas sláinte | Allocated investment return transferred to the health insurance technical account | | (34.7) | (33.3) |
| **Barrachas oibriúcháin** | **Operating surplus** | | 3.4 | 154.8 |
| Luaineacht ghearrthéarmach san fháltas infheistíochta | Short term fluctuations in investment return | 3 | (77.2) | (17.0) |
| (Easnamh)/barrachas ó ghnáthghníomhaíochtaí roimh cháin | (Deficit)/surplus on ordinary activities before taxation | | **(73.8)** | 137.8 |
| **Cánachas ar ghnáthghníomhaíochtaí:** | **Taxation on ordinary activities** | 4 | 8.8 | (18.2) |
| **(Easnamh)/barrachas ó ghnáthghníomhaíochtaí tar éis cánach, tugtha ar aghaidh go dtí na cúlchistí** | **(Deficit)/surplus on ordinary activities after taxation carried to reserves** | 5 | **(65.0)** | 119.6 |

D'fhaomh an Bord na cuntais ar 30 Aibreán 2009, agus shínigh na daoine seo a leanas iad ar a shon:

The accounts were approved by the Board on 30 April 2009, and signed on its behalf by:

**Bernard Collins**
Cathaoirleach

**Bernard Collins**
Chairman



**Liam Twohig**
Stiúrthóir

**Liam Twohig**
Director

# Clár Comhardaithe

# Balance Sheet

| SÓCMHAINNÍ | ASSETS | Nótaí<br>Notes | Noll 2008<br>Dec 2008<br>€m | Mar a Athluadh Feabh 2008<br>As re-stated Feb 2008<br>€m |
|---|---|---|---|---|
| **Infheistíochtaí** | **Investments** | | | |
| Talamh agus Foirgnimh | Land and buildings | 6 | 40.7 | 44.5 |
| Infheistíochtaí eile airgeadais | Other financial investments | 7 | 736.3 | 819.2 |
| **Sócmhainní Neamh-inláimsithe** | **Intangible assets** | | | |
| Costais éadála iarchurtha | Deferred acquisition costs | 9 | 9.0 | 10.1 |
| **Féichiúnaithe** | **Debtors** | | | |
| Féichiúnaithe na mball ag eascairt as oibríochtaí árachais | Debtors from members arising out of insurance operations | | 384.8 | 503.5 |
| Féichiúnaithe Eile | Other debtors | | 6.6 | 0.9 |
| **Sócmhainní Eile** | **Other Assets** | | | |
| Sócmhainní Inláimhsithe | Tangible assets | 8 | 46.7 | 38.1 |
| Airgead tirim sa bhanc agus ar láimh | Cash at bank and in hand | | – | 1.6 |
| **Cánachas iarchurtha** | **Deferred taxation** | 12 | 1.8 | – |
| **Réamh-íocaíochtaí agus ioncam fabhraithe** | **Prepayments and accrued income** | | | |
| Réamh-íocaíochtaí | Prepayments | | 1.4 | 1.0 |
| Ús fabhraithe | Accrued interest | | 8.2 | 7.1 |
| **Sócmhainní Iomlána** | **Total Assets** | | **1,235.5** | **1,426.0** |

# Clár Comhardaithe

# Balance Sheet

| DLITEANAIS | LIABILITIES | Nótaí / Notes | Noll 2008 / Dec 2008 €m | Mar a Athluadh Feabh 2008 / As re-stated Feb 2008 €m |
|---|---|---|---|---|
| **Cúlchistí** | **Reserves** | | | |
| Cúlchiste ginearálta | General reserve | | 337.9 | 422.5 |
| **Soláthairtí teicniúla** | **Technical provisions** | | | |
| Soláthar do phréimheanna neamhthuillte | Provision for unearned premiums | | 449.7 | 575.0 |
| Éilimh gan íoc | Claims outstanding | | 310.7 | 321.7 |
| Soláthairtí teicniúla eile | Other technical provisions | 10 | 13.1 | – |
| **Cánachas iarchurtha** | **Deferred taxation** | 12 | – | 0.4 |
| **Creidiúnaithe** | **Creditors** | | | |
| Creidiúnaithe na mball, ag eascairt as oibríochtaí árachais | Creditors to members arising out of insurance operations | | 40.8 | 52.2 |
| Creidiúnaithe agus fabhrú eile | Other creditors and accruals | 13 | 20.0 | 21.5 |
| Ró-tharraingt bainc | Bank overdraft | | 13.6 | 3.4 |
| **Dliteanas na Sochar Scoir** | **Retirement benefits liability** | 21 | 49.7 | 29.3 |
| **Dliteanais Iomlána** | **Total Liabilities** | | **1,235.5** | **1,426.0** |

D'fhaomh an Bord na cuntais ar 30 Aibreán 2009, agus shínigh na daoine seo a leanas iad ar a shon:

The accounts were approved by the Board on 30 April 2009, and signed on its behalf by:

**Bernard Collins**
Cathaoirleach

**Bernard Collins**
Chairman

**Liam Twohig**
Stiúrthóir

**Liam Twohig**
Director

# Ráiteas Sreabhadh Airgid

# Cash Flow Statement

| DEIREADH BLIAIN AIRGEADAIS | FINANCIAL YEAR END | Nótaí<br>Notes | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|---|
| Glan-(Eis-sreabhadh)/insreabhadh airgid thirim ó ghníomhaíochtaí oibriúcháin | Net cash (outflow)/inflow from operating activities | 14 | (50.2) | 94.5 |
| Cánachas íoctha | Taxation paid | | (2.2) | (21.0) |
| Caiteachas caipitil | Capital expenditure | | (17.3) | (24.6) |
| | | | **(69.7)** | 48.9 |
| **Infheistíodh an sreabhadh airgid mar seo a leanas:** | **Cash flows were invested as follows:** | | | |
| (Laghdú)/méadú ar shealúchas airgid thirim | (Decrease)/increase in cash holdings | | (11.9) | 4.1 |
| Glan-(laghdú)/ infheistíocht punainne | Net portfolio (reduction) /investment | 15&17 | (57.8) | 44.8 |
| **Glan-(laghdú)/infheistíocht sreabhadh airgid** | **Net (reduction)/investment of cash flows** | 16 | **(69.7)** | 48.9 |

# Ráiteas na nGnóthachan & na gCaillteanas Iomlán Aitheanta

# Statement of Total Recognised Gains and Losses

| | | Nótaí<br>Notes | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Mar a Athluadh sa bhliain dar críoch Feabh 2008<br>As re-stated Year ended Feb 2008<br>€m |
|---|---|---|---|---|
| (Easnamh)/barrachas don tréimhse airgeadais | (Deficit)/surplus for the financial period | | (65.0) | 119.6 |
| (Caillteanas)/gnóthachan achtúireach sa chiste pinsean | Actuarial (loss)/gain on pension fund | 21 | (19.6) | 3.1 |
| **Iomlán na ngnóthachan agus na gcaillteanas aitheanta a bhaineann leis an tréimhse** | **Total recognised gains and losses relating to the period** | | **(84.6)** | 122.7 |
| Athrú ón mbliain roimhe sin | Prior year adjustment | 22 | 7.4 | 8.0 |
| **Iomlán na ngnóthachan agus na gcaillteanas aitheanta ó rinneadh an tuarascáil dheireanach** | **Total recognised gains and losses since last report** | | **(77.2)** | 130.7 |

# Nótaí leis na Cuntais / Notes to the Accounts

## 1. Préimh thuillte / 1. Earned premium

Is ionann gnó árachais an Bhoird agus áracha sláinte go príomha agus baineann préimh thuillte leis an aicme ghnó seo. Tá na méideanna ó tháirgí coimhdeacha an-bheag. Rinneadh an gnó scríofa go léir i bPoblacht na hÉireann.

