



**Because your health
means everything**

Strategy and Performance

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Because your health means everything

Our Story

Vhi has a rich history and legacy, established in 1957 as the first health insurance company in Ireland, we have evolved to become a trusted healthcare partner to our members. Our products, benefits and healthcare solutions are firmly embedded in the healthcare landscape, and we continue to innovate to improve our members healthcare experience. We are a purpose led organisation and this drives our strategy, our culture and our values. At its heart is our people.

Our Purpose

To help our members live longer, stronger and healthier lives.

Our Values



Together We Do Our Best Work

When we work as one, guided by our shared purpose, we get the best outcomes for everyone



Courage to Create a New Future

We challenge and constantly seek better ways to do things



We Lead With Heart

Whether it is colleague, patient or customer we place the person at heart of our decisions

Our Strategy

To deliver a personal and digital experience through our leading insurance proposition that provides access to a connected healthcare system, supporting our members to live longer, stronger, healthier lives.

Sustainability Pillars



Healthy Business

Instil a culture where sustainability is core to all our decision-making.



Healthy People

Champion good health and wellbeing for our colleagues, members and communities.



Healthy Planet

Operate within planetary boundaries and have a net positive impact on nature.

Chairperson's Review



Greg Sparks

In a year marked by global uncertainty, Vhi is guided by our purpose to help our members live longer, stronger, healthier lives.

In doing so the organisation delivered strong growth in both membership and market share and a 21% increase in the volume of member healthcare interactions with our Health and Wellbeing services.

In 2023 there was a rapid return to full activity across hospitals and health providers and this, combined with the impact of pent-up demand for services deferred due to pandemic restrictions, meant that our members accessed significantly more healthcare services. This brought challenges as Vhi experienced financial losses in 2023, attributable in the main to an accelerated return to healthcare. However, Vhi welcomes the fact that our health insurance members have access to healthcare and can derive so much value from their premium.

Vhi Strategy

In 2023 Vhi made significant progress in implementing our five-year Group Strategy (2022 – 2026). Quite simply we want to keep our members well and meet their needs when they are sick. Our strategy is informed by our understanding of our members’ needs and expectations and by the demographic challenges ahead. We know that Ireland will face unprecedented challenges to meet the future healthcare needs of society. Our population is ageing, and people are living longer, and this brings with it with a greater prevalence of chronic disease. It is imperative that Vhi address these issues head on if we are to be a sustainable and future facing organisation. To do this requires Vhi to ensure our products are relevant and affordable, capable of delivering different and better healthcare along with an enhanced member experience.

To this end our healthcare provision services – Vhi Health and Wellbeing – continue to make significant strides. In 2023 our provision services including urgent and planned care and our digital clinical offering, saw strong growth.

We are continuing to invest and innovate in healthcare solutions for our members. In 2023, in partnership with Allview Healthcare, we opened a new rapid access

dermatology service. The service provides end-to-end care for the diagnosis and treatment of dermatological conditions including common skin conditions such as acne, lesions, sun damage and melanoma – the most serious skin cancer. We expanded our Vhi 360 Health Centre network following the redevelopment of the Vhi SwiftCare Clinic in Swords. This centre now offers more capacity, an improved member experience with access to a multi-disciplinary team of clinicians.

In November, our Electronic Health Record system went live. Through this platform Vhi clinicians, caring for our members, can access, record and update member clinical notes, healthcare interactions and future appointments across all Health and Wellbeing services. This information enables Vhi clinicians to have up to date and accurate member health information at their fingertips so they can provide the best care. This investment is central to providing integrated and connected care for our members and fundamental to the implementation of our strategy.

Maintaining momentum in the implementation of our strategy will remain our focus in the coming year. In 2024 we will continue to invest in our unique healthcare offering, further embed our healthcare services and by doing so transform our member and patient experience to ultimately improve member health outcomes and healthcare affordability.

We continue to support Sláintecare’s overall ambition to deliver a better healthcare service for all. Our strategy aligns with the objectives of Sláintecare, supporting improved healthcare delivery in Ireland by providing better access to healthcare, delivering efficiencies, and enhancing healthcare outcomes. We continue to monitor the progress of Sláintecare closely as no doubt there will be implications for the private health insurance market. However, at this point, it is difficult to predict with any degree of certainty what those implications will be given the complex relationship between public and private healthcare, the volume and complexity of health insurance legislation and the pace of implementation itself.

Keeping Healthcare Affordable

Vhi recognise the pressures of the current economic environment and we are seeking to provide greater value for our members through the products, benefits, and services we offer. The Irish Health Insurance market is community rated and is supported by a premium redistribution mechanism known as the Risk Equalisation Scheme (RES). This means that those who are older and sicker can still access healthcare at an affordable cost as their risks and costs are partly shared across the market. To this end, Vhi welcomes the recent changes to RES which incorporates a High-Cost Claims Pool and higher rates of Hospital Utilisation Credits which are better targeted to those who are in need of healthcare.

However, Vhi has concerns about the HIA’s recommendation and the subsequent decision by the Department of Health to reduce the stamp duties that fund the RES. This ultimately restricts the amount of funds that can be redistributed to older and sicker people to support the community rated market.

The way healthcare is delivered continues to change and indeed must change. In recent years care is increasingly being delivered in a variety of non-hospital care settings. However the hospital-centered nature of the RES remains at odds with these changes in care delivery. Vhi strongly encourages policymakers to extend the scope of RES to include these non-hospital settings, in order to support market sustainability.

Sustainability

In 2023 a comprehensive Sustainability stakeholder engagement exercise was completed to inform the development of Vhi’s Sustainability Strategy. This involved extensive engagement across the Group and with external stakeholders and thought leaders. Following this exercise Vhi developed an overarching Sustainability Strategy Framework anchored to our business strategy and explicitly linked to our purpose. In July 2023 the Board approved the Sustainability Strategy which is now firmly embedded in our business and in the decisions we make every day.

We published our second Gender Pay Gap Report in December 2023. Vhi’s mean gender pay gap is 21%, unchanged from 2022, and this gap is driven by the unequal distribution of males and females within our workforce. Administrative roles are primarily occupied by females who also make up the vast majority of colleagues employed on part time or on temporary contract roles. Meanwhile our senior leadership and senior clinical roles continue to have a majority male representation. Narrowing the gender pay gap is a complex process requiring structural change and is not without challenges for organisations. However, having

set targets Vhi increased the ratio of female to males in senior management from 44% female in 2022 to 49% female in 2023, an important and significant step.

Vhi remains committed to the flexible work practices and progressive benefits that make Vhi a great place to work. We recognise that diversity of skill sets, experiences, qualifications, gender, and background will have a positive impact on the decision-making process. To deliver on this it is essential the people in our organisation reflect the diversity of our members and wider Irish society. To this end the award of a Silver Accreditation from the Irish Centre of Diversity in 2023 for initiatives to create an inclusive, diverse, and equitable workplace is merited.

Governance

The Board continue to prioritise corporate governance in line with best practice, emerging regulation, government policy and transparency. Risks are formally reviewed and monitored on an ongoing basis to ensure appropriate mitigations and controls exist. In 2023 the Board received confirmation from the Minister for Health of Vhi’s designation under the New Economy and Recovery Authority (NewERA) and work is underway to agree a new relationship framework.

Following a nomination by Minister Stephen Donnelly in April 2023, I was honored to be appointed Chair of Vhi Board. In this my first year I want to acknowledge the many people who have supported me in this role. As we noted in the 2022 Annual Report Brian Walsh was appointed Vhi Group CEO in March 2023 having served on an interim basis since May 2022. During the year Joyce Brennan, an Independent Non-Executive Director (INED) stepped down from the Board after completing nine years of outstanding service as a Board Member. Joyce brought considerable actuarial acumen and was a thoughtful and incisive Board Member, challenging when needed and supportive when required. On behalf of the Board, I want to thank her for her contribution.

I also want to thank the Board for their work throughout the year. There are currently three INED vacancies on Vhi Group Board which require the incumbent Board members to fill roles across Vhi’s Board Committees in addition to their own functions on the Board. I am grateful for their work ethic and commitment and look forward to the appointment of three new members in 2024.

The Board will continue to ensure that Vhi pursues a prudent, sustainable, and responsible course on behalf of our members. While mindful of medical, market and regulatory challenges, we

have confidence in the ability of Vhi’s strategy to change how healthcare is delivered for the benefit of our members.

People

As Chairperson I want to express my enormous gratitude to all the team at Vhi for their invaluable contribution to the Group in what has been a challenging year. Vhi is a purpose led organisation and that is evident in our people, who continually put our members at the core of everything we do. I want to acknowledge the fantastic work our teams do right across the business and would like to congratulate our Kilkenny office who won a Team of the Year award at the Call Centre Awards in 2023. Whether our members are engaging with us online, through our app, on the phone or in person at one of our Vhi 360 Health Centres I am confident and proud they are receiving exceptional attention and care.

Looking to future

As we look ahead and as Vhi grows and expands into the health company that will continue to meet our member’s needs and expectations, the Board and I have every confidence that Vhi can navigate the challenges, capitalise on opportunities, and continue to make a difference in healthcare.

I want to thank our members for their continued confidence in Vhi throughout the year and for choosing Vhi as their insurance and healthcare provider.



Greg Sparks, Chairperson



Group CEO's Review



Brian Walsh

Vhi's purpose is to help our members live longer, stronger, healthier lives.

We are pleased that for the ninth consecutive year Vhi private medical insurance (PMI) membership increased. At year end 31 December 2023, in total, Vhi supported close to 1.7 million insurance members, our highest recorded membership including just over 1.2 million for PMI and close to 480,000 across travel, dental, life and international health.

Vhi's PMI market share increased marginally in 2023 as corporates and consumers continued to choose Vhi as their preferred healthcare partner. Gross Written Premium for private health insurance was €1.68bn in 2023 reflective of strong growth in membership performance.

In 2023, Ireland experienced a very strong recovery in demand for healthcare following years of limitations in access and capacity associated with the pandemic. Our members accessed more healthcare in 2023 and this recovery in demand, combined with higher labour and energy inflation, meant healthcare claims costs increased significantly. Vhi paid in excess of €1.68bn for members healthcare claims during 2023, an increase of 18% compared with the previous year. The increase was not matched by a corresponding increase in premium income and the financial accounts show a Net Deficit after Taxation of €43.4m for 2023 (2022: Net Surplus after Taxation €34.3m). Following a number of years where Vhi returned value to members in response to Covid-19, waiving premium and implementing price reductions, in 2023 Vhi took the difficult decision to increase premium prices to keep pace with members' increased demand, and the cost of healthcare. We are conscious of the financial pressures facing many of our members and are committed to delivering value by giving them access to high quality healthcare at the lowest possible prices. We have also implemented a broad range of value and efficiency measures within the business as part of this commitment.

Income in our insurance products, other than private health insurance, grew substantially amounting to €29.9m a further significant increase from the previous year (2022: €27.5m). Our MultiTrip travel insurance grew by 8.4% in 2023, with membership fully returned to pre-pandemic levels. This positive result follows significant disruption to the travel insurance market throughout the Covid-19 pandemic.

Vhi continues to grow and transform, innovating and continuously improving the care and service experience of our members. This is supported by our financial strength with capital and reserves of €903m at year-end (2022: €949m), and we are committed to investing and delivering the very best healthcare for our members, now and in the future.

Access to Connected Healthcare

At Vhi, delivering healthcare for our members stands at the centre of all that we do. However managing costs while delivering appropriate care is a challenge evident across the Irish health system. Irish healthcare is changing, with factors such as the ageing population and increasing incidence of chronic disease putting significant pressure on healthcare access and costs. Ireland has the fastest ageing population in Europe and by 2040 the number of Vhi members who will be octogenarians will have doubled. This is a huge challenge for our healthcare services. If we are to address these challenges, and the demographics tell us we must for both our members and for the greater benefit of society, it requires a change in how healthcare is delivered in Ireland.

Vhi is evolving, moving beyond insurance cover to include healthcare provision. Wherever possible we want to support our members in health, prevent disease, improve outcomes, and deliver improved quality of life for our members. We are taking a 360 view of our members care and healthcare needs now and, in the future, and are responding by growing our own provision services, developing strategic healthcare partnerships, and enabling the best care pathways for them. In 2023 we established a Group Healthcare Office which is tasked with anticipating long term healthcare developments and trends on population health and delivering sustainable healthcare solutions.

We are also expanding and embedding our own healthcare services. In 2023 our Health and Wellbeing division delivered over 630,000 member healthcare interactions, an increase of 21% on the previous year (505,000 2022). This includes over 162,000 urgent care interactions across our Vhi 360 Health Centres and Urgent Care Centres in Cork, Limerick, Galway, Carrickmines, and the newly upgraded Centre in Swords, County Dublin. Our planned care offering which includes paediatrics, dermatology, radiology, and physiotherapy provided a further 32,000 interactions.

There was a 51% rise in the number of members availing of our Hospital@Home service. In 2023 over 1,100 members received Vhi led clinical care in the comfort of their own home rather than having an extended stay in hospital, saving in excess of 17,000 hospital bed nights.

Access to Connected Healthcare continued

We embedded and expanded our Women’s Health Clinic, providing wrap around care through our multidisciplinary teams within Vhi including physiotherapy, health coaching and psychology.

Meanwhile our extensive children’s healthcare offering continues to expand, and we continue to see high demand for our Paediatric services. Vhi offers a dedicated paediatric suite in our flagship 360 Health Centre in Carrickmines with consultant led care for general paediatric conditions and a specialist developmental clinic offering assessment and intervention services. In 2023, we launched our new paediatric allergy clinic to diagnose and treat children, with a specific focus on prevention, early intervention and modifying risk factors.

Improving the Member Experience

In 2023 we continued to transform our business and considerable investment was made in delivering an improved member experience. Our members’ digital journey was enhanced with the launch of our new online symptom checker, providing support and guidance to our members daily. In September digital Cover Check was launched in the Vhi App enabling members to check their cover for inpatient treatment. This initiative enables members to self-serve through our digital channels at a time of their choice, improving their member experience. Our Snap and Send service, which allows members to quickly submit day-to-day claims from any device and receive payment directly into their bank account, processed over 1.5m claims an increase of 30% on 2022.

Our clinical call centre and online GP services coordinated and managed over 330,000 healthcare interactions, as members increasingly expect and choose to have access to a suite of remote and digital options. We are continuing to embed proactive healthcare into our products, providing our members with access to a suite of healthcare services on the Vhi app and MyVhi web portal, including mental health support, online GP, physiotherapy and speech and language therapy.

People & Sustainability

As a company, we are committed to providing an inclusive and supportive working environment for all colleagues. In 2023 we focused on embedding our refreshed values and re-evaluated how we do our work, enabling empowered leadership.

Our colleagues continuously demonstrated their determination to achieve our purpose of helping our members live longer, stronger, healthier lives and I am proud of the team who have worked so hard. While we face a challenging environment, our focus is clear, and I would like to express my appreciation to all our colleagues living our values and focused on our purpose.

Vhi’s five-year Sustainability Strategy Framework was approved by Vhi Group Board in July 2023 and this strategy is built around one central idea namely that ‘Everything is connected.’ Quite simply it is no longer possible to see the health of the planet, the health of the human population, and the health of our business as separate.

Part of this strategy includes promoting healthy and sustainable communities. In 2023, working with our charity partner the Irish Youth Foundation (IYF), Vhi delivered a Trauma Informed Care and Wellness Programme for youth workers engaging with children and young people who have undergone traumatic experiences. Through this programme Vhi Clinical Psychologists and Health Coaches provided youth workers with the tools, skills and mindset needed to support young people managing trauma, enhancing the capabilities of the youth workers, and also playing a crucial role in creating a positive impact on the communities we serve.

Healthy communities are connected communities and to this end Vhi, through our partnership with parkrun Ireland, encouraged people to volunteer at their local parkrun in 2023. This is not only for the physical benefit of the thousands of runners and walkers who attend every Saturday and Sunday morning in parks across Ireland, but for their mental health and wellbeing too. The simplicity of parkrun, the gathering of friends, neighbours and communities for a 5k run in a park, goes to the core of its success and positive impact.

The impact of Vhi’s Women Mini Marathon in 2023 was also remarkable, as over 20,000 women took to the streets for what is now a landmark occasion in Dublin city’s calendar. In 2023 we extended our title sponsorship of the event for a further three years. 2024 will mark the 10th year of our successful partnership with the Vhi Women’s Mini Marathon, an event that has raised millions for charity and supported women in their pursuit of health and fitness goals.

Looking ahead

In 2024 and beyond, we continue the focused delivery of our 2022-2026 Group Strategy. We will continue to grow our healthcare services, enhancing our position as a trusted healthcare partner to our members. Our healthcare partners are critical to the successful delivery of our strategy, and we will continue to work closely with them to secure excellent healthcare for our members.

Key areas of focus during 2024 include expanding our Vhi 360 Health Centre footprint and implementing and integrating new services. We will continue to embed the technological capabilities that enable us to connect our members’ healthcare episodes so we can better understand, anticipate, and address their healthcare needs. We believe this strategy will better meet the needs of our members, both young and old, improving their individual experience of service and care, their overall health status, and go towards creating a better, more sustainable future.


Brian Walsh, Group CEO



Supporting Members

We're investing to deliver a personal and digital experience through our leading insurance proposition that provides access to a connected healthcare system, supporting our members to live longer, stronger, healthier lives.