The insurance business of the Board is substantially health insurance and earned premium relates mainly to this class of business. Amounts from ancillary products are minimal. All business written is in the Republic of Ireland.

## 2. Glan-chostais oibriúcháin / 2. Net operating expenses

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| Costais riaracháin | Administrative expenses | 65.6 | 72.5 |
| Costais éadála | Acquisition costs | 19.1 | 18.9 |
| | | **84.7** | 91.4 |

| | | 10 mí go Noll 2008<br>10 months to Dec 2008 | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008 |
|---|---|---|---|
| Ba é líon meánach na ndaoine, lena n-áirítear fostaithe páirtaimseartha, a bhí fostaithe ag an mBord ná: | The average number of persons, including part time employees, employed by the Board was: | 913 | 893 |

| **Ba ionann na costais foirne agus:** | **Staff costs were:** | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| Pá agus tuarastail | Wages and salaries | 41.0 | 47.0 |
| Costas leasa shóisialaigh | Social security costs | 4.1 | 4.8 |
| Sochair scoir | Retirement benefits | 5.5 | 5.9 |

Ba ionann na táillí iomlána a íocadh leis an bPríomh-Fheidhmeannach (ó ceapadh é i mBealtaine 2008), lena n-áirítear ranníocaíocht phinsin rud a cuireadh san áireamh sna glan-chostais oibriúcháin sa tréimhse go dtí Nollaig 2008, agus €274,997. Ba ionann na táillí iomlána a íocadh leis an iar-Phríomh-Fheidhmeannach reatha, n-áirítear ranníocaíocht phinsin rud a cuireadh san áireamh sna glan-chostais oibriúcháin sa tréimhse go dtí Nollaig 2008, agus €398,287 (bliain dar críoch 28 Feabhra 2008 €454,499).

Total fees, including pension contribution, paid to the current Chief Executive and included in net operating expenses in the period to December 2008 amounted to €274,997. Total fees, including pension contribution, paid to the former Chief Executive and included in net operating expenses in the period to December 2008 amounted to €398,287 (year ended 28th February 2008 €454,499).

## 3. Fáltas infheistíochta | 3. Investment return

**(a) Fáltas infheistíochta fadtéarmaí**

Tá na rátaí d'fháltas infheistíochta atá mar bhonn le ríomh an fháltais infheistíochta fadtéarmaí, tá siad leagtha amach thíos.

**(a) Longer term investment return**

The rates of investment return underlying the calculation of the longer term investment return are set out below.

| | | 10 mí go Noll 2008 / 10 months to Dec 2008 % | Bliain dar críoch Feabh 2008 / Year ended Feb 2008 % |
|---|---|---|---|
| Talamh agus foirgnimh | Land and buildings | 7.5 | 6.1 |
| Scaireanna agus urrúis inathraitheacha táirgeachta eile | Shares and other variable yield securities | 8.5 | 7.2 |
| Urrúis fiach/urrúis úis sheasta | Debt securities/fixed interest securities | 3.8 | 3.8 |
| Taiscí in institiúidí creidmheasa | Deposits with credit institutions | 2.5 | 3.0 |

**(b) Comparáid idir fáltas infheistíochta fadtéarmaí leis an bhfíor-fháltas**

**(b) Comparison of longer term investment return with actual return**

| | | 10 mí go Noll 2008 / 10 months to Dec 2008 €m | Mar a Athluadh sa bhliain dar críoch Feabh 2008 / As re-stated Year ended Feb 2008 €m |
|---|---|---|---|
| Fíorfháltas: | Actual return: | | |
| Ioncam ó thalamh agus ó fhoirgnimh | Income from land and buildings | 0.1 | – |
| Ioncam ó infheistíochtaí eile | Income from other investments | 23.4 | 25.6 |
| Caillteanais ó réadú infheistíochtaí | Losses on realisation of investments | (36.0) | (7.6) |
| Caillteanais neamhréadaithe ó thalamh agus ó fhoirgnimh | Unrealised losses on land and buildings | (3.8) | (0.3) |
| (Caillteanais)/gnóthachain neamhréadaithe ó infheistíochtaí a coinníodh chun aibíochta | Unrealised (losses)/gains on investments held to maturity | (9.4) | 0.5 |
| Caillteanais neamhréadaithe ó infheistíochtaí a coinnníodh do thrádáil | Unrealised losses on investments held for trading | (15.7) | (0.7) |
| Costais bainistíochta infheistíochta | Investment management expenses | (1.0) | (1.2) |
| | | **(42.5)** | 16.3 |
| Fáltas infheistíochta fadtéarmaí | Longer term investment return | (34.7) | (33.3) |
| Luaineacht ghearrthéarmach | Short term fluctuations | **(77.2)** | (17.0) |

Rinneadh aistriú den mhéid iomlán den fháltas infheistíochta fadtéarmaí ón gcuntas neamhtheicniúil go dtí an cuntas teicniúil, ar an mbonn go bhfuil cúlchistí an Bhoird níos ísle ná leibhéal an chorrlaigh sócmhainneachta atá ag teastáil ón rialtóir agus meastar mar sin go bhfuil na cúlchistí go léir ag tacú leis na soláthairtí teicniúla.

A transfer of the full amount of the longer term investment return has been made from the non-technical account to the technical account on the basis that the reserves of the Board are lower than the solvency margin level required by the regulator and therefore all reserves are deemed to be in support of the technical provisions.

# Nótaí leis na Cuntais
Ar Lean.

# Notes to the Accounts
Continued

## 4. Cánachas ar ghnáthghníomhaíochtaí | 4. Taxation on ordinary activities

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Mar a Athluadh sa bhliain dar críoch Feabh 2008<br>As re-stated Year ended Feb 2008<br>€m |
|---|---|---|---|
| Is ionann an muirear cánachais ar an gcuntas ioncaim agus caiteachais agus: | The taxation charge in the income and expenditure account comprises: | | |
| Cánachas reatha don tréimhse - (creidmheas)/muirear | Current taxation for the period – (credit)/charge | (6.6) | 18.8 |
| Cánachas iarchurtha - creidmheas | Deferred taxation – credit | (2.2) | (0.6) |
| | | **(8.8)** | 18.2 |
| **Fachtóirí ag dul i bhfeidhm ar an muirear cánach reatha don tréimhse airgeadais** | **Factors affecting the current taxation charge for the financial period** | | |
| Ríomhtar an cánachas reatha don tréimhse airgeadais ar ráta difriúil leis an ngnáthráta de cháin chorparáideach in Éirinn de 12.5% (Feabhra 2008: 12.5%). | The current taxation for the financial period is calculated at a rate different to the standard rate of corporation tax in Ireland of 12.5% (Feb 2008: 12.5%). | | |
| Mínítear na difríochtaí thíos: | The differences are explained below: | | |
| (Easnamh)/barrachas ó ghnáthghníomhaíochtaí roimh chánachas | (Deficit)/surplus on ordinary activities before taxation | (73.9) | 137.8 |
| (Easnamh)/barrachas ó ghnáthghníomhaíochtaí, méadaithe faoin ngnáthráta de chánachas corparáideach de 12.5% (Feabhra 2008: 12.5%) | (Deficit)/surplus on ordinary activities multiplied by standard rate of corporation taxation of 12.5% (Feb 2008: 12.5%) | (9.2) | 17.2 |
| Éifeachtaí: | Effects of: | | |
| Ní cheadaítear speansais do chuspóirí cánachais | Expenses not allowed for taxation purposes | 1.5 | 0.9 |
| Liúntais chaipitil níos mó ná dímheas na tréimhse | Capital allowances in excess of depreciation for period | 1.1 | 0.7 |
| **Cánachas reatha na tréimhse airgeadais** | **Current taxation for financial period** | **(6.6)** | 18.8 |

## 5. Easnamh ar ghnáthghníomhaíochtaí tar éis cánach, tugtha ar aghaidh go dtí na cúlchistí / 5. Deficit on ordinary activities after taxation carried to reserves

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| Bíonn easnamh na tréimhse airgeadais luaite tar éis an mhuirir: | The deficit for the financial period is stated after charging: | | |
| Dímheas na sócmhainní inláimhsithe seasta | Depreciation of tangible fixed assets | 8.8 | 12.1 |
| Luach saothair an Bhoird | Board remuneration | 1.1 | 0.6 |
| **Luach Saothair na nIniúchóirí** | **Auditors remuneration** | | |
| Táille iniúchóireachta | Audit fee | 0.1 | 0.1 |
| Táillí bainteach leis an iniúchadh | Audit related fees | – | 0.1 |
| Táillí nach mbaineann leis an iniúchadh | Non audit fees | – | 0.1 |

## 6. Talamh agus Foirgnimh / 6. Land and buildings

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| Luacháil: | Valuation: | | |
| Ar 1 Márta | At 1 March | 44.5 | 44.8 |
| Caillteanas ó athluacháil | Loss on revaluation | (3.8) | (0.3) |
| **Ag deireadh na tréimhse** | **At end of period** | **40.7** | 44.5 |

Tá an talamh agus na foirgnimh thuas á n-úsáid ag an mBord dá ghníomhaíochtaí féin agus is ruílsí iad don chuid is mó.

Land and buildings included above are occupied by the Board for its own activities and are mainly freehold.

Rinneadh luacháil ar an talamh agus ar na foirgnimh ar 31 Nollaig 2008 ar luach an mhargaidh oscailte, de réir na gcaighdeán measúnaithe agus luachála atá ag Institiúid Ríoga na Suirbhéirí Cairte (IRSC). Rinne Suirbhéirí Cairte Thorntons, Hamilton Osborne King, DTZ Sherry Fitzgerald and O'Keeffe Auctioneers an luacháil seo.

Land and buildings were valued at 31 December 2008 at open market value in accordance with Royal Institute of Chartered Surveyors (RICS) appraisal and valuation standards. These valuations were made by Thorntons Chartered Surveyors, Hamilton Osborne King, DTZ Sherry Fitzgerald and O'Keeffe Auctioneers.

Mura mbeadh athluacháil déanta ar an talamh agus ar na foirgnimh, bheidís san áireamh ar na méideanna seo a leanas, arb ionann iad agus an luach íseal costais nó an glan-luach inréadaithe.

If the land and buildings had not been revalued they would have been included at the following amounts which represent the lower of cost or net realisable value.

| | | | |
|---|---|---|---|
| Costas tosaigh | Opening cost | 19.5 | 19.5 |
| **Costas deiridh** | **Closing cost** | **19.5** | 19.5 |

# Nótaí leis na Cuntais Ar Lean.

# Notes to the Accounts Continued

## 7. Infheistíochtaí airgeadais eile

## 7. Other financial investments

| | | Noll 2008 Luach Margaidh | Noll 2008 Costas | Mar a Athluadh Feabh 2008 Luach Margaidh | Feabh 2008 Costas |
|---|---|---|---|---|---|
| | | **Dec 2008 Market Value €m** | **Dec 2008 Cost €m** | As re-stated Feb 2008 Market Value €m | Feb 2008 Cost €m |
| **Á gCoinneáil le haghaidh Trádála** | **Held for Trading** | | | | |
| Scaireanna agus urrúis inathraitheacha táirgeachta eile | Shares and other variable yield securities | 152.1 | 165.6 | 229.2 | 228.1 |
| Urrúis fiach/ úis sheasta | Debt securities/ fixed interest securities | 136.8 | 133.8 | 90.5 | 86.9 |
| Infheistíochtaí eile | Other investments | 1.6 | 3.4 | 0.8 | 2.0 |
| Taiscí airgid in institiúidí creidmheasa | Deposits with credit institutions | 9.1 | 9.1 | 31.7 | 31.7 |
| | | 299.6 | 311.9 | 352.2 | 348.7 |
| | | Costas amúchta | Costas | Mar a athluadh Costas amúchta | Costas |
| | | **Amortised Cost** | **Cost** | As re-stated Amortised Cost | Cost |
| **A gcoinneáil chun aibíochta** | **Held to maturity** | | | | |
| Urrúis fiach/ úis sheasta | Debt securities/ fixed interest securities | 436.7 | 446.7 | 467.0 | 467.7 |
| | | **736.3** | **758.6** | 819.2 | 816.4 |

## 8. Sócmhainní Inláimhsithe / 8. Tangible Assets

| | | Mótarfheithiclí<br>Motor vehicles<br>€m | Daingneáin, troscán agus feistis<br>Fixtures, furnishings and fittings<br>€m | Trealamh ríomhaire /oifige & Bog-earraí<br>Computer/ office equipment & software<br>€m | Iomlán<br>Total<br>€m |
|---|---|---|---|---|---|
| Costas | Cost | | | | |
| Ar 1 Márta 2008 | At 1 March 2008 | 2.3 | 8.1 | 84.2 | 94.6 |
| Breiseáin | Additions | 0.3 | 0.1 | 17.3 | 17.7 |
| Diúscairtí | Disposals | (0.4) | (0.2) | (2.3) | (2.9) |
| **Ar 31 Nollaig 2008** | **At 31 December 2008** | **2.2** | **8.0** | **99.2** | **109.4** |
| Dímheas | Depreciation | | | | |
| Ar 1 Márta 2008 | At 1 March 2008 | (1.3) | (6.1) | (49.1) | (56.5) |
| Muirear don tréimhse airgeadais | Charge for the financial period | (0.4) | (0.7) | (7.7) | (8.8) |
| Díothaithe maidir le diúscairtí | Eliminated in respect of disposals | 0.3 | 0.2 | 2.1 | 2.6 |
| **Ar 31 Nollaig 2008** | **At 31 December 2008** | **(1.4)** | **(6.6)** | **(54.7)** | **(62.7)** |
| **Glan-luach na leabhar ar 31 Nollaig 2008** | **Net book value at 31 December 2008** | **0.8** | **1.4** | **44.5** | **46.7** |
| Glan-luach leabhar ar 29 Feabh 2008 | Net book value at 29 February 2008 | 1.0 | 2.0 | 35.1 | 38.1 |

## 9. Costais Iarchurtha Éadála / 9. Deferred Acquisition Costs

Léirítear costais éadála mar chostas de réir mar a thuilltear na préimheanna a mbaineann siad leo.

Baineann an méid de €9.0m a cuireadh ar fáil ar 31 Nollaig 2008 (Feabhra 2008: €10.1m) le costais a tabhaíodh le linn na bliana airgeadais, a bhaineann go díreach le héadáil gnó nua. Aithnítear na costais éadála eile go léir mar chostas nuair a thabhaítear iad.

Acquisition costs are expensed as the premiums to which they relate are earned.

The amount of €9.0m provided for at 31 December 2008 (February 2008: €10.1m) is in respect of costs incurred during the financial year which are directly attributable to the acquisition of new business. All other acquisition costs are recognised as an expense when incurred.

# Nótaí leis na Cuntais
Ar Lean.

## 10. Soláthairtí teicniúla eile

Déanann an Bord measúnú gach bliain ar cé acu an dtabhóidh nó nach dtabhóidh sé caillteanais ón eilimint neamhchaite de chonraí atá ann cheana nó ó chonraí is gá dó a chur i bhfeidhm nó a athnuachan. Tá meastachán na gcaillteanas seo bunaithe ar mhúnla a úsáideann na caighdeáin cleachtais achtúireacha chuí. Baineann an phríomh-éiginnteacht le costas agus méid na n-éileamh amach anseo. I measc na bhfachtóirí a théann i bfeidhm ar chostais amach anseo, tá:

a) fáil ar líon leapacha príobháideacha, ós rud é gur tréith den mhargadh chúraim sláinte é go méadóidh an t-éileamh le freastal ar an soláthar;
b) costas na leapacha príobháideacha sna hospidéil phoiblí, rud a bhíonn socraithe ag an Aire Sláinte agus Leanaí;
c) forbairt drugaí agus teicneolaíochtaí nua;
d) dúshláin dlí i gcoinne scéim Comhionannaithe Riosca ar bith;
e) boilsciú leighis ag dul os cionn gnáthbhoilsciú.