1.2m

Private Health Insurance Members



480,000

Close to 480,000 Travel, Dental, Life & International Health insurance members

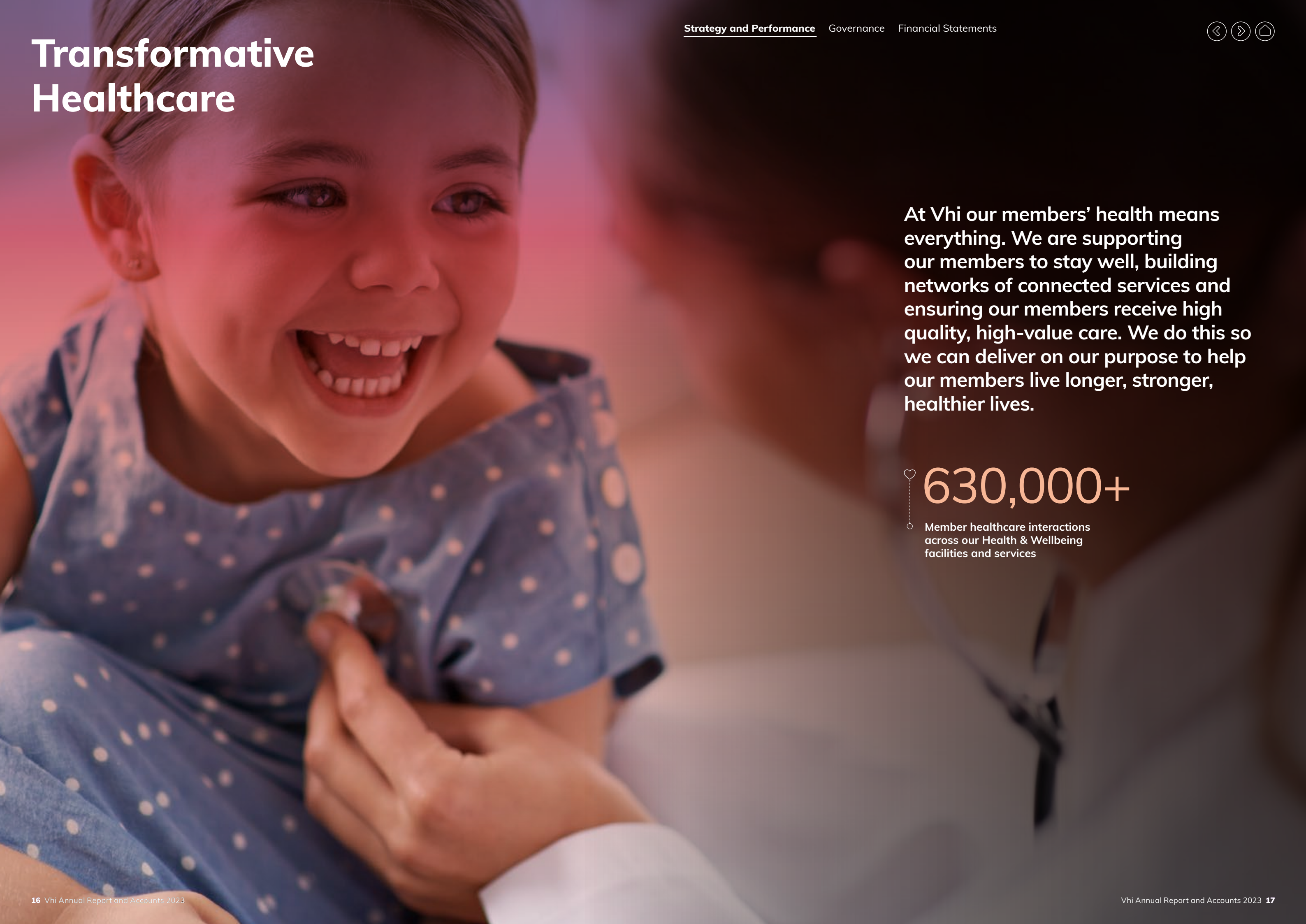
Supporting Members (continued)

Continuously evolving and growing to meet our members' needs and expectations with excellent healthcare and service



Supporting close to 1.7 million insurance members





Transformative Healthcare

At Vhi our members’ health means everything. We are supporting our members to stay well, building networks of connected services and ensuring our members receive high quality, high-value care. We do this so we can deliver on our purpose to help our members live longer, stronger, healthier lives.

630,000+

Member healthcare interactions across our Health & Wellbeing facilities and services

In 2023 we focused on embedding and expanding the infrastructure, services, and capacity to deliver coordinated, connected and integrated care for our members now and in the future. We expanded our physical and digital footprint and services, we increased our community focused healthcare, and developed healthcare partnerships to meet our members’ needs. We established a new Group Healthcare Office (GHO) which is tasked with anticipating long term healthcare developments and trends on population health and delivering sustainable healthcare solutions. Working across the business, with healthcare partners and stakeholders, the GHO is developing healthcare policy and best practice with a view of long-term perspectives on population health to support Vhi’s overall strategy.

- Across Vhi in 2023:
- Recorded over 630,000-member healthcare interactions across our Health & Wellbeing facilities and services, up 21% on the previous year
 - Launched our Electronic Health Care Record platform, enabling Vhi clinicians, to have up to date and accurate member health information so they can provide them with the best possible care
 - Over 1,100 members availed of our Hospital@Home service receiving Vhi led clinical care in the comfort of their own home, while saving in excess of 17,000 hospital bed nights
 - Launched our rapid access Dermatology service, in partnership with Allview Healthcare, for the treatment of dermatological conditions
 - Expanded our Women’s Health Service, providing integration of care with our multidisciplinary teams within Vhi including physiotherapy, health coaching and psychology
 - Launched our Enhanced Primary Care Service, offering a range of services from routine check-ups, GP access and preventative care to management of chronic conditions, as a pilot programme

Vhi 360 Health Centres

In 2023 we returned to offering members walk-in services across our Urgent Care and Vhi 360 Health Centres as Ireland emerged from the Covid-19 environment. Our Vhi 360 Health Centre network was expanded following a significant redevelopment of the Vhi SwiftCare Clinic in Swords, which now offers five additional clinical rooms, an improved member experience and access to a multi-disciplinary team of clinicians, who collaborate to deliver the best solution for members health needs.

Our extensive paediatric services expanded further in 2023 and we launched our new consultant led paediatric allergy clinic to diagnose and treat children, with a specific focus on prevention, early intervention and modifying risk factors. We also launched the first phase of our paediatric rheumatology clinic which provides care for non-inflammatory rheumatological conditions. The consultant led clinic is also supported by our clinical specialist physiotherapist (paediatric) with onward referral pathways to paediatric elective orthopaedic clinics, to make a real and impactful difference to our younger members lives.

In 2023, in response to our growing member demand for physiotherapy services we developed a Sports and Exercise Medicine programme with a consultant led clinic providing treatment for a wide range of sports and musculoskeletal pain and injuries.



Nurse Victoria Howlett and Suzanne Bennett Clinic Manager with Deirdre Kilroy in the newly upgraded Vhi 360 Health Centre in Swords, Co Dublin



Vhi 360 Health Centre Swords



Dr Suzi Clarke, Consultant Sports & Exercise Medicine physician and lead for MSK medicine in Vhi 360 Health Centre Carrickmines

Enabling Connected Care

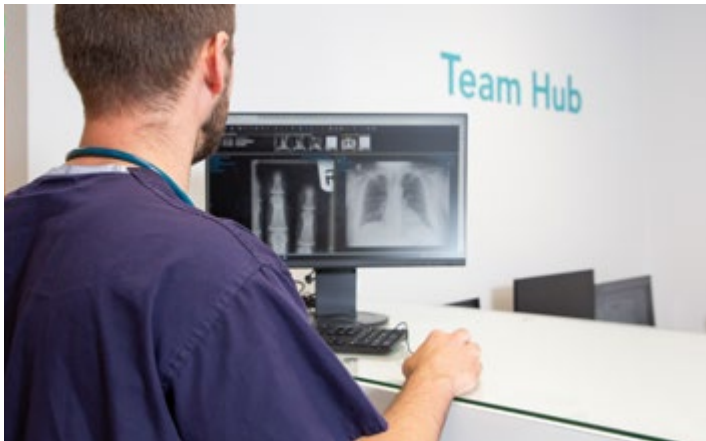
In late 2023 Vhi's Electronic Health Record platform, enabled by Cerner, went live throughout our Vhi Health service network. Through this platform Vhi clinicians, caring for our members, can access and update member clinical records, healthcare interactions and future appointments across all Health and Wellbeing centres and services.

This information enables Vhi clinicians, at every point of Vhi care, to have up to date and accurate member health information at their fingertips so they can provide the best possible care to our members. The platform also enables Vhi to provide members' GPs with real time information on member health episodes so that GPs can have details of any health care developments outside of their care. This investment is central to integrated and connected care for our members, and fundamental to the implementation of our broader healthcare strategy.

Healthcare Partnerships

Our healthcare partners are a cornerstone in the delivery of high quality care to our members and we work closely with a range of partners to enable better access and healthcare for our members. In July 2023 in partnership with Allview Healthcare, we launched a new rapid access Dermatology service.

Vhi's Dermatology service provides end-to-end care for the diagnosis and treatment of dermatological conditions including common skin conditions such as acne, lesions, sun damage and melanoma - the most serious skin cancer. The service offers a full end-to-end treatment pathway for Vhi members, both medical and surgical, as well as educational and support systems that are crucial to the wellbeing of people with skin conditions.



Vhi clinician Bryan Castle in the newly upgraded Vhi 360 Health Centre in Swords, Co Dublin



Michele Tait Chief Operations Officer Health & Wellbeing, Dr Rupert Barry, Consultant Dermatologist & Clinical Lead for Vhi Dermatology, Edina O'Driscoll, Head of Operations Vhi 360 Carrickmines at launch of Vhi Dermatology Services

Learning

In 2023 Vhi hosted the first in a series of quarterly Vhi 360 Hot Topics clinical educational events aimed at GPs, GP Practice Nurses, Hospital Doctors and other Health & Social Care Professionals. Led by Vhi 360 clinicians, the educational series which are approved for two Continuous Professional Development credits by the Irish College of General Practitioners, aims to support the primary care healthcare workforce in delivering improvements to patient care in primary care settings.

We also continued our successful Vhi Student Clinical Placement Affiliations. In 2023 Our Hospital@Home service in Dublin provided Undergraduate Nursing students from Trinity College Dublin with two-week community placements while our Urgent Care service in Cork recommenced being an affiliated teaching clinical site for University College Cork.

In 2024 we plan to expand this service working with University College Dublin to become an affiliated teaching clinical site for their undergraduate nursing programme. We are also working with a number of third level institutions and postgraduate training bodies to explore postgraduate clinical placements across a number of specialties and disciplines to commence in 2024.

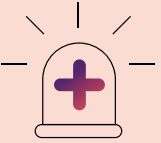

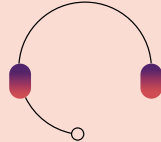

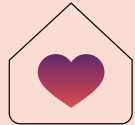
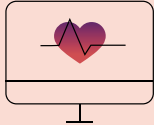
1,100 Members availed of our Hospital@Home service



Dr Colman Noctor, Author and Psychotherapist and Ronan O'Gara, Head Coach La Rochelle and Dr Lydia MacKeogh, National Clinical Psychology Lead in Vhi 360 Health Centre Carrickmines for panel World Mental Health Day



Anne O'Connor MD Vhi Health & Wellbeing with guest speakers Dr Colman Noctor, Author and Psychotherapist and Ronan O'Gara, Head Coach La Rochelle in Vhi 360 Health Centre Carrickmines for an event to mark World Mental Health Day


Health & Wellbeing Activity		2022	2023	% increase
 Urgent Care	Facility Locations Carrickmines, Swords, Limerick, Cork and Doctor call backs			
	Total Urgent Care Activity	148,403	162,551	↑ 18%
 Planned Care	Care Activities Paediatrics, Hand Therapy and Podiatry, Dermatology, Physiotherapy, Radiology			
	Total Planned Care Activity	14,758	32,126	↑ 118%
 Digital & 1st Contact	Care Co-ordination Hub Activities Care Co-ordination Doctor Calls, Care Co-ordination Nurse Calls, Online GP			
	Total Care Co-ordination Hub Interactions	280,064	333,638	↑ 19%
 Integrated Care	Interactions Positive Minds, Successful Aging, Women's Health, Health Coaching			
	Total Integrated Care	4,305	6,398	↑ 49%
 Care @ Home	Referrals and Screenings Screening, Livewell, Hospital@Home, Midwife Support Services			
	Total Care @ Home	9,630	16,454	↑ 71%
 Corporate Services	Employee Assist Services Wellness Training, Wellness Stations, Occupational Health, Employee Assistance Programme			
	Total Corporate Services	48,171	79,613	↑ 21%

630,000+

Total Healthcare Interactions in 2023

Our People

Our colleagues are the heart of Vhi. In health centres, offices and homes across the country, our committed and skilled colleagues come together as a team, as one Vhi, to deliver on our purpose – to help our members live longer, stronger healthier lives. In 2023 we passed the midway point in our five-year People strategy, developed to set the direction for how we empower and support colleagues in achieving their full potential and deliver on our purpose.


86%
 of colleagues feel they
 are part of a team

2023 was our first complete year with our Group Leadership Team structure in operation, the redesigned organisational structure put in place to enable Vhi’s transformation. The new central group structure promotes better operational efficiencies, with clear roles and responsibilities at the heart of our organisation, creating an enhanced operating platform from which we can deliver on our strategy and purpose. The strength of our evolving culture and the importance of our values continue to underpin our Group strategy and in 2023 our culture programme focused on embedding our refreshed values, enabling Vhi to become a future fit organisation.

In 2023 we made strong progress in the implementation of our People strategy including:

- Updating and introducing new People policies such as our new Surrogacy Policy, an enhanced Maternity Leave Policy and Carers Leave
- Completing the Future of Work pilot programme with the re-design of workspaces for effective hybrid working
- Introducing a colleague Volunteer Day in association with our partners parkrun Ireland, to encourage colleagues to spend time in their communities and looking after their wellbeing
- Delivering values to behaviours workshops with leadership teams and colleagues across each division
- Producing a ‘Vhi Talks’ podcast series focusing on Vhi values through the voice and stories of Vhi colleagues
- Refreshing and evolving our Inclusion, Diversity and Equity (IDE) strategy
- Establishing an IDE Working Group to support collaboration across our employee networks and the expansion of their activities
- Publishing Vhi’s second Gender Pay Gap Report and restating our commitment to lowering Vhi’s gender pay gap
- Onboarding 20 new graduates to the Vhi Graduate Programme
- Achieving the Silver Investors in Diversity Mark in recognition of IDE initiatives

People Policies

Vhi is committed to continuously progressing and enhancing our people policies in order to create an environment where every colleague feels valued, supported and able to balance their professional and personal responsibilities. In 2023 we updated and introduced a number of initiatives to support our colleagues including an enhanced Maternity Leave Policy to include paid time off to facilitate breastfeeding and to create a more comfortable and conducive environment for mothers returning to work after maternity leave. We launched a Surrogacy leave policy which covers the intending parents of the child born via surrogate. We also developed a menopause policy that sets out our commitments to our colleagues on providing the right support to manage menopausal symptoms at work, which was launched in early 2024.

Vhi is driving a culture of wellbeing, and supporting the diverse physical, emotional and mental health needs of our people and in 2023 we delivered an enhanced Wellbeing Programme. From smoking cessation workshops to open water swimming and an annual Wellbeing Day, our initiatives are an opportunity to remind our colleagues that their health and wellbeing means everything to Vhi.



Vhi colleagues at Ballincollig, Cork parkrun



Colleagues in Vhi Kilkenny participate in activities to mark International Pride month



Colleagues Lisa Woods, Gillian McCole and Rachel Phelan with Dogs from 'Irish Dogs for the Disabled' in Vhi Kilkenny to mark World Mental Health Day

Inclusion, Diversity and Equity

Vhi promotes and celebrates diversity and inclusion. We recognise that all our colleagues are different, and it is by harnessing these differences that we can develop and drive the innovative solutions that can help deliver on our purpose. In 2023 we reviewed and evolved our IDE strategy, establishing an IDE Working Group to support collaboration across our employee networks and to enable development and expansion of the activities under that refreshed strategy.

We identified a Neurodiversity ambassador in advance of establishing a Neurodiversity Network in 2024 and we strengthened our support for our three internal networks – Women’s Network, Pride Network and Multicultural Network – so they could enhance their visibility and impact among colleagues. In 2023 these networks hosted a range of internal events including International Women’s Day, International Men’s Day, Diwali, Ramadan, Pride Month, Autism Awareness and World Mental Health Day to support colleagues to feel included and promote a sense of belonging. As part of our programme of inclusivity initiatives we also offered training to over 100 colleagues on inclusive recruitment, inclusive leadership and creating a culture of dignity and respect.

49%
of senior managers
at Vhi are female

Future of Work @Vhi

In 2023 we continued to embed our hybrid working model with a focus on providing colleagues with the tools, technology and office infrastructure to collaborate and to work as effectively as possible as they move between working from the office and working from home.

Vhi’s hybrid working model is dependent on role type; clinical colleagues continue to work from our Vhi clinics and 360 Health centres, while a hybrid model enables a large number of other colleagues to split their time from working at a Vhi location and working from home. In 2023 we successfully completed our pilot programme under our Future Ways of Working, which saw two new hybrid workspaces open in our Dublin and Kilkenny locations. These include space for collaborative meetings and dedicated booths to facilitate hybrid meetings reflective of our evolved ways of working.

Learning & Leadership

Vhi is committed to cultivating a culture of continuous learning, professional excellence and opportunity. Growing our colleagues is an important pillar under our People strategy. In 2023 we ran a number of development programmes, including the Vhi Women in Leadership Programme, the Vhi Management Development Programme and the newly developed Vhi Leadership with Purpose Programme. This bespoke programme was designed for senior leaders to strengthen their leadership capability, alignment and impact. In 2023, 20 senior leaders completed this programme which we ran in partnership with the Centre for Creative Leadership, with a further 20 commencing the programme in 2024.

Participants in our Women in Leadership programme which completed a fourth cycle in 2023, were supported to develop initiatives in the area of Sustainability, since piloted in our Vhi 360 Health Centre in Carrickmines. We also hosted alumni events for past Women in Leadership participants, acknowledging their achievements, and providing a forum for additional learning. Likewise, our Management Development programme, launched in 2021, which builds capability, confidence and critical skills for male and female colleagues, continued throughout 2023, and by the end of June 2024, a total of 132 colleagues will have graduated from this programme. The Vhi Graduate Programme which provides structured learning, mentorship and real work experiences, welcomed 20 new graduates in 2023. These graduates, recruited from diverse backgrounds and experiences, not only enhance workforce capabilities but also contribute to the long-term success and sustainability of Vhi.



Vhi colleagues Marie Collier and Sarah West Keogh participate in 'Career Conversations with Vhi Women's Network'



Scott Brady People Services with the 2023 Vhi graduates for Graduate on-boarding at Vhi Abbey Street, Dublin



New hybrid workspaces at Vhi House, Abbey Street, Dublin



Women in Leadership participant Kathy Barry presenting at the Innovation Hub at Vhi Abbey Street, Dublin

Vhi's Environmental, Social, Governance Ambition Statement

At Vhi, we want to help our members live longer stronger healthier lives.

This means helping them achieve their true optimal health, that balance of physical, mental, social and spiritual wellbeing, so that they can live life to the fullest.

We know that the health of people and the planet are interdependent. This is why we will deliver a fully integrated model of healthcare that puts people and the planet at its heart. It is an approach that will be sustainable, will care for the environment, will embrace diversity, and support the best outcomes for our members, colleagues, and communities.



Healthy Business



Healthy People



Healthy Planet

Sustainability

Sustainability Strategy Development

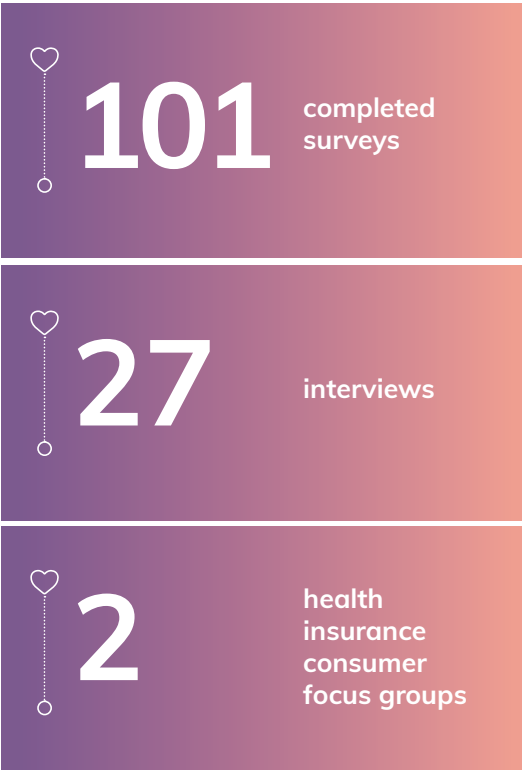
In early 2023, we embarked on a sustainability strategy development programme aligned to our ESG Ambition Statement. This included in-depth peer research, stakeholder engagement and analysis to validate our Sustainability Ambition, understand sustainability-related regulatory obligations and customer expectations, and identify the actions or work plans to deliver on both. The process involved extensive engagement across all functions of the Group, and with external stakeholders and thought leaders through the completion of a materiality assessment.

The process involved extensive engagement across all functions of the Group, with external stakeholders and with thought leaders.

Stakeholder Engagement

Our stakeholder engagement involved a combination of an online survey, one-to-one interviews and focus groups. Internally, we consulted with members of the Group Leadership Team and the Board, as well as a cross section of colleagues. Externally, we engaged a wide range of stakeholders from thought leaders to corporate members, hospitals, policy makers and the HSE. This was supplemented with two health insurance consumer focus groups, one with a younger cohort and one with an older cohort, to gain a deeper understanding of their views.

Wide-Ranging Stakeholder Engagement

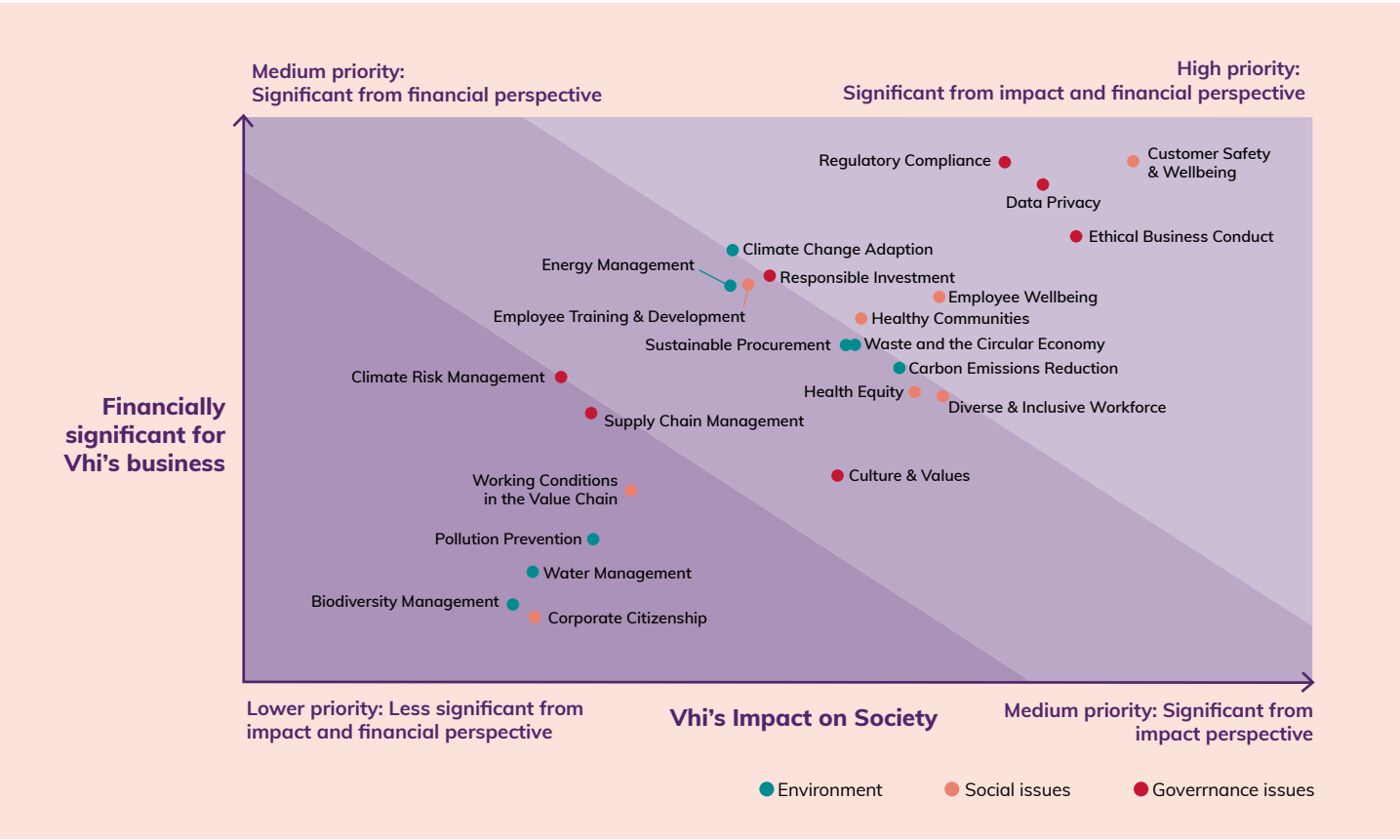


Materiality Assessment

To identify the material topics most important to our stakeholders, we undertook a materiality assessment. A total of 23 relevant ESG topics were considered as part of the assessment to which we applied a light 'double materiality' approach, as advocated under the new EU Corporate Sustainability Reporting Directive (CSRD). The approach involved considering Vhi's most significant impacts – positive and negative – on people and planet topics (the inside-out perspective) and assessing whether the topics represent a financial risk or opportunity for Vhi (the outside-in perspective).

23 relevant ESG topics were considered as part of the materiality assessment

Materiality Matrix - the overall picture



Combining the perspectives from our stakeholder engagement and materiality assessment provided us with a clear view as to the top ESG issues Vhi should focus its strategy and reporting on and provided the foundations for the development of the five-year sustainability strategy.

Sustainability Strategy - Everything is connected

The five-year Sustainability Strategy Framework was approved by Vhi Group Board in July 2023. This strategy is built around one central idea that ‘Everything is connected.’

As our environment is changing, these environmental changes in turn are affecting our health and ultimately our business. Therefore, it is no longer possible to see the health of the planet, the health of the human population, and the health of our business as separate.

The strategy is wholly aligned with our corporate purpose and commercial strategy and also aligns with our prioritised UN Sustainable Development Goals.

5 Priority UN Sustainable Development Goals - Good health and well-being, Gender equality, Decent work and economic growth, Responsible consumption and production and Climate Action

Zero We agreed a Net Zero Carbon target by 2050 and are developing a decarbonisation roadmap

Sustainability Strategy Implementation

We have adopted a phased approach to implementation of the Sustainability Strategy across three horizons and we have made key hires in our sustainability team to lead out on this work and to drive our business into the future and a net-zero-carbon world. Implementation of the sustainability strategy has commenced in earnest with nine programmes already up and running.



Vhi Head of Sustainability Emer Haughey, hosts a meeting of the Sustainability Strategy Working Group



Helen Finnegan and Vhi clinician Dr Elena Velicu in compostable PPE aprons at Vhi 360 Health Centre Carrickmines. The Health Centre made the switch from plastic to fully compostable aprons in 2023

Sustainability Strategy Pillars

Healthy Business

To instil a culture where sustainability is core to all our decision-making.

Healthy People

To champion good health and wellbeing for our colleagues, members and communities.

Healthy Planet

To operate within planetary boundaries and have a net positive impact on nature.



Participants in the Vhi Women's Mini Marathon 2023



Young people from the West Cork Partnership pictured at the launch of the third Vhi Health & Wellbeing Fund



Vhi colleagues Rena Buckley Integrative Health Specialist Physio, Niamh Deere Health Coach, Micheli Romao Integrative Health Specialist and Dr Kiera Cosgrove, Clinical Psychologist who delivered the Trauma Informed Care & Wellness Programme



Vhi ambassador David Gillick participates at Cabinteely, Dublin parkrun

Sustainability Strategy Framework



Healthy Business

To instil a culture where sustainability is core to all our decision-making.

ESG Integration

Radical Transparency

Sustainability Mindset

In 2023:

<p>ESG Integration: Integrate ESG considerations into our governance structures, risk management, and investment decisions</p>	<p>Developed a sustainability strategy for the Group which was approved by the Board in July.</p> <p>Designed a programme and sustainability strategy governance model which we are currently implementing.</p> <p>Commenced quarterly reporting to the Board on progress on our strategy.</p> <p>Agreed a Modern Slavery Statement which was approved by the Board.</p>
<p>Radical Transparency: Be open and transparent in communicating progress on our sustainability journey.</p>	<p>Disclosed Vhi's carbon/climate performance to CDP (formerly The Carbon Disclosure Project) and achieved a C rating.</p> <p>Reported, bi-annually, to NewERA under the Climate Action Framework for Commercial Semi-States.</p> <p>Completed Vhi's first TCFD report.</p> <p>Launched our sustainability strategy supported by an internal sustainability wiki site.</p> <p>Enhanced the sustainability section on our vhi.ie website.</p>
<p>Sustainability Mind-set: Cultivate a mind-set in Vhi, where sustainability is woven into everyone's job.</p>	<p>Established a Sustainability Strategy Working Group to ensure a collaborative approach to the development of our strategy.</p> <p>Delivered sustainability training to the Board and Group Leadership Team and green procurement training to members of our Procurement team.</p>

SPOTLIGHT ON Sustainability Mind-set

Establishing a sustainability strategy working group was paramount to fostering a collaborative approach to the development of our strategy. By bringing together individuals from across the Vhi Group we ensured the integration of varied perspectives, expertise and insights, resulting in a more robust strategy.



Healthy People

To champion good health and wellbeing for our colleagues, members and communities.







Workplace Wellbeing and Inclusion

Sustainable Propositions

Healthy Communities



Workplace Wellbeing & Inclusion:
Attract and retain top talent by creating a workplace that promotes wellbeing and belonging

Refreshed our diversity and inclusion structure to explicitly refer to equity, established an Inclusion, Diversity & Equity ("IDE") Working Group, completed a review of our IDE maturity level with a third-party provider, and developed a new Inclusion, Diversity & Equity strategy.

Introduced a Neurodiversity Colleague Ambassador.

Ran the fourth cohort of our Women in Leadership programme.

Published our second Gender Pay Gap Report.

Increased the percentage of colleagues who agree that they can be themselves at work by 3% to 82%.

Continued to support a culture of inclusion and belonging through our Women's Network, our Pride Network and our Multicultural network.

Provided IDE training to over 100 colleagues on inclusive recruitment, inclusive leadership and creating a culture of dignity and respect.

Achieved the Silver Investors in Diversity mark from the Irish Centre for Diversity.

Hosted three dedicated values months to promote and embed the behaviours associated with our values "Together we do our best work", "We Lead with Heart" and "Courage to Create a New Future".

As part of our commitment to parkrun and to support the health and wellbeing of colleagues, Vhi introduced a day's annual leave for any colleague who volunteers at five parkrun events annually.



Sustainable Propositions:
Develop innovative, sustainable products and services that set a new standard in the market

Piloted new employee wellbeing initiatives such as guided hikes and sea swimming.

Used QR codes, rather than paper, as a more sustainable method of on-boarding new corporate customers.



Healthy Communities:
Promote healthy and sustainable communities by making the connection between human and planetary health

Sponsored the Vhi Women's Mini Marathon for the ninth year, with 20,000 participants in 2023 and extended our title sponsorship of the event for a further three years.

Continued our partnership with parkrun which takes place in 130 locations nationwide, with around 10,000 participants per week.

Rolled out a national campaign calling on the public to volunteer at their local parkrun, not only for the benefit of participants, but for their own health and wellbeing too.

The Vhi Health and Wellbeing Fund in partnership with the Irish Youth Foundation awarded grants from a total of €100,000 to 13 projects that aim to strengthen resilience in young people and help them manage anxiety.

In 2023 we developed a Trauma Informed Care and Wellness programme for youth workers as part of our community programme with IYF.

SPOTLIGHT ON Healthy Communities

With over 1.2 million health insurance members, Vhi believes it has a key role in creating a healthy community. We want to encourage people to take a proactive approach to looking after their health. As part of this endeavour, we are partners to two of the biggest and most inclusive running events in the country - The Vhi Women's Mini Marathon and parkrun Ireland to encourage people to get outdoors and get active. We also work with our local communities to support young people through the Vhi Health & Wellbeing Fund in partnership with the Irish Youth Foundation. To date more than 4,000 young people have been directly impacted through the Fund, with just under 200,000 young people indirectly benefitting from the initiative.



Healthy Planet

To operate within planetary boundaries and have a net positive impact on nature.







Net-zero Carbon

Circular Innovation

Nature Positive



Net-zero Carbon:
Decarbonise our operations and supply chain and be a net-zero carbon business by 2050

Agreed a Net Zero by 2050 target and are developing a decarbonisation roadmap.

Improved our energy efficiency 37.8% since the baseline 2009 year as at the end of 2022.

Saved an estimated 249,618 kWh and reduced the environmental impact of energy use by 59,281kg CO2 from energy saving actions undertaken in 2023 together with existing energy conservation measures.

Completed a Scope 3 screening exercise to better understand our key emissions hotspots.

Removed our plastic membership cards saving 130k plastic cards, 113k information pages and 98k envelopes.

Commenced the transition to electric vehicles which will come on stream early in 2024.



Circular Innovation:
Design out waste and embed circular economy principles across all our offices and healthcare settings

Included a sustainability weighting for the first time in key tenders.

Piloted compostable PPE aprons which have now been rolled out across our 360 Health Centre in Carrickmines.

Commenced a six-month clinical waste reduction pilot in our Urgent Care clinic at our 360 Health Centre in Carrickmines.



Nature Positive:
Restore and protect nature and raise awareness of the vital connection between the health of people, of nature and the planet

Installed three further colonies of bees, this time at our office in Kilkenny.

Designated 6,600m2 of grass land (just over half the size of Croke Park), at our Gweedore and Kilkenny offices, for the protection and enhancement of biodiversity.

SPOTLIGHT ON Circular Innovation

Circular innovation revolves around designing products, processes and systems with a focus on minimising waste and maximising resource efficiency. It reduces the environmental impact by lessening resource extraction and waste generation and promotes sustainable consumption patterns. There are significant environmental costs associated with healthcare risk waste or clinical waste. Therefore, redirecting non-contaminated clinical waste to recycling or general waste as appropriate, is good for the planet. In 2023, we commenced two pilots in our Carrickmines Health Centre, one in relation to clinical waste reduction and another in relation to compostable PPE. The clinical waste pilot has been extended for another three months, with favourable initial findings on clinical waste savings. In 2024, we plan to roll the clinical waste pilot out to our other clinical sites.

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Governance Statement

Good corporate governance is fundamental to the success of our organisation. Vhi Group is committed to the highest standards of corporate governance, business integrity, transparency and professionalism in all of our activities. We are committed to conducting business in accordance with both the letter and the spirit of the relevant regulatory and compliance related laws, regulations and codes that apply to Vhi Group's regulated activities, as well as internal compliance policies and standards. We aim to act with integrity, honesty and fairness in dealing with members and other stakeholders.

The Vhi Group Board seeks to ensure that its governance structures are fit for purpose, and effective for the nature, scale and complexity of Vhi's business lines.

The Vhi Group has established Committees and authorises these Committees to undertake certain work on its behalf. However, ultimate decision-making authority rests with the Vhi Group Board and all decisions remain the responsibility of that board.

Vhi Group Committees:

- Group Audit Committee - chaired by Mary Halton
- Group Risk Committee - chaired by Mike Frazer
- Group Remuneration Committee - chaired by Karen Furlong
- Group Nomination and Governance Committee - chaired by Greg Sparks, Chair of Board

Risk Management

Risk Management assists Vhi navigate challenges and maximise opportunities in order to achieve the strategic objectives of the Group.

Current risks include:

- The impact of the economic factors such as inflation, on Vhi members and business environment
- Risks to the delivery of our Group Strategy and achieving its objectives
- Changes to the provision of public and private healthcare disrupting Vhi’s business model
- The costs and complexity of digitisation impacting our engagement with members
- Changes in the needs and expectations of members including ESG considerations

The principal risks and uncertainties of Vhi have been determined by assessing potential risks in the categories of Financial and Capital, Operational, Strategic, People and Culture, and Customer Value and Conduct. Vhi Group’s risk tolerance levels are recorded in the Risk Appetite Statement which is approved by each Entity Board and the Board of Vhi Group.

Vhi’s Approach to Risk Management

Governance

Vhi has governance processes overseen by Non-Executive Directors (NEDs) at Group Board level and at subsidiary board level for our subsidiaries. The Group Risk Committee (GRC) receives reports from the Chief Risk Officer and other Vhi executives as appropriate. The GRC is responsible for the oversight of risk across the Group and recommends risk appetite to the Board.

Each of Vhi’s main subsidiaries is overseen by a local Board Risk Committee, consisting mainly of independent NEDs who oversee the Risk Management Framework. These subsidiaries have formal governance structures in place including executive level risk committees and receive regular risk reports from management and the Group Chief Risk Officer.



Approach and implementation

Vhi use a ‘three lines of defence’ approach to risk management. We manage risk across our health insurance and provision businesses in line with our Board-approved Risk Management Framework. This sets out the principles behind a robust and continuous risk management system in our first line of defence.

This ensures that:

- We identify current and emerging risks to the businesses and strategy and understand the potential consequences
- We have clear and established risk appetites within which we operate

- We take appropriate and effective steps to mitigate and manage identified risks
- We monitor and report on risks and the control environment within which we operate
- We perform scenario analysis in order to identify our capital requirements in light of our risks and business plans through the ORSA process
- We use risk management information to help inform risk-based decisions across the business
- There is clear ownership of, and accountability for risk

Vhi has a culture in which:

- Leadership from the top clearly establishes desired risk behaviours
- Risk behaviour standards are established in our performance management processes and recognition does not encourage excessive risk taking
- Roles and responsibilities are clearly articulated and understood, with accountabilities towards risk behaviours established and managed
- There is a no blame culture and there is open and transparent reporting of risk events and near misses

We have well-established reporting systems in place to make sure that major risks to our businesses are identified, escalated, managed and mitigated. We carry out detailed reviews and in-depth analyses on particular risks where required and have a stress and scenario testing programme for key risks.