Tá na boinn tuisceana a bhaineann leis na fachtóirí seo bunaithe ar an eolas margaidh is déanaí agus ar thaithí na haimsire caite.

Is é an méid a cuireadh ar fáil i Nollaig 2008 ná €13.1m (Feabhra 2008: €nialas).

Chinn an Chúirt Uachtarach in Iúil 2008 go raibh an scéim Comhionannaithe Riosca a bhí gníomhachtaithe roimhe sin ag an Aire Sláinte agus Leanaí agus a bhí i bhfeidhm ó 1 Eanáir 2006, go raibh sé míbhailí agus nach bhféadfaí na suimeanna go léir a bhí le bheith faighte faoin scéim seo, a bhailiú dá bharr.

Sa chás nach mbeadh scéim Comhionannaithe Riosca i bhfeidhm taobh istigh de mhargadh atá rátáilte don phobal, is mór an dóchúlacht go mbeadh caillteanais mhóra á dtabhú ag Vhi Healthcare amach anseo.

I Nollaig 2008, foilsíodh an Bille Leasaithe um Árachas Sláinte (Forálacha Ilghnéitheacha) agus bhí sé mar cheann dá chuspóirí sainluaite go ndéanfaí feabhsú na dlúthpháirtíochta idir ghlúine chomh maith le hárachas sláinte pobalrátaithe. Creideann Vhi Healthcare go mbeidh gá le leasú mór ar an mBille mar a dréachtadh é, chun cuspóir sainráite an rialtais a bhaint amach. Chomh maith leis sin, dréachtar an Bill mar bheart eatramhach (trí bliana) ó 1 Eanáir 2009 go dtí 31 Nollaig 2011 agus níl aon chinnteacht maidir leis an rud a tharlóidh tar éis don tréimhse trí bliana seo críochnú.



# Notes to the Accounts
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## 10. Other technical provisions

Each year the Board assesses whether it will incur losses on the unexpired element of existing contracts or on contracts that it is obliged to incept or renew. The estimate of these losses is based on a model using appropriate actuarial practice standards. The principal uncertainty relates to the cost and volume of future claims. Among the factors affecting future costs are:

a) the availability of private bed capacity, because a characteristic of the healthcare market is that demand will expand to match supply;
b) the cost of private beds in public hospitals which is determined by the Minister for Health and Children;
c) the development of new drugs and technologies;
d) legal challenges to any Risk Equalisation scheme;
e) medical inflation running ahead of general inflation.

The assumptions relating to these factors are based on the most up-to-date market information and past experience.

The amount provided at December 2008 is €13.1m (February 2008: €nil).

In July 2008 the Supreme Court decided that the Risk Equalisation scheme, previously activated by the Minister for Health and Children with effect from 1st January 2006, was invalid and consequently all sums due to be received under this scheme were no longer collectible.

In the event of a Risk Equalisation scheme not being activated within a community rated market there is a high likelihood of Vhi Healthcare incurring significant losses in future years.

In December 2008 the Health Insurance (Miscellaneous Provisions) Amendment Bill was published with as one of its stated objects the enhancement of intergenerational solidarity and community rated health insurance. Vhi Healthcare believe that the Bill as drafted will require substantial amendment in order to meet the Government's stated objective. In addition the Bill is drafted on the basis of being an interim (three year) measure from 1 January 2009 to 31 December 2011 and there is no certainty as to what will happen after this three-year period has expired.

## 11. Riachtanas Sócmhainneachta

Tá iarrtha ag an Aire Sláinte agus Leanaí go mbeadh Vhi Healthcare in ann iarratas a chur isteach ar cheadúnas mar árachóir údaraithe chuig an Rialtóir Airgeadais faoi Mheán Fómhair 2009. Agus an t-iarratas á mheasúnú, déanann an Rialtóir Airgeadais roinnt tástálacha, lenar áiríodh, inter alia

a) dóthanacht an leibhéal sócmhainneachta i láthair na huaire
b) dóthanacht na staide sócmhainneacht meántéarmaí, bunaithe ar réamh-mheastacháin dhóchasacha, neamhdhócasacha agus réalaíocha 5 bliana.

Léirítear staid Vhi Healthcare maidir leis an gcorrlach sócmhainneachta riachtanach ar 31 Nollaig 2008, léirítear í i gCuid na dTorthaí agus na nGraf Comparáideach.

Beidh gá le caipitliú dóthanach a dhéanamh ar Vhi Healthcare chun an Rialtóir Airgeadais a shásamh i ngach cás, lena n-áirítear cás nuair nach ndéantar an beart eatramhach a athsholáthar le scéim Comhionannaithe Riosca atá níos buaine.

Tá leibhéal sócmhainneachta 27.7% ag Vhi Healthcare i láthair na huaire. Tá sé mar riachtanas ag an Rialtóir Airgeadais go mbeadh leibhéal sócmhainneachta 40% i bhfeidhm. Chun na riachtanais seo a chomhlíonadh, beidh gá le bearta chun an staid sócmhainneachta atá ag teastáil a bhaint amach faoin dáta dlite agus beidh gá le caipiteal sa bhreis agus nó bearta eile, amhail athárachas agus fofhiach.

## 11. Solvency Requirement

The Minister for Health and Children has requested that Vhi Healthcare be in a position to apply for a licence as an authorised insurer to the Financial Regulator by September 2009. In assessing an application, the Financial Regulator applies a number of tests, including, inter alia,

a) the adequacy of the current solvency level
b) the adequacy of the medium term solvency position based on 5 year optimistic, pessimistic and realistic projections.

Vhi Healthcare's position in relation to the required solvency margin at 31 December 2008 is shown in the Comparative Results and Graphs section.

Vhi Healthcare will have to be sufficiently well capitalised to satisfy the Financial Regulator under all scenarios, including a scenario where the interim measure is not replaced by a more permanent Risk Equalisation scheme.

Vhi Healthcare currently has a solvency level of 27.7%. The Financial Regulator requires a solvency level of 40%. In order to comply with these requirements, measures will need to be taken to achieve the required solvency position by the due date which will require additional capital and or other measures such as reinsurance and subordinated debt.