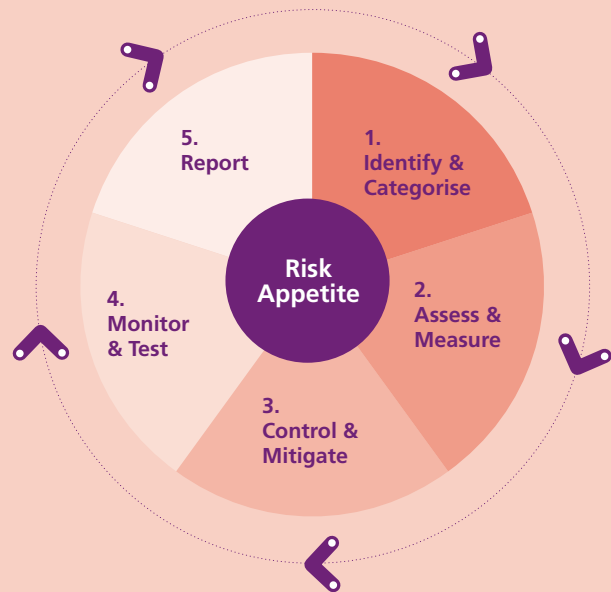
Our risk management processes include explicit consideration of how future risks to our strategy might emerge or evolve and what actions we should be taking now to mitigate these risks or to benefit from the opportunities they provide.

These factors include:

- Consideration of how technology may evolve
- The future of health and healthcare including access to care and its costs
- How society may evolve including the impacts of ageing populations
- Member needs and expectations in a competitive business context
- Geopolitical, economic and financial considerations
- The impact of climate change and ESG considerations.

Our policies contain the key risk control standards for conducting our business. These are implemented by our business units and overseen by policy owners to ensure compliance. Each policy has a designated owner with defined roles and responsibilities. Our annual cycle of control monitoring assesses how well internal control, risk management practices and policy compliance is embedded across Vhi.

Enterprise Risk Management (ERM) Life Cycle



Risk Appetite

Our Board approved risk appetite is a measure of the degree of risk we are prepared to accept in our work to deliver on our strategy. Our core risk appetite statements focus on:

- The treatment of members and colleagues
- Management of our financial strength
- The sustainability of our business and
- Operational risk, including third party, information security and clinical risks

The risk appetite statements are reviewed annually with the Board Risk Committee recommending any changes to the statements to the Board for approval.

Risk profile

We accept risk as part of our business. Some risks are avoidable while others are inherent in our business model. We have an effective risk management system and internal controls in place to mitigate these risks.

We maintain significant economic capital as a means of mitigating certain inherent risks. This reflects the nature of our operations and the level of risk associated with them.



Risk		How we manage it			
Strategic					
<p>The risk that Vhi Group DAC does not achieve its strategic objectives. Strategic risk covers the inherent risk in our strategy and business model and may result from both internal and external factors.</p> <p>Current risks include: inadequate Risk Equalisation; inflation and economic pressures on affordability, supply changes in healthcare affecting access and costs, and the impact of legislative, political, social and regulatory changes alongside the risks associated with the successful delivery of our transformation programme.</p>		>	<ul style="list-style-type: none">• We regularly review our products and offerings to ensure that we continue to provide value to our customers despite the economic challenges	<ul style="list-style-type: none">• We are investing in transformation and strategy execution to bring better healthcare to our members	<ul style="list-style-type: none">• We have integrated sustainability into our Group-wide Risk Management Framework and continue to focus on embedding climate risk management across the Group
Finance and Capital					
<p>Risks that can result in the loss of capital and/or negatively affect the solvency of the business, such as the risk of not meeting regulatory solvency requirements, financial losses and reserving risks.</p> <p>Current risks include: uncertainty and volatile claims costs, financial risks from new ventures in our transformation strategy, and volatile financial markets.</p>		>	<ul style="list-style-type: none">• Defined risk limits and capital management, delegations of authority and monitoring lead indicators of changes in reserving and underwriting risks	<ul style="list-style-type: none">• We manage our partnerships with hospitals and other care providers to ensure we can give our members access to quality care on a reliable and predictable basis	<ul style="list-style-type: none">• Close monitoring of claims and business mix and react promptly to external events
Operational					
<p>Risk of financial loss or reputational damage resulting from inadequate or failed internal processes, people or systems that affect Vhi Group’s business operations including but not limited to cybersecurity, data protection, and business continuity.</p> <p>Current risks include: Key skill shortages, cybersecurity and data protection with increasing reliance on third parties and the high degree of change in our business.</p>		>	<ul style="list-style-type: none">• Maintaining and testing effective internal risk and compliance control processes and governance frameworks in line with a clear policy framework aligned to our Risk Appetite	<ul style="list-style-type: none">• Ongoing investment to enhance security and IT system resilience and other Data Protection measures as the business develops (e.g. digitisation)	<ul style="list-style-type: none">• Ensuring we maintain high standards from 3rd parties supporting our core services and processes, with appropriate oversight and plans and capacity to recover from service disruptions
Customer Value and Conduct					
<p>Risks are anything that would threaten the business’ objective to treat members fairly and with due skill, care and diligence. Current risks include: member misunderstanding of services and advice, staff turnover, and disruption to members’ access to insured benefits.</p>		>	<ul style="list-style-type: none">• Embedding fair member outcomes in product and service design and delivery	<ul style="list-style-type: none">• Monitoring member engagements and health service provision and access to fully understand impacts on and experiences of all types of customers	<ul style="list-style-type: none">• Ensuring conduct risks are fully assessed in business change risk assessments with input from subject matter experts across the Group
People and Culture					
<p>Risks that have an adverse impact on our members which primarily originate from employee behaviours, including non-adherence to Vhi Group DAC’s policies, procedures, practices and rules.</p> <p>Current risks include: exposure of healthcare staff to sickness in the community and competition for key skills.</p>		>	<ul style="list-style-type: none">• Progress and monitor culture development within our people strategy	<ul style="list-style-type: none">• Having Health & Wellbeing programmes in place to support colleagues	<ul style="list-style-type: none">• Development of new ways of working, reward and performance management in our People strategy• Operating best practice in healthcare services to make Vhi an employer of choice
Clinical					
<p>Risk that we cause preventable harm to patients through our provision of healthcare services.</p> <p>Current risks include: new healthcare services including 3rd party services and shortages of staff with necessary expertise.</p>		>	<ul style="list-style-type: none">• The Chief Clinical Officer is responsible for ensuring clinical quality and governance within the business	<ul style="list-style-type: none">• Manage and monitor key Infection Prevention and Control measures on a continuous basis	<ul style="list-style-type: none">• Monitor and manage our capacity, capabilities and the effectiveness of IT systems, suppliers, processes and controls used in our healthcare services

Progress in 2023

In 2023 changes in the pattern of provision of private and public healthcare (post COVID-19 impacts on health and capacity), as well as inflation (affecting costs and affordability) and economic uncertainty have been underlying drivers of risk. The progress with enabling our transformation programme and target care model as well as digital infrastructure means we are better placed to manage these risks and reduce our exposure to resourcing risks.

The development of our Risk Management capability continues with further Information Security controls and greater oversight and testing of business disruption prevention and recovery risk controls, including risks from third party suppliers and providers. The new systems and processes in our healthcare services as well as the appointment of key clinical positions will further embed and support the strong clinical risk management culture and operations in our healthcare services.

Task Force for Climate-Related Financial Disclosures (TCFD)

TCFD Theme	TCFD Recommendation	Our Progress
Governance: Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	The Board approves an Own Risk Assessment ("ORA") for the Group on an annual basis. The ORA is recommended for approval to the Board by the Group Risk Committee which has oversight responsibility for risk, including Environmental Social and Governance ("ESG") risk, across the Group. In 2022, an ESG section along with two ESG scenarios were included for the first time in the ORA. The 2023 ORA was further developed and shows how ESG risks will become progressively more important over the medium term. While this is a developing area for Vhi, some ESG risks are already covered in our Board-approved Risk Management Framework. Climate risk has been identified as a specific work plan in our sustainability strategy which was approved by the Board in July 2023. The climate risk work plan sits under the Healthy Business pillar and the ESG Risk Management focus area of the strategy. Climate risks and opportunities will be further developed in 2024 when we complete a full climate risk materiality assessment as part of the climate risk work plan.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	The Group People & Sustainability Officer is accountable for the executive leadership and execution of Vhi's sustainability strategy and reports into the Board in this regard, via the Board's Nominations & Governance Committee which has oversight responsibility for sustainability. The Group Risk Officer ("GRO") is the accountable owner for the framework for managing climate risk and reports to the Board via the Group Risk Committee.

TCFD Theme	TCFD Recommendation	Our Progress
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>The main ESG risks contained within the ORA are focused on climate change transition risks and physical risks, for example:</p> <ul style="list-style-type: none">• Reputation risk in managing the transition to a low/zero emissions economy;• High costs of emission reduction/decarbonisation and environmental requirements;• Reduction in the affordability of health insurance and increases in the costs of care;• Claims shocks due, for example, to pandemics;• Operational outages and disruption events to due physical climate risk events. <p>As part of the development of our sustainability strategy, we identified ESG and climate-related opportunities and these will be addressed in the implementation of our strategy throughout 2024 and beyond. Further work on identifying both our climate-related risks and opportunities will be completed as part of the climate risk materiality assessment to be undertaken in 2024.</p>
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>It is not possible to have healthy people on a sick planet. Vhi's sustainability ambition calls out the interdependencies between the health of people and the planet and how the triple bottom line of people, the planet and profit will be balanced in the delivery of a fully integrated model of healthcare. The World Health Organisation has declared the climate crisis a health crisis and health impacts borne from both incremental and extreme events e.g. heat waves and epidemics, will impact our claims line and also the types of services most utilised in our health provision business. We also recognise that the healthcare sector itself is a major emitter. Therefore, we are committed to taking a leading role in tackling the issue.</p> <p>As part of the development of our sustainability strategy, we completed a double materiality assessment. A total of 23 relevant ESG topics were considered as part of the materiality assessment. Overall, while Social and Governance topics emerged as the highest priority Climate Change Adaptation was the top-rated environmental issue. Other environmental issues fell into the medium priority area including Energy Management, Sustainable Procurement, Waste & the Circular Economy, Carbon Emissions Reduction, and Climate Risk Management.</p> <p>Our sustainability strategy reflects our commitment to sustainability and is wholly aligned with our corporate purpose to "help our members to live longer, stronger and healthier lives". It is also aligned with our commercial strategy and with our prioritised UN SDGs (SDG 3 Good Health & Wellbeing; SDG 5 Gender Equality; SDG 13 Climate Action; SDG 12 Responsible Consumption & Production; and SDG 8 Decent Work & Economic Growth).</p> <p>We will continue our work in this area in 2024 so that climate-related risks and broader ESG considerations are embedded into our overall Risk Management Framework and considered as part of the annual business planning process.</p>
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Our 2023 ORA looks at two climate scenarios where:</p> <ul style="list-style-type: none">• Climate change is contained to 1.5°C (high short-term transition risks);• Climate change is > 3°C due to slow containment activity <p>Management actions and recommendations have been considered by the Board in relation to both scenarios. More detailed scenario analysis will be a key area of focus as part of the climate risk materiality assessment to be conducted in 2024.</p>

TCFD Theme	TCFD Recommendation	Our Progress
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-related risks are identified through the ORA process which is conducted on an annual basis. The ORA is recommended for approval to the Board by the Group Risk Committee. The GRO is the accountable owner for the climate risk management framework. The 2023 ORA shows how ESG risks will become progressively more important over the medium term. While this is a developing area for Vhi, processes for managing some ESG risks are already well covered in our Board-approved Risk Management Framework. A more thorough and detailed climate risk and opportunities identification and assessment exercise will be completed as part of the climate risk materiality assessment to be conducted in 2024.
	b. Describe the organisation's processes for managing climate-related risks.	Vhi use a 'three lines of defence' approach to risk management. Risk is managed across our health insurance and health provision businesses in line with our Board-approved Risk Management Framework. This sets out the principles behind a robust and continuous risk management system in our first line of defence. We also have governance processes in place overseen by Independent Non-Executive Directors (INEDs) at Group Board level and at subsidiary board level for our subsidiaries. The Group Risk Committee receives reports from the GRO and other Vhi executives as appropriate. Further information on the management of risk, including climate-related risks, is available on pages 42 to 45.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks are managed in the same way as any other risk within the Risk Management Framework. Vhi use a 'three lines of defence' approach to risk management. Our policies contain the key risk control standards for conducting our business. These are implemented by our business units and overseen by policy owners to ensure compliance. Each policy has a designated owner with defined roles and responsibilities. Our annual cycle of control monitoring assesses how well internal control, risk management practices and policy compliance are embedded across Vhi. The further embedding of climate risk into the Risk Management Framework is a key area of focus for the climate risk materiality assessment programme to be conducted in 2024.

TCFD Theme	TCFD Recommendation	Our Progress
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy.	Currently, we measure and monitor our carbon emissions via our CEO Scorecard. However, as part of the ESG Governance work plan under the Healthy Business pillar of our sustainability strategy, in 2024, we will define broad ESG Key Performance Indicators and Key Risk Indicators ("KPIs" & "KRIs"), including climate-related KPIs, through a new dedicated Sustainability Scorecard.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>Our Scope 1 and 2 emissions are contained within our CDP (Carbon Disclosure Project) response which we completed for the first time in 2023 and received a C rating. In 2022, Scope 1 emissions amounted to 845.69 tonnes of CO2e. Our Scope 2 emissions were 1,617.82 tonnes of CO2e (location-based) and 1,044.86 tonnes of CO2e (market-based).</p> <p>In 2023, we completed a high-level scope 3 screening exercise using 2022 monetary spend as a proxy for emissions. It identified that c. 99% of our emissions in 2022 were Scope 3 emissions (259,443.23 tonnes of CO2e).</p> <p>In 2024, we will be embarking on a full carbon footprint measurement across all three Scopes, development of a comprehensive decarbonisation roadmap and submission of Scope 1, 2 & 3 targets to the Science Based Targets Initiative (SBTi).</p>
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>The Board endorsed a 2050 net-zero goal when it approved the sustainability strategy in July 2023. We have also adopted the below targets set out for commercial semi-states under the Climate Action Framework. We report on our progress against these targets to the Sustainable Energy Authority of Ireland on an annual basis:</p> <ul style="list-style-type: none">• A 50% increase in energy efficiency by 2030 (2009 baseline)• Scope 1 (thermal) emissions target of 51% by 2030 (2016-2018 baseline)• Scope 1 & 2 emissions target of 51% by 2030 (2016-2018 baseline) <p>Further information on our progress against these targets is available here.</p> <p>The Net Zero Carbon work plan under the Healthy Planet pillar of our strategy is a key priority for 2024, and as such, we will complete a full carbon footprint measurement across Scopes 1, 2 & 3. We will also develop a comprehensive decarbonisation roadmap including KPIs and a timeline for submission of Scope 1, 2 & 3 targets to the Science Based Targets Initiative (SBTi).</p> <p>In addition, specific climate risk KPIs and Key Risk Indicators will be developed as part of the climate risk materiality assessment to be conducted in 2024.</p>

Vhi Board of Directors



Greg Sparks, Chairperson (Independent Non-Executive Director)
Appointment to the Board: December 2014

Greg is both founder and former partner of RSM Farrell Grant Sparks. A Chartered Accountant, Greg has extensive experience and expertise in program planning, implementation and change management across the public and private sector. Greg has served on the board of Vhi since 2014, during this period he Chaired the Audit Committee. Greg is the Chair of VistaMilk SFI Research Centre and on the Board of the Irish Maternal Fetal Foundation Ltd. He has served on the Boards of Joe Duffy Motors, Digicel, The Irish Times and eir. He was a Director with Jigsaw the National Centre for Youth Mental Health and Chaired the Board of the Coombe Hospital for a number of years.



Brian Walsh, Group CEO
Appointment to the Board: March 2015

Brian was appointed Group CEO of Vhi on March 1st 2023. He was appointed Interim Group CEO in May 2022 having joined as Chief Financial Officer in 2014. Prior to joining Vhi, Brian held board and senior executive roles in leading international financial services, telecommunications and FMCG industries in Ireland, continental Europe and the USA. Brian is a Fellow of Chartered Accountants Ireland and a Chartered Director of the Institute of Directors. Brian chairs the Board of SOS Kilkenny CLG, a not-for-profit organisation supporting people with intellectual disabilities and autism.



Joyce Brennan, Independent Non-Executive Director*
Appointment to the Board: November 2014

Joyce is an actuary with extensive experience in leadership roles across the insurance and pension sectors. She is Managing Director of two companies, within the Bank of Ireland Group, which provide professional trustee services for master trust pension plans. Previous roles included advisor to the HIA, Director at KPMG and Director at Mercer. Joyce is Non-Executive Director to an international reinsurance company.

*Stepped down from the Board October 2023



Peter Cross, Independent Non-Executive Director
Appointment to the Board: January 2021

Peter is the Managing Director of Trasna Corporate Finance, an advisory firm specialising in telecoms and infrastructure. He is a non-executive director of DAA plc and of a number of wind energy assets managed by Arjun Infrastructure Partners. He was also a director of Cubic Telecom until its acquisition by Softbank in March 2024. Peter is a qualified Chartered Accountant and was previously CFO at eircom and CFO at BT Openreach. He was audit committee chair at the HSE, Ireland's national health service provider, and at Ervia, owner of Irish Water and Gas Networks Ireland. Peter is a member of the Governing Authority of University College Dublin, where he chairs the Finance Committee.



Mike Frazer, Independent Non-Executive Director
Appointment to the Board: June 2020

Mike is an actuary with over 35 years' experience across the insurance industry including with Irish Life and Zurich Life. He was CEO of AXA Life Invest Reinsurance and Deputy Head of Insurance Supervision at the Central Bank of Ireland. Mike is a consultant with the insurance practice of William Fry Solicitors, an Independent Non-Executive Director of Kingfisher Insurance DAC and XL Re Europe SE, and independent chair of General Investment Trust DAC. He served as the Honorary Secretary and as a Council member of the Society of Actuaries in Ireland 2018–2021.



Karen Furlong, Independent Non-Executive Director
Appointment to the Board: January 2021

Karen is an experienced Director with over 30 years' experience across financial services, fintech, professional services and not for profits. Her expertise spans digital transformation, strategy, change, governance and risk, accrued from her roles in companies including Standard Life, Fineos, First-e Internet Bank, Educational Building Society, Prospectus Strategy Consultants, CUNA Mutual and Allianz. Karen is a Senior Independent Director of Triodos Bank UK in Bristol and Progressive Building Society in Belfast. She chairs the Remuneration Committees of Progressive Building Society and Vhi as well as chairing the Board of Vhi Health and Wellbeing. Karen also serves on the Personal Injuries Resolution Board and the Health Committee of the Pharmaceutical Society of Ireland.



Mary Halton, Independent Non-Executive Director
Appointment to the Board: June 2020

Mary is a Chartered Accountant with international banking and insurance experience gained in Executive, Non-Executive, and advisory roles. She is an experienced board governance advisor with internationally published research on board behaviours and effectiveness. Mary is an experienced Audit Committee chair and has served on a number of boards including the Northern Ireland Audit Office, and the Governing Body of Chartered Accountants Ireland. She is currently a lay member of the UK Copyright Tribunal.



Dean Holden, Independent Non-Executive Director
Appointment to the Board: January 2018

Dean is a Chartered Certified Accountant. He spent 29 years with Bupa, growing, developing and leading Bupa's operations across 12 countries including Spain and Saudi Arabia and latterly as Managing Director (MD) of Bupa Australia and New Zealand. He held a number of senior roles at Bupa including Group Financial Controller, MD of Bupa's Asia Pacific Division, MD of Bupa's International Division and International Markets Division. Dean was an Independent Non-Executive Director of the Skin and Cancer Foundation, Australia serving on the Board for nine years. Dean was also on the Board of Achieve Together UK for two years.



Martin Kelly, Group CFO, FSAI
Appointment to the Board: March 2024

Martin was appointed the Chief Financial Officer of Vhi Group in May 2022. Having joined the company as Chief Actuary in 2013, Martin played a key role in Vhi's preparation for CBI authorisation and the transition to the Solvency II regulatory regime. Previously Martin held a variety of actuarial positions across a wide range of areas within the life, non-life, and health insurance sectors. Martin received a BSc in Financial and Actuarial Mathematics from Dublin City University in 2002. He has been a Fellow of the Society of Actuaries in Ireland since 2007 and a Certified Insurance Director since 2019.



Dr Paul Zollinger-Read, Independent Non-Executive Director
Appointment to the Board: November 2022

Paul is a qualified GP who pioneered the set up and rollout of the first Care Trusts in the UK. He was CEO of five NHS Primary Care Trusts, primary care advisor to the Kings Fund and Bupa's Chief Medical Officer (CMO). Paul was Non-Executive Director for Bupa in Saudi Arabia and an advisor to virtual GP organisations.

Vhi Group Leadership Team



Brian Walsh, Group CEO

Brian was appointed Group CEO of Vhi on March 1st, 2023. He was appointed Interim Group CEO in May 2022 having joined as Chief Financial Officer in 2014. Prior to joining Vhi, he worked with global food and ingredients company Ornua, based in Los Angeles. Previously, Brian led a successful private equity fund, with a mission of investing in small and medium sized European businesses and creating value. He has held Board and executive financial and commercial roles in the international financial services, telecommunications and FMCG industries in Europe and the USA. Brian is a Fellow of Chartered Accountants Ireland and is a Chartered Director of the Institute of Directors. He holds graduate and post-graduate business degrees from University College Dublin.



Amy Burke, Group People and Sustainability Officer

Amy joined Vhi in 2020. An experienced leader, Amy has made a significant contribution to transforming the People agenda, positively building and shaping key colleague priorities including culture and capability development. She is in her second year of leading Vhi's Sustainability agenda with the strategy now in its implementation phase. Amy's strength is in strategic transformation with a strong commercial bias. Prior to joining Vhi Amy had a 20 year career in Bank of Ireland where she held a number of roles across the business before taking up the position of Head of Group HR. Amy has a BSc in Finance from UCC and is a graduate of the Ross School of Business, University of Michigan.



Ronan Fitzpatrick, Group Chief Information Officer

Ronan is an IT Executive with over 30 years of experience including five years advisory consulting experience. He joined Vhi in June 2021 from PwC Technology Consulting where he was Director of Digital. Previously Ronan was in Aer Lingus, where he held a number of roles in both commercial/business and IT including Director of Digital and Mobile, and Director of IT Enterprise Applications. Ronan has extensive expertise in transformation, defining new target operating models for a digital age, establishing new ways of working, IT delivery and business problem solving. Ronan has a BSc in Applied Computing from Waterford Institute of Technology.



Martin Kelly, Group CFO, FSAI

Martin was appointed the Chief Financial Officer of Vhi Group in May 2022. Having joined the company as Chief Actuary in 2013, Martin played a key role in Vhi's preparation for CBI authorisation and the transition to the Solvency II regulatory regime. Previously Martin held a variety of actuarial positions across a wide range of areas within the life, non-life, and health insurance sectors. Martin received a BSc in Financial and Actuarial Mathematics from Dublin City University in 2002. He has been a Fellow of the Society of Actuaries in Ireland since 2007 and a Certified Insurance Director since 2019.



Aaron Keogh, Managing Director, Vhi Insurance DAC

Aaron is responsible for the executive leadership of Vhi Insurance DAC, leading out the Vhi Insurance business delivering care and customer experience across Product Development, Sales, Service, Operations, Claims and Healthcare Partnerships to Vhi's 1.2 million members. Aaron has held a variety of senior roles within the organisation including MD Vhi Healthcare DAC and General Manager of Individual Business. Aaron is a Chartered Director with the Institute of Directors and holds a MSc in Strategic Management from Dublin Technical University as well as a BSc in Software Systems from the National College of Ireland.



Adam Lyon, Group Risk Officer

Prior to his current role, Adam was General Manager Value and Business Development in Friends First Life Assurance Company and previously worked in other senior executive roles in Friends First Life Assurance Company including General Manager Product Sales and Marketing, Head of Finance and Head of Product Development and Pension Scheme Services. He is a fellow of the Society of Actuaries in Ireland and a fellow of the Institute and Faculty of Actuaries. He also holds a postgraduate diploma in management studies from the University of Sussex and a degree in mathematics from the University of London.



Tim McKeown, Group Customer Officer

Tim is responsible for managing the Group customer and patient value proposition and leads out Vhi's Brand, Marketing and Corporate Communications activities. He also sits on the Board of Vhi Health & Wellbeing DAC. Tim has previously held a number of executive roles across the company, incl. Group Strategy Director, Director of Product & Business Development, MD Vhi SwiftCare Clinics and Head of Multiline general insurance portfolio. Prior to joining Vhi, he worked as a management consultant in Belgium for 10 years at both the European Commission and in the private sector. He is a Chartered Director (IOD) and holds a BA in Politics from UCD and an MA in European Policy from UL.



Francis Maguire, Group Transformation Officer

Francis is responsible for leading transformation across the organisation to enable delivery of Vhi's business strategy. Prior to joining Vhi, he held a number of senior positions in transformation and strategy at ING and Lloyds Banking Group. He holds a mechanical engineering degree (B.E.) from University College Dublin (UCD) and an MBA from University of Cambridge. He has extensive global experience having worked previously at McKinsey & Co in London, and Mitsui Kinzoku in Japan and the USA.



Anne O'Connor, Managing Director, Health & Wellbeing

As MD of Health & Wellbeing Anne is responsible for delivering Health and Wellbeing DAC services through Vhi's network of healthcare facilities. Anne joined Vhi from the HSE where she held the position of Chief Operations Officer. Within the HSE she held a number of senior roles including National Director Mental Health, National Director for Community Operations and interim HSE Director General. She led the HSE's Operational response throughout the Covid-19 pandemic and the 2021 cyber-attack. Anne holds a Diploma in Occupational Therapy from Liverpool University, an MSc in Occupational Therapy from Trinity College Dublin, and an MSc in Management Practice from University College Cork/Irish Management Institute.



Dr Nicholas Young, Group Healthcare Officer

Dr Nicholas Young joined Vhi as Clinical Director of Vhi 360 Health Centre, Carrickmines in Sept. 2020 moving into the Chief Clinical Officer role in May 2021 and transitioned to the Group Healthcare Officer role in Oct 2022. Prior to joining Vhi, Dr. Young worked in the US with Kaiser Permanente Washington as the Clinical lead for their Emergency and Urgent Care services. He completed his medical training at Trinity College in 2001 and has worked in a variety of clinical care settings including academic, trauma, urban and rural/critical access emergency departments as a board certified emergency medicine consultant.



2023 was a year that saw a rapid return to full activity in healthcare services across the globe, following the disruption caused by the pandemic over the previous three years. In Ireland we were no different and in 2023 our members enjoyed more access to healthcare services and activity returned rapidly to pre-Covid-19 levels.

In 2023 Gross Written Premium on our core health insurance business was €1.68bn. In 2023 we welcomed over 37,000 additional health insurance members, to reach a total membership figure of over 1.2 million members. 2023 marks the ninth consecutive year of growth in our health insurance membership and Vhi remains the largest health insurance provider in Ireland.

In 2023 income on our multiline products amounted to €29.9m (2022 €27.5m). MultiTrip, Vhi’s annual travel insurance membership, has now recovered to levels last seen in late 2019 and is up 8.4% on the previous year. There was also market growth across our other insurance products including Dental, International and Life Insurance which all performed well during 2023 leading to a combined total of just under 480,000 customers choosing a Vhi multiline insurance product.

In 2023 Vhi paid a record €1.68bn in claims, up 18% from the €1.42bn in 2022, with private hospital and primary care costs being the key areas of growth. The unprecedented levels of growth in claims volumes and costs have given rise to financial challenges resulting in a Net Deficit after Taxation of €43.4m (2022: Net Surplus after Taxation €34.3m).

The growth in claims resulted in a need for us to adjust our premiums in 2023 to ensure we can continue to provide our members with access to excellent healthcare. It will also ensure that we can continue to make the necessary investments in products and services to meet the needs of our members in the future. We do not underestimate the affordability challenges facing our members and to keep premiums as low as possible we are focused on containing our costs and operating our

business in a lean and efficient manner. We are also working closely with our healthcare partners to ensure that we are delivering the best value for our members.

Despite the financial challenges in 2023, Vhi continues to be strongly capitalised, with capital and reserves of €903m (€949m 2022). The solvency position of our insurance business stands at a healthy 175% at year end. Our capital strength means our members can continue to trust Vhi as their selected healthcare provider.

Vhi exists solely to meet the healthcare needs of our members and all premium income received is dedicated to delivering and meeting their healthcare needs. We look forward to further developing the range and quality of our services, to meet our purpose to help our members live longer, stronger, healthier lives.

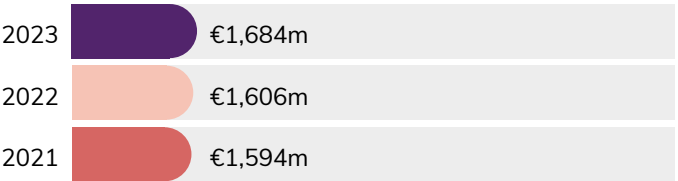
Martin Kelly, Group CFO

Financial Highlights plus three year comparative graphs

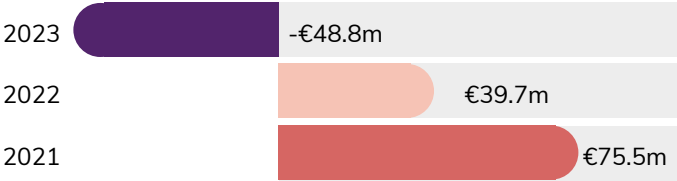
Membership



Gross Written Premium



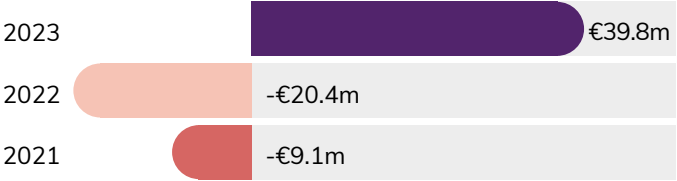
Net Deficit /Surplus Before Tax



Claims Paid



Net investment return



Directors' Report

for the financial year ended 31 December 2023

The Directors present their 67th Annual Report in accordance with section 20(1) of the Voluntary Health Insurance Act 1957. The Accounts of The Voluntary Health Insurance Board ("Vhi 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 in accordance with the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Principal activities

The Vhi Board was established under the Voluntary Health Insurance Act 1957 to undertake the business of writing private medical insurance in Ireland. Vhi Insurance DAC was incorporated as the private medical insurance underwriting entity and Vhi Healthcare DAC was incorporated as the retail intermediary for sale of private medical and other insurance offerings ("Regulated Entities"). The Vhi Board also operates medical provision services, including Vhi 360 and Swiftcare Health Centres, Vhi Hospital@Home and other health and wellbeing services through its Vhi Health and Wellbeing company.

Business Review and Results

The consolidated results for the year ending 31 December 2023 are set out in the Income and Expenditure account shown on page 69. The consolidated Vhi Board deficit after tax for the year is €43.4m (2022: €34.3m surplus). A significant increase in demand for healthcare services is a key driver of this deficit. During 2023 claims volumes increased by more than 20% and high inflation has had a significant impact on the cost of delivering healthcare. The rapid return to full activity in hospitals post-COVID, combined with the impact of pent-up demand for services deferred during COVID, has contributed to the escalation in claims volumes and costs. In addition, advances in drugs, procedures and other medical innovations and technologies, supporting enhanced healthcare outcomes, have also impacted on the cost of providing care to members.

During 2023, Vhi continued to expand its footprint and introduced a range of new benefits and services including a rapid access dermatology service, a sport exercise and musculoskeletal clinic, a women's health clinic, a positive minds programme delivered by clinical psychologists and significantly increased capacity on the online health team.

A comprehensive review of business transacted during the year is contained in the Chair's Review and Group CEO's Report.

Future developments

The Directors are satisfied with the conduct of business for the year. Looking forward to 2024, the external environment remains volatile due to geopolitical events and, while inflation growth has abated somewhat, the cost of living remains a significant economic challenge. We expect demand for healthcare services to remain high resulting in continuous upwards pressure on claims costs and subsequently pricing. Maintaining momentum on the implementation of our Vhi Group's Strategy will remain a key focus in 2024 and initiatives which will deliver best value to our customers have been prioritised.

Directors' compliance statement

We, the Directors of the Vhi Board, acknowledge that we are responsible for securing compliance with applicable laws and regulations relevant to the business operations of the Vhi Board and its subsidiary companies (the "Vhi Group").

The Vhi Group's objective is to conduct business in accordance with both the letter and the spirit of the relevant regulatory and compliance related laws, and the regulations and codes that apply to its regulated activities, as well as Vhi internal compliance policies and standards and to act with integrity, honesty and fairness in dealing with our members and other stakeholders. Vhi's values are "Together we do our best work," "We lead with heart" and "Courage to create a new future."

Our Compliance Policy sets out the scope, philosophy and approach to the management of conduct and regulatory compliance risk within Vhi.

We are committed to taking all reasonable steps to ensure that the Vhi Board complies with all relevant laws and regulations applicable to our business operations. In this regard, the Directors confirm in respect of the companies that these apply to, that:

- a compliance policy statement has been drawn up setting out Vhi's policies in respect of its compliance with its defined obligations;
- there are in place appropriate arrangements and structures that are designed to ensure Vhi's material compliance with its relevant obligations; and
- those arrangements and structures were reviewed in the financial year ended 31 December 2023.

The governance arrangements adopted by the Vhi Group include:

- a clear organisational structure;
- well defined transparent and consistent lines of responsibility, which includes documented delegation of authorities for certain matters;
- effective processes to identify, manage, monitor and report risks to which we are or might be exposed;
- adequate internal control mechanisms that include sound administration and accounting procedures;
- IT systems and controls; and
- remuneration policies and practices that are consistent with and promote sound and effective risk management.

Corporate Governance

The Vhi Group is committed to maintaining the highest standards of corporate governance, and to support this a board and committee structure is in place to oversee the Vhi Group's activities. The Vhi Board has ultimate responsibility for oversight of the conduct and performance of the Vhi Group. The Vhi Board sets the strategic, risk appetite, risk management and cultural parameters for the Vhi Group and creates accountability around each of these parameters. The Vhi Board has full responsibility for carrying on its business as a holding company, for ensuring compliance with its legal and regulatory obligations and for overseeing the delivery of the Vhi Group's strategy through its health insurance and health services provision businesses.

The Vhi Board is required to comply with the Code of Practice for the Governance of State Bodies, revised by the Department of Public Expenditure and Reform during 2016 (the "State Code"). The Directors have put in place measures to comply with the State Code, including agreement with the Department of Health to incorporate certain required disclosures in the Chair's Comprehensive Report of the Voluntary Health Insurance Board issued annually to the Minister for Health.

Vhi Insurance DAC, a subsidiary company within the group, as an authorised non-life insurance undertaking, is required to comply with the requirements of the Central Bank of Ireland's Corporate Governance Requirements for Insurance

Undertakings 2015. As at the 31 December 2023, the Directors confirm material compliance with the requirements of the corporate governance codes applying to Vhi Insurance DAC.

The Vhi Board oversees the management of the business and affairs of the subsidiary companies so that no one individual has unfettered powers or control of the Vhi Group and so that the strategic objective of the Vhi Group can be achieved. The Vhi Board reserves certain key matters for itself and delegates others (within specified limits) to Board Committees and to the Group CEO, who in turn delegates authority to executive committees and management. The Terms of Reference of the Vhi Board stipulates decisions reserved for the Board and decision-making powers it has chosen to delegate. The Vhi Board's responsibilities extend to the following areas: financial oversight, structure and capital, values, strategy and management, Board membership, people and culture, board policies, financial reporting and controls, internal controls, risk management, remuneration, corporate governance and reputational matters. Matters reserved to the Vhi Board in each of these areas are reviewed on an annual basis.

The Company Secretary is responsible for ensuring that Board procedures are complied with and advises the Vhi Board, through the Chair, on governance matters generally.

Board of Directors

The Directors of the Vhi Board at 31 December 2023 are listed on page 108 and in the table below. The roles of Chair and Chief Executive Officer are separate. All Directors are appointed by the Minister for Health. The Board held ten meetings during 2023 and in addition, a Strategy day was held for the Board in June.

Appropriate training and briefing is made available to all Directors on appointment to the Vhi Board, with further training made available over the course of the year, as required. In 2023, training was provided in the areas of Sustainability, Climate and Business, the Individual Accountability Framework ("IAF"), Cyber Security and Solvency II.

The Directors may take independent professional advice and the Directors have access to the advice and services of the Company Secretary. Directors' liability insurance cover is in place.