# Nótaí leis na Cuntais
Ar Lean.

# Notes to the Accounts
Continued

## 12. Cánachas Iarchurtha / 12. Deferred Taxation

Rinneadh soláthar maidir le cánachas iarchurtha do na difríochtaí uainithe seo a leanas:

Provision has been made in respect of deferred taxation for the following timing differences:

| | | Noll 2008<br>Dec 2008<br>€m | Mar a Athluadh Feabh 2008<br>As re-stated Feb 2008<br>€m |
|---|---|---|---|
| Caillteanas/(gnóthachan) neamhréadaithe ó luacháil infheistíochta | Unrealised loss/(gain) on investment valuation | 1.5 | (0.2) |
| Difríochtaí uainithe eile | Other timing differences | 0.3 | (0.2) |
| Soláthar iomlán | Total provision | **1.8** | (0.4) |

## 13. Creidiúnaithe agus fabhrú eile / 13. Other creditors and accruals

| | | Noll 2008<br>Dec 2008<br>€m | Feabh 2008<br>Feb 2008<br>€m |
|---|---|---|---|
| Cáin chorparáideach | Corporation tax | – | 2.9 |
| ÍMAT agus ÁSPC | PAYE and PRSI | 1.3 | 1.1 |
| Creidiúnaithe eile | Other creditors | 3.2 | 3.1 |
| Fabhrú | Accruals | 15.5 | 14.4 |
| | | **20.0** | 21.5 |

## 14. Réiteach idir an (easnamh)/barrachas oibriúcháin leis an nglan-sreabhadh airgid ó ghníomhaíochtaí oibriúcháin / 14. Reconciliation of operating (deficit)/surplus to net cash flow from operating activities

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Mar a Athluadh sa bhliain dar críoch Feabh 2008<br>As re-stated Year ended Feb 2008<br>€m |
|---|---|---|---|
| (Easnamh)/barrachas ó ghnáthghníomhaíochtaí roimh chánacha | (Deficit)/surplus on ordinary activities before taxation | **(73.9)** | 137.8 |
| Muirir dímheasa | Depreciation charges | 8.7 | 12.1 |
| Sochair scoir | Retirement benefits | 0.9 | 0.6 |
| Caillteanais neamhréadaithe ó infheistíochtaí | Unrealised losses on investments | 28.9 | 0.5 |
| Laghdú ar sholáthairtí teicniúla árachas sláinte | Decrease in health insurance technical provisions | (123.3) | (36.6) |
| Laghdú/(méadú) ar fhéichiúnaithe na mball, ag eascairt as oibríochtaí árachais | Decrease/(increase) in debtors from members arising out of insurance operations | 118.7 | (34.1) |
| Méadú ar fhéichiúnaithe agus réamhíocaíochtaí | Increase in debtors and prepayments | (0.2) | (0.4) |
| (Laghdú)/méadú ar chreidiúnaithe agus ar fhabhrú | (Decrease)/increase in creditors and accruals | (10.0) | 14.6 |
| **Glan-(Eis-sreabhadh)/insreabhadh airgid ó ghníomhaíochtaí oibriúcháin** | **Net cash (outflow)/inflow from operating activities** | **(50.2)** | 94.5 |

## 15. Gluaiseacht in oscailt agus i ndúnadh infheistíochtaí punainne / 15. Movement in opening and closing portfolio investments

| | | | |
|---|---|---|---|
| Glan-(Eis-sreabhadh)/insreabhadh airgid don tréimhse | Net cash (outflow)/inflow for the period | **(11.9)** | 4.1 |
| Infheistíochtaí punainne | Portfolio investments | (57.8) | 44.8 |
| Gluaiseacht ag eascairt as sreabhadh airgid | Movement arising from cash flows | (69.7) | 48.9 |
| Athruithe ar luachanna margaidh | Changes in market values | (25.1) | (0.2) |
| Gluaiseacht iomlán sa phunann | Total movement in portfolio | (94.8) | 48.7 |
| Infheistíochtaí punainne agus airgead ar láimh ag tús na tréimhse | Portfolio investments and cash in hand at start of period | 817.5 | 768.8 |
| **Infheistíochtaí punainne agus airgead ar láimh ag deireadh na tréimhse** | **Portfolio investments and cash in hand at the end of the period** | **722.7** | 817.5 |

# Nótaí leis na Cuntais Ar Lean.

# Notes to the Accounts Continued

## 16. Gluaiseacht sna hinfheistíochtaí airgid agus punainne

## 16. Movement in cash and portfolio investments

| | | Ar 1 Márta 2008 / At 1 March 2008 €m | Sreabhadh airgid / Cash flow €m | Athruithe ar luach margaidh / Changes to market value €m | **Ar 31 Noll 2008 / At 31 Dec 2008 €m** |
|---|---|---|---|---|---|
| Airgead sa bhanc agus ar láimh | Cash at bank and in hand | (1.7) | (11.9) | – | (13.6) |
| Scaireanna agus urrúis inathraitheacha táirgeachta eile | Shares and other variable yield securities | 229.2 | (62.6) | (14.4) | 152.1 |
| Urrúis fiach agus urrúis úis sheasta eile a choinnítear do thrádáil | Debt securities and other fixed interest securities held for trading | 90.5 | 46.9 | (0.6) | 136.8 |
| Urrúis fiach agus urrúis úis sheasta eile a choinnítear chun aibíochta | Debt securities and other fixed interest securities held to maturity | 467.0 | (20.9) | (9.4) | 436.7 |
| Infheistíochtaí eile | Other investments | 0.8 | 1.4 | (0.7) | 1.6 |
| Taiscí in institiúidí airgeadais | Deposits with credit institutions | 31.7 | (22.6) | – | 9.1 |
| | | **817.5** | **(69.7)** | **(25.1)** | **722.7** |

## 17. Anailís ar shreabhadh airgid do cheann-teidil luaite sa ráiteas sreabhadh airgid

## 17. Analysis of cash flows for headings netted in the cash flow statement

| | | **10 mí go Noll 2008 / 10 months to Dec 2008 €m** | Bliain dar críoch Feabh 2008 / Year ended Feb 2008 €m |
|---|---|---|---|
| **Infheistíochtaí punainne** | **Portfolio investments** | | |
| Ceannach scaireanna agus urrúis inathraitheacha táirgeachta eile | Purchase of shares and other variable yield securities | 114.3 | 80.2 |
| Ceannach urrúis fiach/ urrúis úis sheasta | Purchase of debt securities/ fixed interest securities | 659.1 | 1,310.9 |
| Ceannach infheistíochtaí eile | Purchase other investments | 1.4 | 0.8 |
| Taiscí in institiúidí creidmheasa | Deposits with credit institutions | 830.4 | 832.1 |
| Díol scaireanna agus urrúis inathraitheacha táirgeachta eile | Sale of shares and other variable yield securities | (176.9) | (57.9) |
| Díol urrúis fiach/ urrúis úis sheasta | Sale of debt securities/ fixed interest securities | (633.1) | (1,292.7) |
| Aibíocht na dtaiscí sna hinstitiúidí creidmheasa | Maturity of deposits with credit institutions | (853.0) | (828.6) |
| **Glan-(insreabhadh)/eis-sreabhadh airgid ó infheistíochtaí punainne** | **Net cash (inflow)/outflow on portfolio investments** | **(57.8)** | 44.8 |

## 18. Fo-Ghnóthas

Bhunaigh Vhi Healthcare fo-ghnóthas, Vhi Occupational Health Ltd. a bhfuil éifeacht leis ó Dheireadh Fómhair 2008. Tá an comhlacht seo atá cláraithe in Éirinn, suite ag Teach Vhi, Sráid na Mainistreach Íochtarach, Baile Átha Cliath 1. Tá an comhlacht 100% faoi úinéireacht an Bhoird Árachais Sláinte Shaorálaigh. Is ionann nádúr oibríochtaí an chomhlachta seo agus soláthar Seirbhísí Sláinte Ceirde.

## 18. Subsidiary Undertaking

Vhi Healthcare set up a subsidiary company, Vhi Occupational Health Ltd, with effect from October 2008. This Irish registered company is located at Vhi House, Lower Abbey Street, Dublin 1. The company is 100% owned by Voluntary Health Insurance Board. The nature of operations in this company is the provision of Occupational Health Services.

## 19. Gealltanais Chaipitil

## 19. Capital Commitments

| | | **10 mí go Noll 2008**<br>**10 months to Dec 2008**<br>**€m** | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| Caiteachas caipitil atá conraithe | Capital expenditure contracted for | – | 2.2 |
| Caiteachas caipitil atá ceadaithe ach nach bhfuil conraithe | Capital expenditure approved but not contracted for | – | 4.3 |

## 20. Idirbhearta Páirtithe Bainteacha

Mar an gcéanna le go leor aonán eile, déanann an Bord Árachais Sláinte Shaorálaigh déileáil i ngnáthchúrsaí gnó, le comhlachtaí eile atá urraithe ag an rialtas, faoi úinéireacht chomónta an Aire Sláinte, a bhfuil ról aici i gceapadh Bhaill an Bhoird.

**Sainleas Bhaill an Bhoird agus an Rúnaí**
Ní raibh aon sainleas tairbheach ag Baill an Bhoird sa Bhord Árachais Sláinte Shaorálaigh ná ina fho-chomhlachtaí ag am ar bith le linn na bliana.

## 20. Related Party Transactions

In common with many other entities, the Voluntary Health Insurance Board deals in the normal course of business with other Government sponsored bodies under the common ownership of the Minister for Health, who has a role in appointing the Board Members.

**Interests of Board Members and Secretary**
The Board Members had no beneficial interest in the Voluntary Health Insurance Board or its subsidiaries at any time during the year.

# Nótaí leis na Cuntais Ar Lean.

# Notes to the Accounts Continued

## 21. Sochair scoir

Feidhmíonn an Bord scéim sochair shainithe do phinsin. Tá sócmhainní na scéime á gcoinneáil i gciste ar leith a bhíonn riartha ag iontaobhaithe. Chomh maith le teidlíochtaí pinsean, cuireann an Bord sochair ar fáil do dhaoine áirithe ar scor maidir le clúdach árachas sláinte. Bíonn costais agus dliteanais sochair scoir measta ag achtúire neamhspleách cáilithe agus modh an aonaid creidmheasa réamh-mheasta de mhaoiniú á úsáid. Ba ionann ranníocaíochtaí don scéim seo sna 10 mí go dtí Nollaig 2008 agus €4.5m (12 mí go dtí Feabhra 2008: €5.3m) agus tá siad bunaithe ar 12.2% de phá inphinsin.

Tá na luachanna a úsáideadh sa nochtadh seo bunaithe ar an luacháil achtúireach is déanaí, rud a rinneadh ar 31 Nollaig 2008 agus cuireadh na méideanna i bhfeidhm go hiomlán sna cuntais de réir riachtanais FRS 17: 'Sochair Scoir'.

Tá na tuarascálacha achtúireacha ar fáil le haghaidh cigireachta ag baill na scéime ach ní ag an bpobal.

## 21. Retirement benefits

The Board operates a defined benefit pension scheme. The assets of the scheme are held in a separate trustee administered fund. In addition to pension entitlements, the Board also provides benefits to certain retirees in respect of health insurance cover. Retirement benefit costs and liabilities are determined by an independent qualified actuary, using the projected unit credit method of funding. The contributions to the scheme for the 10 months to December 2008 amounted to €4.5m (12 months to February 2008: €5.3m) and are based on 12.2% of pensionable pay.

The values used in this disclosure are based on the most recent actuarial valuations, carried out at 31 December 2008, and the amounts have been fully implemented in the accounts in accordance with the requirements of FRS 17: 'Retirement Benefits'.

The actuarial reports are available for inspection by members of the scheme but not for public inspection.

| | | Noll 2008 | Feabh 2008 |
|---|---|---|---|
| **Is iad na príomhbhoinn tuisceana a úsáidtear maidir leis an scéim pinsean ná:** | **The major assumptions used in respect of the pension scheme are:** | **Dec 2008 %** | **Feb 2008 %** |
| Ráta méadaithe ar thuarastail | Rate of increase in salaries | 3.75 | 4.0 |
| Ráta méadaithe ar phinsin á n-íoc | Rate of increase in pensions in payment | 3.0 | 3.25 |
| Ráta lascaine | Discount rate | 5.75 | 5.50 |
| Bonn tuisceana boilscithe | Inflation assumption | 2.0 | 2.25 |
| **Is iad na rátaí fáltais ionchasacha fadtéarmacha ag deireadh na tréimhse airgeadais ná:** | **Long-term expected rates of return at financial period end are:** | | |
| Gnáthscaireanna | Equities | 8.5 | 7.2 |
| Ús seasta | Fixed interest | 3.8 | 3.8 |
| Réadmhaoin | Property | 7.5 | 6.1 |
| Eile | Other | 2.5 | 3.0 |

| | | Noll 2008 | Feabh 2008 |
|---|---|---|---|
| **Ionchas meánach measta saoil do thábláí básmhaireachta a úsáidtear chun dualgais sochair a ríomh ag** | **Weighted average life expectancy for mortality tables used to determine benefit obligations at** | **Dec 2008** | **Feb 2008** |
| Ball 65 bliain d'aois (ionchas saoil reatha) | Member age 65 (current life expectancy) | 20.7 | 20.7 |
| Ball 40 bliain d'aois (ionchas saoil ag 65 bliain d'aois) | Member age 40 (life expectancy at age 65) | 21.8 | 21.8 |

## 21. Sochair scoir Ar Lean. | 21. Retirement benefits Continued

| | | Noll 2008<br>Dec 2008<br>€m | Feabh 2008<br>Feb 2008<br>€m |
|---|---|---|---|
| **Ba iad na sócmhainní sa scéim pinsean ar luach an mhargaidh ná:** | **The assets in the pension scheme at market value were:** | | |
| Gnáthscaireanna | Equities | 51.5 | 85.1 |
| Ús Seasta | Fixed interest | 16.4 | 15.6 |
| Réadmhaoin | Property | 4.8 | 7.5 |
| Eile | Other | 6.4 | 7.0 |
| **Luach margaidh iomlán na sócmhainní** | **Total market value of assets** | 79.1 | 115.2 |
| Luach reatha na ndliteanas scéime | Present value of scheme liabilities | (120.2) | (135.5) |
| **Easnamh ar an scéim** | **Deficit in the scheme** | (41.1) | (20.3) |
| Soláthar neamh-mhaoinithe préimh árachas sláinte | Unfunded health insurance premium provision | (15.7) | (13.2) |
| **Glan-easnamh na sochar scoir** | **Net retirement benefits deficit** | (56.8) | (33.5) |
| Sócmhainn bhainteach cánach iarchurtha | Related deferred tax asset | 7.1 | 4.2 |
| **Glan-dliteanas na sochar scoir** | **Net retirement benefit liability** | **(49.7)** | (29.3) |

| | | | Mar a Athluadh<br>As re-stated |
|---|---|---|---|
| **Cúlchistí** | **Reserves** | | |
| Cúlchistí, gan dliteanas na sochar scoir san áireamh | Reserves excluding retirement benefits liability | 387.6 | 451.8 |
| Dliteanas na sochar scoir | Retirement benefits liability | (49.7) | (29.3) |
| **Cúlchistí tar éis do dhliteanas na sochar scoir a bheith curtha san áireamh** | **Reserves after including retirement benefits liability** | **337.9** | 422.5 |

| **Cuntas Ioncaim agus Caiteachais** | **Income and Expenditure account** | **10 mí go Noll 2008**<br>**10 months to Dec 2008**<br>**€m** | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| **Gearrtha ar ghlan-chostais oibriúcháin** | **Charged to net operating expenses** | | |
| Costas seirbhíse reatha | Current service cost | (3.9) | (5.3) |
| Costais báis sa tseirbhís | Death in service cost | (0.2) | (0.2) |
| Sochair scoir eile | Other retirement benefits | (0.7) | (0.8) |
| | | **(4.8)** | (6.3) |
| Leas i ndliteanais scéime | Interest in scheme liabilities | (6.9) | (7.3) |
| Fáltas ionchasach ó shócmhainní scéime | Expected return on scheme assets | 6.3 | 7.7 |
| **Glan-athrú ar an toradh oibriúcháin** | **Net change in operating result** | **(5.4)** | (5.9) |