Board and Board Committee Members’ Attendance at Meetings held during the financial year 2023*:

	Board	Audit Committee	Risk Committee	Remuneration Committee	Nomination & Governance Committee
Greg Sparks	10/10			5/6	9/9
Joyce Brennan	4/6		3/5		
Peter Cross	9/10	5/5	6/7		
Mike Frazer	9/10		7/7	0/4	
Karen Furlong	9/10	1/1		5/6	9/9
Mary Halton	10/10	4/5			3/3
Dean Holden	8/10	4/4		6/6	8/9
Brian Walsh	10/10		7/7	6/6	
Paul Zollinger-Read	9/10		7/7		

*This table shows the number of meetings each Board member attended out of the number they were eligible to attend
At the end of 2023 the Vhi Board consisted of 8 members, a majority (7) being Independent Non-Executive Directors (“INED”) with 1 executive director. As at 31 December 2023, there were a number of vacancies on the Board and a recruitment process is currently underway. Joyce Brennan resigned from the Board on 3 October 2023. The Vhi Board believes its composition is suitably qualified to enable it to meet its strategic objectives and any applicable regulatory requirements.

Board Committees

The Vhi Board has established Committees and authorises these Committees to undertake certain work on its behalf. However, ultimate decision-making authority rests with the Vhi Board and all decisions remain the responsibility of the Board. The Vhi Board has delegated authority to a number of Committees and to the Group CEO, who acts on behalf of the Vhi Board in respect of certain matters. Each Committee has detailed Terms of Reference that articulate the role and position of the committee in the governance framework. The Terms of Reference are reviewed regularly by the Committees to ensure continuing appropriateness, are approved by the Board and require Board approval for material alteration. Revised Terms of Reference for the Group Risk Committee and the Group Audit Committee were approved by the Board in 2023.

Group Audit Committee

The Vhi Board has established an Audit Committee to assist in the execution of its responsibilities. The Audit Committee met five times in 2023. The Committee has three members; Mary Halton (Chair), Peter Cross and Karen Furlong (appointed 22 November 2023), all of whom are INEDs. Dean Holden also served on the Audit Committee in 2023, resigning on 22 November 2023.

The principal purpose of the Group Audit Committee is to support the Vhi Board in its oversight of the appropriateness of the Vhi Group’s financial reporting and of the overall effectiveness of internal controls across the Vhi Group. The Committee’s responsibilities extend to financial and regulatory reporting, internal controls, external audit, internal audit, protected disclosures, anti-fraud and anti-corruption. Key responsibilities are summarised below:

- Reviews the integrity of the Vhi Group’s financial statements including all published annual reports and regulatory financial statements, having regard to matters communicated to it by the external auditor;
- Considers and reports on the overall effectiveness, adequacy, scope and implementation of, and compliance with, the Vhi Group’s system of internal controls;
- Monitors progress by Management in implementing recommendations from internal audit, external audit or other controls reviews;
- Reviews and recommends to the Vhi Board, the annual external audit plan, ensuring it is consistent with the scope of the audit engagement;

- Approves the Internal Audit plan and monitors the effectiveness and adequacy of the Internal Audit function so that it is appropriately resourced, is appropriately independent and has appropriate standing within the Vhi Group;
- Apprises the Vhi Board of significant developments in the course of performing its duties.

Group Remuneration Committee

The principal purpose of the Group Remuneration Committee is to support the Vhi Board in ensuring that the Vhi Group’s overall reward philosophy and the design and structure of the Vhi Group’s remuneration policy are consistent and aligned with the Vhi Group’s purpose, values and strategic objectives. While the Group CEO has responsibility for ensuring an effective people management strategy to enable the Vhi Group’s strategic objectives, the Committee provides oversight of these functions and exercises independent judgement on remuneration. The Committee’s responsibilities extend to reviewing and recommending, to the Group Board, the remuneration of the Group CEO, Group Leadership Team and Senior Executives.

There are currently five members of the Group Remuneration Committee, four of whom are INEDs. The committee members are Karen Furlong (Chair), Brian Walsh, Greg Sparks (appointed 1 February 2023), Mike Frazer (appointed 5 July 2023) and Peter Cross (appointed 9 November 2023). Dean Holden also served on the Remuneration Committee in 2023, resigning on 4 December 2023.

Group Nomination and Governance Committee

The principal purpose of the Group Nomination and Governance Committee is to support the Vhi Board in decisions relating to the composition of the boards and the committees of Vhi Group DAC and its subsidiary companies through the provision of proposals and recommendations for board and committee appointments, renewals and board succession planning. The Committee also supports the Vhi Board in the appointment of senior executives and Pre-Approved Functions (“PCFs”) as well as succession planning and performance management for senior executives. While the Group CEO has responsibility for the recruitment and retention of staff, for ensuring an effective people management strategy to enable the Vhi Group’s strategic objectives, and for ensuring effective succession planning, the Committee provides oversight of these functions and exercises independent judgement on

performance management and senior appointments. The Committee also supports the Vhi Board in relation to oversight of the appropriateness of the Vhi Group’s overall governance arrangements as well as oversight of the implementation of the Vhi Group’s Sustainability programme.

There are currently four members of the Group Nomination and Governance Committee, Greg Sparks (Chair, appointed Chair 27 February 2023), Karen Furlong, Dean Holden, and Mary Halton (appointed 25 July 2023), all of whom are Independent Non-Executive Directors.

Group Risk Committee

The purpose of the Group Risk Committee is to support the Vhi Board in its responsibility to ensure that an effective risk management and compliance framework is in place as part of the overall effective corporate governance of the Vhi Group. The Committee’s responsibilities extend to risk management, compliance, data protection and information security. Key responsibilities are summarised below:

- Monitors the ongoing development and maintenance of an effective enterprise-wide Risk Management Framework proportionate to the nature, scale and complexity of the Vhi Group’s risks, liaising regularly with the Chief Risk Officer in this regard;
- Carries out an Own Risk Assessment annually and reviews, challenges and recommend to the Vhi Board for its approval, a Group Risk Appetite Statement that is appropriate to the risks, strategy, objectives, culture and values of the Vhi Group;
- Reviews and recommends to the Vhi Board for approval, any changes to the Risk Management Function’s mandate outlined in the Risk Management Policy & Framework as required including the Risk Management Function’s Monitoring Plan;
- Promotes a culture of compliance across the Vhi Group and supports the objectives of fostering a member-centric culture throughout the Vhi Group;
- Monitors and reviews the effectiveness of Management’s regulatory compliance activities across the Group and reviews the Compliance Function’s annual compliance plan and recommends it to the Vhi Board for approval;
- Monitors and reviews Management’s processes with regard to data protection, information security and related risks including in relation to compliance with relevant obligations.

There are currently four members of the Group Risk Committee, three of whom are INEDs, Mike Frazer (appointed Chair on 3 October 2023), Peter Cross, Paul Zollinger-Read and Executive Director Brian Walsh. The previous Chair, Joyce Brennan, resigned on 3 October 2023.

Internal Control

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 Vhi Board has given effect to Internal Control recommendations issued by the Central Bank of Ireland: Guidance for Directors on the Corporate Governance Requirements for Insurance Undertakings 2015 in respect of Vhi Insurance DAC, as well as the Code of Practice for the Governance of State Bodies. The Vhi Board is satisfied that there is a sound system of internal control in place.

The Directors are responsible for the Vhi Board’s system of internal control and for reviewing its effectiveness and is supported in this responsibility through regular meetings of the Audit Committee. They have delegated responsibility for the implementation of this system to Executive Management on a day-to-day basis.

The key elements of the system are:

- 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;
- Formal policies, procedures and organisational structures which support the maintenance of a strong control environment;
- A comprehensive set of management information and performance indicators is produced 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. Forecasts are also updated on a regular basis in light of emerging experience;

- The business strategy, planning and budgetary process includes analysis of the major business risks which affect the organisation. Risk assessment is a continuous process on which the Vhi Board places significant emphasis;
- 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; and
- Experienced and qualified staff have been allocated responsibility for all major business functions.

Directors’ Remuneration

Annual remuneration levels for the Chair and each INED have been set by the Government at €31,500 and €15,750, respectively, with effect from 1 January 2015. The Executive Directors do not receive a Board fee under the One Person One Salary (“OPOS”) principle.

Going Concern

The accounts of the Vhi Board have been prepared on a going concern basis and the Directors have satisfied themselves that the Vhi Board will have adequate resources to continue in operational existence and to meet solvency requirements for the foreseeable future. In forming this view, the Directors consider that it is appropriate to do this on the basis that projections for future years are prepared which take account of reasonably foreseeable changes in trading performance. Stress test assessments, strong governance structures in place, and satisfactory capital position during 2023 further contributed to this assessment.

Principal risks and uncertainties

The principal risks and uncertainties of the Vhi Group have been determined by assessing potential finance and capital, strategic, operational, clinical, member value and conduct, and people and culture risks. Vhi Group’s risk tolerance levels are recorded in the Risk Appetite Statement approved by the Board of Directors.

Vhi’s principal risks are monitored and managed by the Group Leadership Team and are reported to the Vhi Board on a regular basis. They are summarised below.

Strategic

Strategic risk is the risk that the Vhi Group does not achieve its strategic objectives. This covers the inherent risk in our strategy and business model and may result from both internal and external factors. These risks include:

- a. **Risks from inadequate Risk Equalisation**
The Risk Equalisation Scheme (“RES”) only partially equalises the significant differences in risk profiles that exist between the competing insurers. It places insurers covering a disproportionate share of higher health risk policy members at a competitive disadvantage with attendant risks to capital, value and sustainability.
- b. **Risks from supply and demand changes for private healthcare**
The ageing population and pressures on capacity in healthcare, as well as changes in the transfer of patients from public to private facilities leads to increased demand for medical treatment and the risk of higher treatment costs, volatility in the volume and capacity of the private healthcare system, reduced access to care and lower affordability for private medical insurance policyholders.
- c. **Risks from legislative, political, social and regulatory changes**
There are risks that legislative or regulatory changes, or the impact of political and social changes affect the operation of private medical insurance and healthcare services markets.
- d. **Higher inflation and economic stagnation**
There is considerable uncertainty over the outlook for inflation and economic growth leading to volatile interest rates, economic activity and negative impact on consumer disposable income and spending behaviour.
- e. **Risks associated with the successful delivery of our transformation programme**
There are risks to the successful, timely, efficient and effective delivery of Vhi’s transformation programme in a competitive market environment where member expectations on services and the way they are delivered is continually changing due to factors such as digitisation and artificial intelligence.

Finance and Capital

Finance and capital risks are those risks that can result in the loss of capital and/or negatively affect the solvency of the business, such as the risk of not meeting regulatory solvency requirements, financial losses and reserving risks. These risks include:

- f. **Volatile financial markets**
The Vhi Group is exposed to a range of risks in relation to its investment portfolio. These include market, credit and liquidity risks. The Vhi Group principally invests in high quality debt securities whose term matches the short-term nature of our liabilities, in accordance with prudent investment policies that are implemented by management, monitored by the Investment Committee and approved by the Vhi Board.
- g. **Uncertainty in claims costs and development**
The Vhi Group is exposed to the risk that its premium pricing or claims reserves may not align to the severity, frequency and timing of claims. Uncertainty in claim cost development is higher where medical inflation is increasing and where there is disruption to the provision of private healthcare.
- h. **Financial risks from new ventures and investment in our transformation strategy**
A challenging macroeconomic environment, key skills shortages and significant shifts in healthcare provision, as could be caused by political, regulatory or public health policy changes could increase our change delivery and operational costs or make it harder to realise the financial objectives of our transformation strategy.

Operational

Operational risks are the risks of financial loss or reputational damage resulting from inadequate or failed internal processes, people or systems that affect Vhi Group’s business operations. The principal risks include:

- i. **Cybersecurity and data protection risk**
The Vhi Group recognises that cyber criminals continue to become more sophisticated and members have increasing expectations of technical solutions. There is the risk of failing to anticipate changing expectations in relation to information technology and operational resilience.

j. **Key skill shortages**
In many markets, we see challenges with workforce availability, especially in highly skilled sectors. This may impact risks that we deliver services effectively, efficiently and reliably, appropriately implementing new technologies.

Member Value and Conduct
Member value and conduct risks are anything that would threaten the business' objective to treat members fairly and with due skill, care and diligence. These risks include:

k. **Miscommunication of services and advice to members.**
The risk that our behaviours result in detrimental or unfair outcomes for our members are increased where we are introducing new services and changing the way we interact with members (including more online interactions).

l. **Disruption to access to insured benefits.**
The risk that we fail to meet our members' reasonable expectations of access to product benefits due to, for example, staff capacity in Vhi's own healthcare services or waiting times for private treatment.

People and Culture
Risks that have an adverse impact on our members or business including resourcing and staff wellness risk as well as risks relating to employee behaviours or non-adherence to Vhi policies, procedures, practices or rules and the risk that colleagues do not behave in line with the Vhi values that underpin our strategy and member proposition. People and Culture risks have potentially large impacts for the organization if we do not have sufficient skills and knowledge in order to deliver our strategic objectives. This can include embedding a diverse and inclusive workforce, identifying a strong succession and leadership pipeline and leveraging the culture of the organisation to drive and achieve our desired objectives. Current risks include competition for key skills and exposure of healthcare staff to sickness in the community.

Clinical
Clinical risks are the risk that we cause preventable harm to patients through our provision of healthcare services. The Vhi Group promotes a culture of excellence in patient and customer experience and safety, and our clinical services and facilities are accredited by international accreditation programmes. The principle of patient care and high standards of clinical quality are paramount as we extend our healthcare services.

These risks include:

m. **New healthcare services and supporting systems including third-party services.**
We ensure high standards for all new services, critical suppliers and changes to the ways we interact with patients (including new digital healthcare services).

n. **Shortages of staff with necessary expertise.**
Well supported skilled staff are key to managing the risk of injury, loss or harm to members in receipt of healthcare. Pressure on healthcare capacity increases the risk that access to services is reduced.

Other risks
The Vhi Group is also subject to a range of other risks including Environmental Social and Governance ("ESG") risks.

Our main ESG risks are focused on climate change transition risks and physical risks. They include reputation risk, costs associated with emission reduction/decarbonisation and environmental requirements, reduction in the affordability of health insurance and increases in the costs of care, claims shocks due, for example, to pandemics, and operational outages and disruption events to due physical climate risk events.

Environmental matters
The Vhi Group's energy efficiency and decarbonisation programmes are informed by national public sector obligations. The Government Climate Action Plan ("CAP") 2023 obliges the public sector, including semi-state bodies, to achieve at least a 51% reduction in absolute Scope 1 and Scope 2 carbon dioxide equivalent (CO₂ eq.) emissions by 2030 and a 50% improvement in energy efficiency by 2030. In 2023, the Vhi Group commenced bi-annual reporting to the New Economy and Recovery Authority ("NewERA") on the Climate Action Framework for Commercial Semi-State Bodies ("CAF") which the Vhi Group adopted in 2022. These reports cover all five commitments set out in the CAF, namely, Governance of Climate Action Objectives, Emissions Measurement & Reduction Target, Measuring and Valuing Emissions in Investment Appraisals, Circular Economy and Green Procurement, and Disclosures in Financial Reporting.

Energy and Emissions
All public bodies, including semi-state bodies, have an important part to play in contributing to the achievement of the Government's 2030 climate action targets set out in the Climate Action and Low Carbon Development (Amendment) Act 2021 and the Climate Action Plan 2021. All public bodies, including semi-state bodies, are required to report energy and emissions data on an annual basis using the Sustainable Energy Authority of Ireland ("SEAI") online Monitoring & Reporting ("M&R") system which is used to track their progress towards the mandatory 2030 energy efficiency and emissions reduction targets. From an energy perspective, based on the SEAI's M&R energy reporting to year-end 2022, Vhi has achieved 38.7% of the 51% increase in the energy efficiency target required by 2030 (against a 2009 baseline). Energy saving actions undertaken in 2023, together with existing energy conservation measures, provided estimated total annualised energy savings of 249,618 kWh and reduced the environmental impact of energy use by 59,281kg CO₂ for 2023.

From an emissions perspective, based on the SEAI's M&R Gap to Target (GTT v3.14) modelling tool and accounting for the expansion of the Vhi estate, with the Vhi 360 Health Centre in Carrickmines, the Vhi Group's Greenhouse Gas reductions required to achieve the 2030 emissions reduction target of 51% of absolute Scope 1 and Scope 2 emissions is 299,875kg CO₂ eq.

Transport and Travel
In 2023, as part of our decarbonisation journey, Vhi commenced the transition of its car fleet to electric vehicles, which will come on stream early in 2024. Furthermore, Vhi Health & Wellbeing is a signatory to the National Transport Authority's Smarter Travel Mark. The aim of the Smarter Travel Mark is to implement voluntary Workplace Travel Plans that promote and encourage sustainable and active commuting thus reducing an organisation's emissions.

Waste management
The Vhi Group is compliant with the Waste Management (Amendment) Act 2001 surrounding waste management and only uses licenced and permit approved Environmental Protection Agency ("EPA") waste service providers for the disposal of waste.

The Vhi Group is committed to constant improvement of the waste management programme following the guidelines set out by the National Waste Prevention Programme (NWPP).

The majority of Vhi's waste is general office waste; split into general waste, recyclable, confidential recyclable and compost to ensure Vhi segregates as much waste as possible and reduces the requirement for landfill. In relation to Vhi's healthcare services, all clinical and hazardous waste complies fully with the IPC PP 109 Guidelines on the Segregation and Disposal of Healthcare Risk and Non-Risk Waste. Annual audits are conducted on all clinical sites by an external auditor.

The Vhi Group engages a dangerous goods safety advisor ("DGSA"), DCM Compliance, to audit Vhi's compliance with the European Communities (Carriage of Dangerous Goods by Road and Use of Transportable Pressure Equipment) Regulations and associated amendments. Vhi is audited annually by the DGSA in relation to its compliance with the storage of clinical waste and reporting on clinical waste volumes.

In September 2023, a six-month "Code Green" clinical waste pilot was commenced in the Urgent Care section of our 360 Health Centre in Carrickmines. The purpose of the trial is to educate and support our Vhi colleagues to segregate their waste correctly so that non-contaminated clinical waste can be redirected to recycling or general waste as appropriate, thus diverting waste from landfill and incineration. In addition, we also piloted the use of compostable PPE aprons which have now been rolled out across all clinical areas in our 360 Health Centre in Carrickmines. These compostable aprons can be disposed of in the food bin thus reducing landfill waste.

Vhi facilities also utilise modern environmental engineering solutions to reduce our impact on the overall environment with the use of rainwater harvesting systems. This reduces the volume in surface water and the need for treated water and combined water sewer systems in the Abbey Street and Kilkenny offices.

Biodiversity
In 2023, we installed three colonies of native Irish honeybees on the roof of Vhi's Kilkenny office building. This is in addition to the two colonies installed on the rooftop of the Vhi office in Abbey Street in 2020. The bees produced 15 kilos of honey which was sold and used in our staff restaurants.

In 2023, Vhi registered a total of 6,600m² of grassland (or just over half the size of the Croke Park pitch), at our Gweedore and Kilkenny offices for the protection and enhancement of biodiversity. We also recorded two rare Irish orchids during the summer at both our Kilkenny and Gweedore sites.

Employee matters and respect for human rights

The Vhi Group is focused on enhancing offerings for both our members and our colleagues and is committed to upholding principles of integrity and fairness, prioritising ethical conduct.

It is important to the Vhi Board that the organisational values; ‘We lead with heart,’ ‘Courage to create a new future,’ and ‘Together we do our best work’, serve as guiding principles in interactions with both members and colleagues and emphasis is placed on actively listening to colleagues and acting upon their feedback.

In order to assess the efficacy of organisational processes and identify areas for improvement, we conduct annual Voice of Colleague pulse surveys and cultural diagnostics. Additionally, we establish focus groups and small team gatherings to gain colleague input on proposed changes and address identified areas for enhancement.

Our overarching aim is to foster an engaged workforce and cultivate a workplace environment where colleagues feel empowered to express themselves and receive adequate support in their roles.

The Vhi Voice of colleague survey conducted in November 2023 included the below results:

- 82% of colleagues feel comfortable to be themselves at work (+2% above our target 80%),
- 80% of colleagues have a strong understanding of how they contribute to the business objectives and goals,
- 84% of colleagues can see that their immediate managers behaviour is consistent with the company values.

Vhi recognise the importance of maintaining regular communication and fostering connectivity among colleagues. Vhi adhere to a structured communication calendar, featuring weekly information dissemination touchpoints. Vhi actively promote an environment where colleagues feel empowered to express themselves freely; the Vhi Board approved ‘Speaking-Up’ policy sets out the framework for enabling colleagues within the Vhi Group to raise genuine concerns and speak up in confidence about possible improprieties; this policy puts in place a framework for appropriate and independent investigation and follow-up action. Additionally, we provide guidance on colleague interactions and code of conduct expectations through the Vhi Board approved ‘code of conduct’ policy.

The Vhi Group recognises a Trade Union for collective bargaining purposes and has a collective agreement in place in the event of an employee dispute with the company. The Vhi Group also recognises union representation in disciplinary matters under Disciplinary and Grievance process agreements.

Inclusion, Diversity and Equity

Like all organisations, Vhi are operating in a rapidly changing world. Our greatest strength as a business is our people. Our goal for Inclusion, Diversity and Equity (“IDE”) at Vhi is an organisation where differences are recognised and valued, supported by a culture of inclusion. We know that when we harness our differences and work together, we can drive innovative solutions to meet the needs of our colleagues and help our members and patients live longer, stronger and healthier lives.

In early 2023, Vhi formally included Equity “E” into Diversity and Inclusion to ensure a continued focus on fair treatment for all colleagues. We also reviewed and refreshed our IDE structure. An IDE Working Group was established to support collaboration across our employee networks and to enable development and expansion of the activities under the IDE programme. During the year we also engaged external support to complete a review of our IDE maturity level. Our commitment to IDE was endorsed when we achieved the Silver Investors in Diversity EDI Mark which recognises those organisations that are in the early stages of embedding IDE.

Vhi are committed to continuing to embed IDE. In early 2024, we will be rolling out a new IDE Strategy which will focus on three key areas: Fostering Diversity, Driving Equity and Enabling Inclusivity. We will also continue to support the growth of our employee networks, raising awareness of IDE among colleagues and harnessing the link between IDE and our values.

The Vhi Board is committed to the highest standards of corporate governance, transparency and accountability. Along with the Executive team, the Vhi Board recognises that diversity of skill sets, experiences, qualifications, gender and background will help to make the Vhi Group a better place to work, will help to maximise and balance the decision-making process, and will reduce behaviour and culture risks. Furthermore, the Vhi Board recognises the key role that an inclusive culture plays in ensuring that the potential of diversity at Board level is realised.

The Vhi Board's Diversity Equity and Inclusion Policy for Board Appointments and Membership has been in place since 2015 and is reviewed annually. The Nominations & Governance Committee, on behalf of the Board, reviews Board composition no less than every three years and recommends the appointment of new directors as appropriate and in line with the Board Skills Matrix, Central Bank guidance as well as the new Annex to the State Code on Equality, Diversity and Inclusion. The Vhi Board aims to comprise of a balance of male and female directors from a diverse range of backgrounds with a broad range of relevant skills, expertise and experience. The Vhi Board recognises the role of the Minister in appointing members to the Board and will seek to support the Minister with regard to achieving the required minimum 40% representation of each of female and male directors on State Boards. The Board is committed to achieving 40% gender representation on Vhi’s subsidiary boards.

Bribery and corruption

The Vhi Group are committed to ethical conduct and adherence by employees and directors to the highest business ethics, professional and legal standards. The Vhi Group Board ‘Code of Conduct’ policy sets out principles to guide employees and members of the Board of Directors in their day to day Vhi business conduct with specific reference to fraud, corruption, bribery and blackmail.

The Vhi Group seeks to ensure adequate, effective and cost efficient internal controls are in place. Audit processes exist to ensure that the Internal Control Framework is implemented in compliance with the Internal Control Policy.

The Code of Conduct, along with the other aforementioned policies, is brought to the attention of all employees during induction by the HR Function and on appointment to members of the Board of Directors by the Company Secretary.

The Vhi Group strives to create an environment where every colleague, not only feels supported but celebrated for their individuality, fostering a culture that is inclusive, diverse and equitable.

Prompt Payment of Accounts

The Vhi 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, 2012).

Procedures are 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 Vhi Board is satisfied that the Vhi Group has complied with the requirements of the Regulations.

Subsidiary undertakings

The Vhi Board’s subsidiaries and other undertakings, as at 31 December 2023, are listed in note 35.

Subsequent events

Note 37 details the subsequent events post 31 December 2023.

Adequate Accounting Records

The Directors have taken appropriate measures with regard to the keeping of adequate accounting records. The specific measures taken are the employment of suitably qualified accounting personnel and the maintenance of appropriate accounting systems. The books of account are located at VHI House, 20 Lower Abbey Street, Dublin 1.

Independent Auditors

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, were reappointed as auditors on 12 September 2019. Deloitte have indicated their willingness to continue in office.

Statement of disclosure of information to Auditors

So far as each of the Directors in office at the date of approval of these financial statements are aware:

- there is no relevant audit information not disclosed to the Auditors; and
- they have taken all the steps to make themselves aware of any relevant audit information and to establish that the Vhi Board’s Auditors are aware of that information.

On behalf of the Vhi Board



Greg Sparks
Chair
28 March 2024



Brian Walsh
Group CEO, Director
28 March 2024

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Directors’ report and the financial statements in accordance with applicable regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with FRS 102 and FRS 103, the Financial Reporting Standards applicable in the UK and Republic of Ireland (“relevant financial reporting framework”). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Vhi Board as at the financial year end date and of the surplus or deficit of the Vhi Board for the financial year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the group financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Vhi Board will continue in business.

The Directors are responsible for ensuring that the Vhi Board keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Vhi Board, enable at any time the assets, liabilities, financial position and surplus or deficit of the Vhi Board to be determined with reasonable accuracy and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Vhi Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Vhi’s website.

Independent Auditor’s Report to the Members of the Voluntary Health Insurance Board

Report on the audit of the financial statements

Opinion on the financial statements of The Voluntary Health Insurance Board (the ‘company’)

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2023 and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of Irish Law.

The financial statements we have audited comprise:

the group financial statements:

- Consolidated Income and Expenditure Account;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Cash Flows;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Comprehensive Income; and
- the related notes 1 to 39, including a summary of significant accounting policies as set out in note 1.

the parent company financial statements:

- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Comprehensive Income; and
- the related notes 1 to 39, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their is Irish Law and FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” issued by the Financial Reporting Council and FRS 103 Insurance Contracts issued by the Financial Reporting Council (“the relevant financial reporting framework”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the “Auditor’s responsibilities for the audit of the financial statements” section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively , may cast significant doubt on the group and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor’s Report to the Members of the Voluntary Health Insurance Board (continued)

Responsibilities of directors

As explained more fully in the Directors’ Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with Irish Law, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA’s website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor’s report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors’ report.

We have nothing to report in respect of the following:

- Under the provisions of the Voluntary Health Insurance Act 1957.
- Under the Code of Practice for the Governance of State Bodies (“the Code”), we are required to report to you if the statement regarding the system of internal financial control required under the Code as included in the Directors’ Report does not reflect the Group’s compliance with paragraph 1.9(iv) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

Use of our report

Our audit work has been undertaken so that we might state to the Vhi Board’s members those matters we are required to state to them in an auditor’s 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 Vhi Board and the Vhi Board’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Eimear McCarthy

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

4 April 2024

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.
Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Consolidated Income and Expenditure account for the financial year ended 31 December 2023

	Notes	2023 €'m	2022 €'m
Technical Account:			
Earned Premium, net of Reinsurance			
Gross written premiums	2	1,683.5	1,606.0
Change in gross provision for unearned premiums and unexpired risks	2,22	(76.7)	(6.3)
Earned Premium, net of reinsurance		1,606.8	1,599.7
Allocated investment return transferred from the non-technical account			
Other technical income, net of reinsurance	4	162.1	62.7
Total Technical Income		1,808.7	1,642.0
Claims incurred, net of reinsurance			
Claims paid – gross amount	2	(1,685.1)	(1,424.8)
Claims paid – reinsurer’s share		(0.1)	–
Change in the provision for claims – gross amount	2,22	(5.4)	9.5
Change in the provision for claims – reinsurer’s share	22	(2.2)	(2.7)
		(1,692.8)	(1,418.0)
Customer return of value	9	2.0	(44.3)
Net operating expenses	2,7	(157.2)	(142.1)
Balance on the technical account		(39.3)	37.6
Non-Technical Account:			
Balance on the technical account			
Net investment return	10	39.8	(20.4)
Allocated investment return transferred to the insurance technical account		(39.8)	20.4
		(39.3)	37.6
Other income	11	44.1	37.8
Other expenses	12	(53.6)	(35.7)
(Deficit)/ surplus on ordinary activities before tax	27	(48.8)	39.7
Tax on (deficit)/surplus on ordinary activities	13	5.4	(5.4)
(Deficit)/ surplus on ordinary activities after tax	14	(43.4)	34.3

The notes on pages 76 to 107 form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2024.

Consolidated Balance Sheet

as at 31 December 2023

	Notes	2023 €'m	2022 €'m
Assets			
Investments			
Land held under finance lease	15	1.0	1.0
Land and buildings	16	79.1	85.8
Other financial investments	17	1,041.0	1,146.6
		1,121.1	1,233.4
Reinsurer's share of technical provisions			
Claims outstanding	22	3.8	6.0
		3.8	6.0
Debtors			
Debtors arising out of insurance operations	33	561.9	522.6
Other debtors	18,33	447.2	359.6
		1,009.1	882.2
Other assets			
Intangible assets	20	2.6	2.4
Tangible fixed assets	21	10.3	8.3
Cash at bank and in hand	28	85.3	59.1
Deferred tax asset	19	8.6	3.0
		106.8	72.8
Prepayments and accrued income			
Deferred acquisition costs	24	7.8	7.1
Other prepayments and accrued income		11.9	10.4
		19.7	17.5
Retirement benefit asset	31	55.8	49.7
Total Assets		2,316.3	2,261.6

	Notes	2023 €'m	2022 €'m
Equity and Liabilities			
Capital and reserves			
General reserve		949.3	858.9
Comprehensive income		(46.6)	90.4
Shareholder's funds		902.7	949.3
Technical provisions			
Provision for unearned premium and unexpired risks	6,22	648.8	572.1
Claims outstanding	22,33,34	397.3	391.9
		1,046.1	964.0
Funds withheld for Reinsurer	23,34	3.8	6.0
Creditors			
Creditors arising out of direct insurance operations		94.2	88.6
Other creditors and accruals	25	260.6	247.6
Other provisions	26	8.9	6.1
		363.7	342.3
Total Liabilities and Shareholder's Equity		2,316.3	2,261.6

The notes on pages 76 to 107 form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2024. They were signed on its behalf by:

Greg Sparks
Chair

28 March 2024

Brian Walsh
Group CEO, Director

28 March 2024

Vhi Board Balance Sheet as at 31 December 2023

	Notes	2023 €'m	2022 €'m
Assets			
Other financial investments			
Investment in subsidiaries	17	479.7	479.7
		479.7	479.7
Debtors: Amounts falling due in 1 year			
Retirement benefit asset	31	0.2	0.2
		55.8	49.7
Total Assets		535.7	529.6
Equity and Liabilities			
Capital and reserves			
General reserve		529.6	468.1
Comprehensive income		6.1	61.5
Shareholder's funds		535.7	529.6
Total Liabilities and Shareholder's Equity		535.7	529.6

The notes on pages 76 to 107 form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2024. They were signed on its behalf by:



Greg Sparks
Chair
28 March 2024



Brian Walsh
Group CEO, Director
28 March 2024

Consolidated Statement of Cash Flows for the financial year ended 31 December 2023

	Notes	2023 €'m	2022 €'m
Net cash from operating activities	27	(127.2)	(92.5)
Cash flows from investing activities:			
Sale/(purchase) of property		0.7	(1.5)
Sale/(purchase) of equipment		1.5	(2.2)
Investment and dividend income received		19.8	16.1
Net sale of portfolio investments		131.4	89.8
Net cash flows from investing activities		153.4	102.2
Cash flows from financing activities:			
Loans (repaid)		-	-
Interest (paid)		-	-
Net cash flows from financing activities		-	-
Net increase in cash at bank and in hand		26.2	9.6
Cash at bank and in hand at beginning of financial year		59.1	49.5
Cash at bank and in hand at end of financial year		85.3	59.1

Vhi Board Statement of Cash Flows for the financial year ended 31 December 2023

A cash flow statement has not been prepared for the Vhi Board as it is availing of an exemption from preparing cash flows under FRS 102 as consolidated financial statements for the Vhi Board include a cash flow statement.

Consolidated Statement of Changes in Equity as at 31 December 2023

	Total €'m
At 31 December 2021	858.9
Surplus for the financial year	34.3
Other Comprehensive Income	56.1
At 31 December 2022	949.3
Deficit for the financial year	(43.4)
Other Comprehensive Income	(3.2)
At 31 December 2023	902.7

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2023

	2023 €'m	2022 €'m
(Deficit)/surplus for the financial year	(43.4)	34.3
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
Net gain/(loss) on available for sale financial assets during the year	3.0	(0.3)
Taxation (charge)/ credit relating to items not to be reclassified in subsequent periods	(0.3)	–
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Measurement of actuarial (deficit)/surplus on pension fund liability	(5.9)	56.4
Total	(46.6)	90.4

Vhi Board Statement of Changes in Equity as at 31 December 2023

	Total €'m
At 31 December 2021	468.1
Surplus for the financial year	5.1
Other comprehensive income	56.4
At 31 December 2022	529.6
Surplus for the financial year	12.0
Other comprehensive income	(5.9)
At 31 December 2023	535.7

Vhi Board Statement of Comprehensive Income for the financial year ended 31 December 2023

	2023 €'m	2022 €'m
Surplus/(deficit) for the financial year	12.0	5.1
Remeasurement of actuarial (deficit)/surplus on pension fund liability	(5.9)	56.4
Total	6.1	61.5

1. Accounting policies

General Information

The Voluntary Health Insurance Board (“Vhi Board”) was established under the Voluntary Health Insurance Act 1957 to act as a statutory body to undertake the business of writing private medical insurance in Ireland. The address of the registered office is given on page 108. The nature of operations and the Vhi Board’s operating and financial review are detailed in the Directors’ report on page 56.

Statement of compliance

The financial statements of Vhi Board for the financial year ended 31 December 2023 have been prepared in accordance with the provisions of Financial Reporting Standard 102 (FRS 102) and Financial Reporting Standard 103 (FRS 103).

Basis of Preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and FRS 103 “Insurance Contracts” issued by the Financial Reporting Council. The financial statements are prepared on a consolidated basis. All intra group transactions, balances, income and expenses are eliminated on consolidation.

In preparing financial statements, the Vhi Board may depart in specific instances from the formats adopted in preparing a balance sheet or profit and loss account as laid out in the European Union (Insurance Undertakings: Financial Statements) Regulations 2015. In these financial statements, an amendment to the prescribed format was necessary to ensure that more appropriate language is used to accurately describe the customer return of value transaction.

The Directors have a reasonable expectation that the Vhi Board has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Currency

The Vhi Board financial statements are presented in Euro which is the functional currency of the Vhi group. Transactions during the year denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign

currencies are translated to Euro at the rates of exchange ruling at the balance sheet date. The resulting gain or loss is included in the income and expenditure account.

Premiums Written

Gross written premiums 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 apportioned basis.

Claims Incurred

Claims incurred comprise claims and related expenses paid during the year together with 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.

The gross provision for claims represents the estimated liability arising from medical claims incurred in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims handling and expenses. The estimation of claims liabilities is subject to inherent uncertainty. A margin for uncertainty is included to reduce the risk that insufficient provisions are set aside. It is intended that the provision should be sufficient in reasonably foreseeable adverse circumstances.

The claims provision is estimated based on best information available as well as subsequent information and events. Adjustments to the amount of claims provision for prior years are included in the income and expenditure account in the financial year in which the change is made. Prudent assumptions are made so that the provision should be sufficient in reasonably foreseeable adverse circumstances.

Unexpired Risks

Provision is made, based on information available at the balance sheet date, where the estimated value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premiums provision in relation to such policies after deduction of any deferred acquisition costs, an unexpired risks provision is established.

Risk Equalisation Scheme

Health Insurance Levy consists of the amounts payable to the Revenue Commissioners in respect of stamp duty on

private medical insurance policies commencing in the financial year. Provision for unearned levy represents the proportion of levy relating to policies written in the year that relates to the unexpired term of policies in force at the balance sheet date, calculated on a time apportioned basis. The net amount is recognised on an earned premium basis over the life of the policies and included as other technical income in the income and expenditure account. Risk Equalisation Premium Credits consist of amounts receivable from the Risk Equalisation Fund, administered by the Health Insurance Authority, in respect of policies commencing in the financial year. Provision for unearned credits represents the proportion of credits written in the year that relate to the unexpired term of policies in force at the balance sheet date, calculated on a time apportioned basis. Hospital Utilisation Credits consist of amounts receivable from the fund for claims paid during the year. High Cost Claims Pool compensates insurers directly for individual claim costs that are in line with legislative requirements. Provision for amounts owed to Vhi at the balance sheet date is held in the accounts.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of the equity instruments issued plus the costs directly attributable to the business combinations.