# Nótaí leis na Cuntais Ar Lean.

# Notes to the Accounts Continued

## 21. Sochair scoir Ar Lean.

## 21. Retirement benefits Continued

| | | 10 mí go Noll 2008<br>10 months to Dec 2008<br>€m | Bliain dar críoch Feabh 2008<br>Year ended Feb 2008<br>€m |
|---|---|---|---|
| **Ráiteas na ngnóthachan agus na gcaillteanas iomlán aitheanta** | **Statement of total recognised gains and losses** | | |
| Fíor-fháltas lúide an fáltas ionchasach ó shócmhainní scéime | Actual return less expected return on scheme assets | (47.3) | (14.3) |
| Gnóthachain agus caillteanais taithí ó dhliteanais scéime | Experience gains and losses on scheme liabilities | (8.9) | (2.5) |
| Athruithe ar na boinn tuisceana dhéimeagrafacha agus airgeadais | Changes in demographic and financial assumptions | 33.7 | 20.3 |
| (Caillteanas)/gnóthachan achtúireach | Actuarial (loss)/gain | (22.5) | 3.5 |
| Cáin iarchurtha | Deferred tax | 2.9 | (0.4) |
| **(Caillteanas)/gnóthachan iomlán achtúireach** | **Total actuarial (loss)/gain** | **(19.6)** | 3.1 |
| **Gluaiseacht sa ghlan-easnamh i rith na tréimhse airgeadais** | **Movement in net deficit during the financial period** | | |
| Glan-easnamh ar an scéim ag tús na bliana | Net deficit in scheme at start of year | (29.3) | (31.8) |
| Costas seirbhíse reatha | Current service cost | (3.9) | (5.3) |
| Costas báis sa tseirbhís | Death in service cost | (0.2) | (0.2) |
| Ranníocaíochtaí | Contributions | 4.5 | 5.3 |
| Ús ar dhliteanais scéime | Interest on scheme liabilities | (6.9) | (7.4) |
| Fáltas ionchasach ó shócmhainní scéime | Expected return on scheme assets | 6.3 | 7.7 |
| (Caillteanas)/gnóthachan achtúireach | Actuarial (loss)/gain | (22.5) | 3.5 |
| Sochair scoir eile | Other retirement benefits | (0.7) | (0.8) |
| Cáin iarchurtha | Deferred tax | 3.0 | (0.3) |
| **Glan-easnamh ag deireadh na tréimhse airgeadais** | **Net deficit at end of financial period** | **(49.7)** | (29.3) |

## 21. Sochair scoir Ar Lean. / 21. Retirement benefits Continued

| | | 10 mí go Noll 2008<br>**10 months to Dec 2008** | Bliain dar críoch Feabh 2008<br>Year Ended Feb 2008 | Bliain dar críoch Feabh 2007<br>Year Ended Feb 2007 | Bliain dar críoch Feabh 2006<br>Year Ended Feb 2006 | Bliain dar críoch Feabh 2005<br>Year Ended Feb 2005 |
|---|---|---|---|---|---|---|
| **Stair de ghnóthachain agus de chaillteanais taithí** | **History of experience gains and losses** | | | | | |
| Difríocht idir an fáltas ionchasach agus fíorúil ó shócmhainní | Difference between expected and actual return on assets | (47.3) | (14.3) | 3.5 | 13.9 | 3.1 |
| % de shócmhainní scéime | % of scheme assets | (60%) | (12%) | 3% | 14% | 4% |
| Gnóthachain agus caillteanais taithí ó dhliteanais scéime | Experience gains and losses on scheme liabilities | (8.9) | (2.5) | (4.7) | (11.6) | 2.1 |
| % de dhliteanais scéime | % of scheme liabilities | (7%) | (2%) | (3%) | (9%) | 2% |
| (Caillteanas)/gnóthachan iomlán achtúireach | Total actuarial(loss)/gain | (19.6) | 3.1 | 1.2 | (3.3) | (2.9) |
| % de dhliteanais scéime | % of scheme liabilities | (16%) | 2% | 1% | (3%) | (3%) |

# Nótaí leis na Cuntais
Ar Lean.

### 22. Athrú ón mbliain roimhe sin

Tá scagadh déanta againn ar ár modh luachála le haghaidh infheistíochtaí a choinnítear chun aibíochta. Déantar na hinfheistíochtaí seo a luacháil ar bhonn amúchta i rith na tréimhse idir an dáta ceannaigh agus an dáta fuascailte.

Baineann an méid de €9.4m a cuireadh ar fáil ar 31 Nollaig 2008 (Feabhra 2008: €0.5m) le gluaiseacht sa luach amúchta i rith na bliana airgeadais. Aithnítear gach gnóthachan agus caillteanas eile ar phraghsanna margaidh.

Eascraíonn athrú na bliana roimhe sin ón athrú ar an modh luachála seo. Ba é an éifeacht a bhí ag an athráiteas ar chúlchiste ginearálta na bliana seo caite ná €7.4m. (brabús bunaidh €112.2m, brabús athluaite €119.6m).

### 23. Íocaíocht Phras na gCuntas

An tAcht um Íocaíocht Phras Cuntas 1997 (mar a bhí leasaithe ag na Comhphobail Eorpacha (íocaíocht dhéanach le haghaidh idirbhearta tráchtála) Rialacháin, 2002)

Bhí na híocaíochtaí a rinneadh le linn 2008 faoi réir an Achta thuas, le dul i ngleic le híocaíochtaí déanacha in idirbhearta tráchtála. Baineann an tAcht seo le hearraí agus le seirbhísí a bhíonn curtha ar fáil don Bhord Árachais Sláinte Shaorálaigh ag soláthraithe atá bunaithe san AE.

**Ráiteas na gcleachtas íocaíochta, lena n-áirítear gnáththréimhsí íocaíochta**
Feidhmíonn an Bord Árachais Sláinte Shaorálaigh polasaí chun gach sonrasc soláthraí a bhfuil glacadh leis a íoc taobh istigh de na téarmaí íocaíochta comhaontaithe. Is ionann na gnáththéarmaí atá luaite san ordú gnáthcheannaigh ná 30 lá. D'fhéadfadh téarmaí íocaíochta eile a bheith i gceist nuair a shocraítear conradh ar leith leis an soláthraí.

**Comhlíonadh na Treorach**
Comhlíonann an Bord Árachais Sláinte Shaorálaigh riachtanais na reachtaíochta maidir le gach íocaíocht soláthraí. Athraíodh na nósanna imeachta agus na córais, lena n-áirítear córais ríomhairithe, chun an Treoir a chomhlíonadh. D'éirigh go maith leis na nósanna imeachta le linn na bliana.

Cinntíonn na nósanna imeachta seo go mbíonn cinnteacht réasúnta ann go mbeidh comhlíonadh i bhfeidhm, gan a bheith cinnte go hiomlán.

# Notes to the Accounts
Continued

### 22. Prior year adjustment

We have refined our valuation method for investments held to maturity. These investments are valued on an amortised basis over the period between date of purchase and redemption date.

The amount of €9.4m provided for at 31 December 2008 (Feb 2008: €0.5m) is in respect of the movement in amortised value during the financial year. All other gains and losses are recognised at market prices.

The prior year adjustment arises from the change in this valuation method. The effect of the re-statement on last year's profit figure was €7.4m. (Original profit €112.2m, re-stated profit €119.6m).

### 23. Prompt Payment of Accounts

Prompt Payment of Accounts Act 1997 (as amended by the European Communities (late payment in commercial transactions) Regulations, 2002)

Payments made during 2008 were governed by the above Act to combat late payments in commercial transactions. This Act applies to goods and services supplied to the Voluntary Health Insurance Board by EU based suppliers.

**Statement of payment practices including standard payment periods**
The Voluntary Health Insurance Board operates a policy of paying all undisputed supplier invoices within the agreed terms of payment. The standard terms specified in the standard purchase order are 30 days. Other payment terms may apply in cases where a separate contract is agreed with the supplier.

**Compliance with the Directive**
The Voluntary Health Insurance Board complies with the requirements of the legislation in respect of all supplier payments. Procedures and systems, including computerised systems have been modified to comply with the Directive. The procedures operated well during the year.

These procedures ensure reasonable and not absolute assurance against non-compliance.

# Torthaí agus Graif Comparáideacha

# Comparative Results and Graphs

## Torthaí Comparáideacha / Comparative Results

| | | Bliain dar críoch Feabh 2005 | Bliain dar críoch Feabh 2006 | Bliain dar críoch Feabh 2007 | Mar a Athluadh sa bhliain dar críoch Feabh 2008 | **10 mí go Noll 2008** |
|---|---|---|---|---|---|---|
| | | Year ended Feb 2005 €m | Year ended Feb 2006 €m | Year ended Feb 2007 €m | As re-stated Year ended Feb 2008 €m | **10 months to Dec 2008 €m** |
| Préimh thuillte | Earned premium | 868.7 | 919.6 | 1,020.1 | 1,153.0 | **1,025.4** |
| Éilimh a tabhaíodh | Claims incurred | (752.4) | (890.6) | (930.7) | (1,005.0) | **(958.9)** |
| Cúlchiste rioscaí neamhchaite | Unexpired risks reserve | (53.4) | (1.3) | 40.7 | 64.9 | **(13.1)** |
| Costais oibriúcháin | Operating expenses | (77.6) | (77.4) | (83.3) | (91.4) | **(84.7)** |
| Fáltas infheistíochta | Investment return | 16.6 | 18.6 | 27.8 | 16.3 | **(42.5)** |
| Muirear/(creidmheas) cánachais | Taxation charge/(credit) | (0.5) | (0.1) | (5.1) | (18.2) | **8.8** |
| **(Easnamh)/barrachas don tréimhse** | **(Deficit)/surplus for the period** | 1.4 | (31.2) | 69.5 | 119.6 | **(65.0)** |
| **Cóimheas (easnaimh)/barrachais/Ioncaim** | **(Deficit)/surplus/Income Ratio** | 0.2% | (3.4%) | 6.8% | 10.4% | **(6.3%)** |
| Cúlchistí | Reserves | 263.6 | 229.1 | 299.8 | 422.5 | **337.9** |
| Sócmhainneacht íosta reachtúil | Minimum statutory solvency | 152.7 | 175.9 | 196.1 | 214.6 | **224.6** |
| **Cóimheasa Airgeadais** | **Financial Ratios** | % | % | % | % | % |
| Leibhéal an chorrlaigh sócmhainneachta | Solvency margin level | 29.6 | 24.1 | 27.9 | 35.9 | **27.7** |
| Éilimh (URR san áireamh) mar % de phréimh thuillte | Claims (including URR) as a % of earned premium | 92.8 | 97.0 | 87.2 | 81.5 | **94.8** |
| Costais Oibriúcháin mar % de phréimh thuillte | Operating expenses as % of earned premium | 8.9 | 8.4 | 8.2 | 7.9 | **8.3** |

Ríomhtar an tsócmhainneacht íosta mar atá léirthe thuas, de réir fhorálacha rialacháin 1976 EU Non-Life (mar a leasaíodh), rud nach gá do Vhi Healthcare a chomhlíonadh i láthair na huaire.

Minimum solvency as shown above is calculated in accordance with the provisions of the 1976 EU Non-Life regulations, (as amended), with which Vhi Healthcare is not currently required to comply.

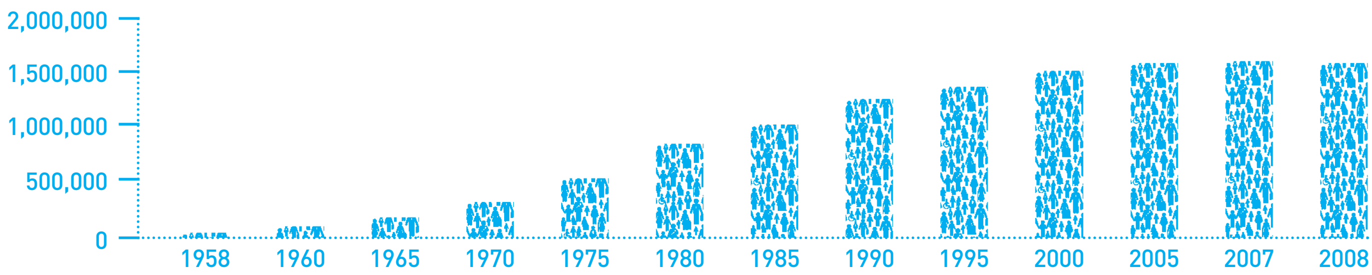
Cuirfear riachtanais nua sócmhainneachta i bhfeidhm le haghaidh Gnóthais Árachais tar éis do Threoir nua an AE ar Shócmhainneacht teacht isteach, rud a dtugtar 'Solvency II' air. Táthar ag súil leis go gcuirfidh sé seo riachtanais sócmhainneachta níos ísle i bhfeidhm d'Árachóirí Sláinte, ná mar atá ann i láthair na huaire. Tá an Treoir á forbairt go fóill agus níltear ag súil leis go mbeidh sé críochnaithe agus i bhfeidhm go dtí 2012 ar a luaithe.

New solvency requirements for Insurance Undertakings will apply following the introduction of the new EU Solvency Directive, referred to as 'Solvency II'. It is anticipated that this will apply lower solvency requirements for Health Insurers than at present. This Directive is still being developed and it is not expected to be finalised and to become effective until 2012 at the earliest.

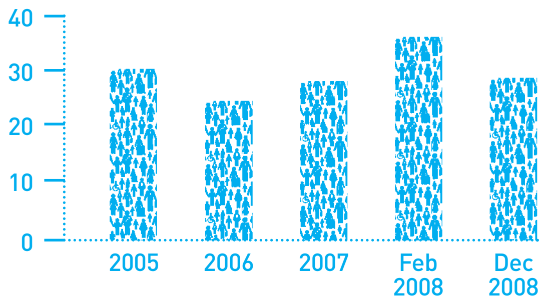
# Torthaí agus Graif Chomparáideacha Ar Lean.

# Comparative Results and Graphs Continued

### Fás Ballraíochta: Stair 52 Bliain   Membership Growth: 52 Years History



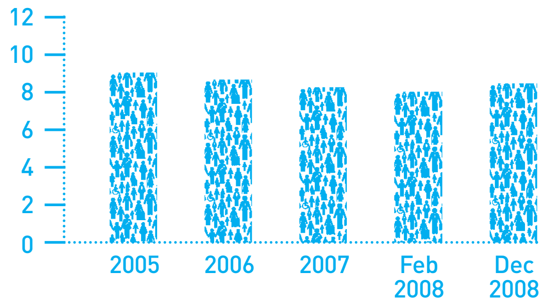

### Leibhéal an Chorrlaigh Sócmhainneachta   Solvency Margin Level




Is ionann leibhéal an chorrlaigh sócmhainneachta i láthair na huaire agus 27.7%.

The solvency margin level is currently at 27.7%.

### Costais Oibriúcháin Mar % Den Ioncam Tuillte   Operating Expenses as % Of Earned Income




Tá sé mar chúis bhróid ag Vhi Healthcare go bhfuil ceann de na cóimheasa is ísle de chostais riaracháin le hioncam acu, i measc árachóirí an domhain. I láthair na huaire, is ionann an cóimheas agus 8.3% i gcompáraid le gnáthráta domhanda 12% agus idir 13% and 28% i gcás ár n-iomaitheoirí in Éirinn.

Vhi Healthcare prides itself on having one of the lowest administration costs to revenue ratios of any insurer in the world. Currently the ratio stands at 8.3% compared to a worldwide norm of 12% and between 13% and 28% for our Irish competitors.

# Sonraí Cuideachta

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