On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the net assets acquired. Goodwill is amortised over its expected useful life. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the profit and loss account.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software licence and development costs are recognised as intangible assets when they are not an integral part of the related hardware and are amortised to the income and expenditure account over their estimated useful lives of four years. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Property, Plant and Equipment

Land, buildings and other tangible assets are initially recognised at cost. Cost includes any costs directly attributable to bringing the asset to the intended use. Costs for assets under construction are included under work in progress until the asset is brought into use.

i) Land and buildings

Land and buildings are carried at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of land and buildings are included in the income and expenditure account in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer with recent experience in the location and class of the property held.

All properties 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.

ii) Tangible assets

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

Motor vehicles	4 years
Computer equipment	4 years
Furniture, fittings, medical and office equipment	5 years

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

Notes to the financial statements

(continued)

1. Accounting policies continued

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial Assets and Liabilities

The Vhi Board's investments comprise debt securities, equity, shares in collective investment undertakings, derivatives and deposits in banks.

Financial assets and liabilities are recognised when the Vhi Board becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Vhi Board transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Vhi Board, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

All financial assets and liabilities, excluding derivatives, are initially measured at cost. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into. All derivatives are carried as assets when the fair value is positive, and as liabilities when the fair value is negative.

Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. Where possible, financial instruments are marked at prices quoted in active markets. In certain instances, such price information is not available for all instruments and Vhi Group uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items, or from other observable market data. For positions where observable reference data are not available for some or all parameters, Vhi Group estimates the non-market observable inputs used in its valuation models.

(i) Financial Investments held for trading at fair value

Financial investments held for trading are stated at fair value and include corporate bonds, government bonds, collective investment schemes, and deposits in banks. They are initially recognised on the basis of their trade date and are revalued at the reporting date to fair value using bid prices, with gains or losses included in the non-technical profit and loss account in each reporting period.

Investments are designated as held for trading if:

- They have been acquired principally for the purpose of selling in the near future; or
- They are part of an identified portfolio of financial instruments that the Company manages together and they have a recent actual pattern of short term profit making; or
- They form part of a portfolio that is managed on a fair value basis in accordance with the Vhi Board's risk management and investment policy (or they did so at the time of acquisition); or
- They are derivative contracts that are not specifically designated and effective as hedging instruments.

(ii) Financial Investments available for sale

Financial Investments available for sale are composed of corporate bonds and government bonds, and are stated at fair value on the reporting date. They are initially recognised on the basis of their trade date and are revalued at the reporting date to fair value using bid prices, with gains or losses included in the Statement of Other Comprehensive

Income in each reporting period. If an asset is disposed of in the reporting period, the cumulative gain or loss previously recognised is transferred to the non-technical profit and loss account in the year that the disposal occurs.

Investment in Subsidiaries

Investments in subsidiary companies are recognised at cost. At each year end, a review is performed to determine whether there is any indication of impairment. If impaired, investments in subsidiary companies are recorded at their recoverable amount.

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

Investment income consists of dividends, interest, rent, realised gains and losses, and unrealised gains and losses on fair value assets. Investment income is presented net of related investment expenses. Rent and investment expenses are recognised when incurred. Interest income is recognised using the effective interest method. Income from equities is included on the basis of dividends received during the financial year. Realised and unrealised gains and losses are presented in the non-technical income and expenditure account in the financial year in which they arise.

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

Pension

Certain employees of Vhi group companies are part of the Vhi Board's defined benefit pension scheme.

The cost of providing benefits and 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 of Vhi Board. The Actuarial surplus or deficit is recognised in the statement of total comprehensive income of Vhi Board.

Past service cost is recognised immediately. The net surplus or deficit on the defined benefit pension scheme is recognised, net of deferred tax, on the balance sheet of Vhi Board.

The Vhi Board also operates a defined contribution pension scheme for qualifying employees. The assets of the plan are held separately from those of the Vhi Board in funds under the control of the Scheme Trustees. Costs arising in respect of pension schemes are charged to the Vhi Board's income and expenditure account as an expense as they fall due.

The subsidiary companies of the Vhi Board recognise costs in their profit and loss account equal to their contribution payable as an employer of members of the scheme.

Other Income

Other income includes insurance agency commission earned on the sale of insurance products for other insurance companies. Insurance agency commission for products that do not require further service are recognised as income on the commencement of the related policy. Insurance agency commission for products requiring further customer service is recognised on a straight line basis over the lifetime of the policies.

Other income also comprises revenue from the provision of health services to clients. Revenue from the provision of health services to clients represents the invoiced value and work-in-progress of health services provided to clients exclusive of value added tax.

Deferred Acquisition Costs

The costs incurred during the financial year that are directly attributable to the acquisition of new insurance business are expensed in the same accounting year 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. Deferred acquisition costs are reviewed at the end of each reporting year and are written-off where they are no longer considered to be recoverable.

Provisions

Provisions have been included for known present obligations arising from past events based on management estimates, incorporating a review of available information and appropriate external advice where available.

1. Accounting policies continued

Reinsurance

Reinsurance amounts are accounted for in line with the Reinsurance agreement and described below. The reinsurance agreement ended on 31 December 2017.

Reinsurance commissions relate to reinsurance commission and profit participation accrued on the basis of premiums ceded and claims reimbursed and are presented in the income and expenditure account in other technical income.

Premiums payable in respect of reinsurance ceded are recognised over the period of the reinsurance contract. A technical provision, reinsurer’s share of unearned premium, is recognised for the portion of ceded premiums remaining on unexpired contracts.

An additional technical provision, reinsurer’s share of claims outstanding, is recognised to reflect the amount estimated to be recoverable under the reinsurance contracts in respect of the outstanding claims reported under insurance liabilities. The amount recoverable from reinsurers is initially valued on the same basis as the underlying claims provision. The amount recoverable is reduced when there is an event arising after the initial recognition that provides objective evidence that the Vhi Board may not receive all amounts due under the contract and the event has a reliably measurable impact on the expected amount that will be recoverable from the reinsurer.

Funds withheld from Reinsurer

The reinsurance contract was on a funds withheld basis. Under the agreements, Vhi retains premiums at least equal to the reinsurance asset at all times.

Tax

The charge for tax is based on the tax adjusted surplus for the year calculated at current rates. Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred Tax

Deferred tax is provided on timing differences between the taxable surplus and surplus as stated in the financial statements. The provisions are made at the tax rates which are expected to apply in the years 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.

Critical accounting estimates and judgements in applying accounting policies

The principal accounting policies adopted by the Group are set out on pages 76 to 80. In the application of these accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the Directors have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Technical Provisions

The gross provision for claims represents the estimated liability arising from medical claims incurred in current and preceding financial years which have not yet given rise to claims paid. It is based on best information available as well as subsequent information and events. The provision includes an allowance for claims handling and expenses. The estimation of claims liabilities is subject to inherent uncertainty. A margin for uncertainty is included to reduce the risk that insufficient provisions are set aside. Prudent assumptions are made so that the provision should be sufficient in reasonably foreseeable adverse circumstances.

Provision for unexpired risks is also made, based on information available at the balance sheet date, where the estimated value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premiums provision in relation to such policies after deduction of any deferred acquisition costs, an unexpired risks provision is established.

2. Particulars of business

The insurance business of Vhi Board is that of health insurance and all business is written in the Republic of Ireland. Other income and expenses are disclosed in note 11 and note 12.

Analysis of gross premium earned, gross claims incurred, operating expenses and reinsurance balance for Vhi Board is as follows:

	2023 €'m	2022 €'m
Gross written premium	1,683.5	1,606.0
Change in provision for unearned premium and unexpired risks (note 22)	(76.7)	(6.3)
Gross earned premium	1,606.8	1,599.7
Other technical income gross	160.3	60.5
Claims paid – gross amount	(1,685.1)	(1,424.8)
Change in the provision for claims – gross amount (note 22)	(5.4)	9.5
Gross claims incurred	(1,690.5)	(1,415.3)
Operating expenses	(157.2)	(142.1)
Reinsurance (deficit)	(0.5)	(0.5)

3. Earned premium

All earned premium relates to health insurance and all business written is in the Republic of Ireland.

4. Other technical income, net of reinsurance

	2023 €'m	2022 €'m
Risk Equalisation Scheme – gross (note 5)	130.3	60.5
Other technical income	30.0	-
Reinsurance commissions*	1.8	2.2
	162.1	62.7

*The reinsurance contract expired on 31 December 2017 and is currently in run-off.

Notes to the financial statements (continued)

5. Risk equalisation scheme

	2023 €'m	2022 €'m
Risk Equalisation Credits	534.2	473.6
Health Insurance Levy	(403.9)	(413.1)
	130.3	60.5

Risk Equalisation Credits consist of credits payable by the Risk Equalisation Fund in respect of older and/or hospitalised members of private medical insurance policies. These are received for each insured person aged over 65 and for claims paid which included a hospital day case or overnight stay. These credits also include the High Cost Claims Pool amounts.

The Health Insurance Levy is a stamp duty which is payable on renewal or inception of a private health insurance policy in Ireland and is used to fund the risk equalisation scheme.

6. Unexpired risks

Each year the Directors assess whether the Vhi Board will incur deficits on the unexpired element of existing private medical insurance policies. This is assessed by carrying out a liability adequacy test on the unexpired portion of the business. The principal uncertainty relates to the cost and volume of future claims. The amount provided at December 2023 is €43.1m (2022: €6.0m).

7. Net operating expenses

	2023 €'m	2022 €'m
Acquisition costs	21.8	20.2
Change in acquisition costs	0.7	0.8
Administration expenses	134.7	121.1
Net operating expenses	157.2	142.1

8. Remuneration

Payroll and Related Costs

	2023	2022
The average monthly number of people employed during the financial year (including directors) was as follows:	1,776	1,589

	2023 €'m	2022 €'m
Wages and salaries	123.2	105.2
Social security costs	14.2	12.2
Other retirement benefit costs	8.6	11.2
Other compensation costs	7.4	6.1
	153.4	134.7

Directors' remuneration

Remuneration of Directors, including disclosures in accordance with the Code of Practice for the Governance of State Bodies (the Code of Practice), is set out below:

	2023 €'m	2022 €'m
Other amounts – in connection to fair employment	0.4	0.6
Directors fees for services as Directors	0.2	0.2
	0.6	0.8

Other amounts – in connection to fair employment

The annual basic salary of the CEO pursuant to his contract is €287,000.

The current CEO was appointed on the 1st March 2023 and prior to that held the office of Interim CEO from 1 May 2022. The total remuneration paid to the CEO, including the period as interim CEO, in the year to 31 December 2023 was €443,247, which included basic salary of €276,667, other taxable benefits of €99,289 and pension contributions of €67,292.

There were two Interim CEO's during the year ended 31 December 2022. The first held the position until 30 April 2022 and the total remuneration paid was €174,457. The second was appointed Interim CEO on 01 May 2022 and the total remuneration paid was €192,240.

Directors also receive a private medical insurance policy from Vhi during their tenure.

Directors Fees – for services as Directors

Directors' fees are determined by the Minister for Health, with the consent of the Minister for Public Expenditure and Reform, and are currently payable at the annual rate of €31,500 for the Chair and €15,750 for individual non-executive Directors. The Executive Directors do not receive a Board Fee under the One Person One Salary ("OPOS") principle.

Notes to the financial statements (continued)

9. Return of value

	2023 €'m	2022 €'m
Return of value	(2.0)	44.3
	(2.0)	44.3

In 2020, Vhi first implemented a programme to return value to its members as part of its commitment to not profit from the global COVID pandemic. A return of premium was made in 2020 with additional amounts also provided for and paid in the subsequent years 2021 and 2022. In 2023 the amount provided for reduced by €2.0m.

10. Net investment return

	2023 €'m				
	Investment income	Investment expense	Realised gains and (losses)	Changes in fair value	Net investment return
Financial assets classified as available for sale:					
Corporate bonds	8.2	(0.2)	(0.1)	-	7.9
Government bonds	1.0	-	-	-	1.0
Financial assets classified as held for trading:					
Corporate bonds	9.5	(0.4)	(7.1)	16.9	18.9
Government bonds	0.7	(0.2)	(1.4)	7.4	6.5
Collective investments	1.7	(0.2)	2.7	8.5	12.7
Other investments	0.7	-	13.8	(21.7)	(7.2)
	21.8	(1.0)	7.9	11.1	39.8

	2022 €'m				
	Investment income	Investment expense	Realised gains and (losses)	Changes in fair value	Net investment return
Financial assets classified as available for sale:					
Corporate bonds	1.2	-	-	-	1.2
Government bonds	-	-	(0.1)	-	(0.1)
Financial assets classified as held for trading:					
Corporate bonds	5.2	(0.7)	(4.4)	(27.0)	(26.9)
Government bonds	(0.5)	(0.4)	(0.8)	(18.6)	(20.3)
Collective investments	0.1	(0.3)	(1.1)	(0.2)	(1.5)
Deposits in banks	-	-	-	-	-
Other investments	0.2	-	8.6	18.4	27.2
	6.2	(1.4)	2.2	(27.4)	(20.4)

11. Other income

Other income includes income generated by subsidiary companies.

	2023 €'m	2022 €'m
Commission income	29.9	27.5
Income from the provision of health services	14.2	10.3
	44.1	37.8

12. Other expenses

Other expenses include expenses associated with the provision of services to clients by subsidiary companies.

	2023 €'m	2022 €'m
Expenses from the provision of health services	53.6	35.7
	53.6	35.7

13. Tax

	2023 €'m	2022 €'m
The tax (credit)/charge in the income and expenditure account comprises:		
Current tax for year	0.6	5.8
Deferred tax credit	(6.0)	(0.4)
	(5.4)	5.4

Factors affecting the current tax charge for the financial year:

The differences are explained below:

	2023 €'m	2022 €'m
(Deficit)/Surplus on ordinary activities before tax	(48.8)	39.7
(Deficit)/Surplus on ordinary activities multiplied by standard rate of corporation tax of 12.5% (2022:12.5%)	(6.1)	5.0
Effects of:		
Expenses not allowed for tax purposes	(0.2)	(0.7)
Capital allowances in excess of depreciation for financial year	0.4	0.1
Income taxed at higher rate	0.1	-
Movement in expenses deductible when paid in respect of prior periods	0.1	1.1
Recognition of Deferred Tax Asset	6.0	-
Prior year adjustment	0.3	0.3
Current tax for financial year	0.6	5.8

Notes to the financial statements (continued)

13. Tax continued

Pillar II Tax Note

Taxation is calculated at the prevailing standard corporation tax rate of 12.5% for the financial year end 2023.

On 18 December 2023 the Government of Ireland, enacted the Pillar Two income taxes legislation into Finance (No.2) Act 2023 which allows for a minimum effective tax rate of 15% to be applied to companies in the State subject to certain conditions. As the Vhi Group is a large-scale domestic company with no international activity the legislation allows for a deferral period of five years and as a result it is expected that the Vhi Group will not be subject to Pillar Two rules until the financial year commencing 1 January 2029.

The Group continues to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

14. (Deficit)/Surplus on ordinary activities after tax

(Deficit)/Surplus for the financial year has been arrived at after charging the below to the consolidated financial statements.

	2023 €'m	2022 €'m
Auditors remuneration		
Audit of individual company financial statements	0.4	0.3
Other assurance services	0.1	0.1
Other non-audit services	-	-
	0.5	0.4

15. Land held under finance lease

	2023 €'m	2022 €'m
Land held under finance lease	1.0	1.0

During 2019, a finance lease was entered into relating to the lease of land. The term of the lease is 500 years. All liabilities due have been paid and there are no material future obligations outstanding.

16. Land and Buildings

	2023 €'m	2022 €'m
Valuation		
At 1 January	85.8	80.6
Additions	0.2	1.6
Work in progress	-	-
Disposals	(0.9)	-
(Loss)/ Gain on revaluation	(6.0)	3.6
At 31 December	79.1	85.8

Land and buildings included above are occupied by Vhi group companies for its own activities and are mainly freehold. Land and buildings were valued by an independent external valuer as at 31 December 2023 at open market value in accordance with Royal Institute of Chartered Surveyors ("RICS") appraisal and valuation standards.

17. Other financial investments

The carrying values of the Vhi Board's financial assets and liabilities are summarised by category below:

	2023 €'m	2022 €'m
Consolidated		
i) financial assets classified as available for sale		
Corporate bonds	290.5	163.5
Government bonds	50.4	2.1
ii) financial assets classified as held for trading		
Corporate bonds	313.4	533.8
Government bonds	166.9	230.3
Collective investments	216.8	204.9
Derivatives	3.0	15.8
iii) financial assets at cost		
Deposits in banks	6.2	5.4
iv) financial liabilities classified as held for trading		
Derivatives	(3.0)	(0.2)
Other	(3.2)	(9.0)
	1,041.0	1,146.6
Vhi Board		
i) at cost		
Investment in subsidiaries	479.7	479.7
	479.7	479.7

18. Other debtors

	2023 €'m	2022 €'m
Amounts falling due within one year:		
Risk equalisation scheme	368.3	310.9
Other debtors	56.0	48.5
	424.3	359.4
Amounts falling due after one year:		
Other debtors	22.9	0.2
	447.2	359.6

The Risk Equalisation Scheme debtor includes the unexpired portion of the Health Insurance Levy which amounted to €146.9m (2022: €134.8m).

19. Deferred tax asset

An asset has been recognised in respect of deferred tax for the following timing differences:

	2023 €'m	2022 €'m
Capital allowances in excess of depreciation	2.5	2.7
Expenses deductible when paid	0.5	0.3
Deferred tax on losses carried forward	5.6	–
Total deferred tax asset	8.6	3.0

20. Intangible assets

	Software €'m	Total €'m
Cost:		
Balance at 1 January 2023	71.3	71.3
Additions	2.0	2.0
Retirements	(17.2)	(17.2)
Transfers	(4.1)	(4.1)
Balance at 31 December 2023	52.0	52.0
Amortisation		
Balance at 1 January 2023	(68.9)	(68.9)
Charge for the year	(0.9)	(0.9)
Transfers	4.0	4.0
Retirements	16.4	16.4
Balance at 31 December 2023	(49.4)	(49.4)
Net book value:		
At 31 December 2023	2.6	2.6
At 31 December 2022	2.4	2.4

	Software €'m	Total €'m
Cost:		
Balance at 1 January 2022	69.9	69.9
Additions	1.8	1.8
Retirements	(0.4)	(0.4)
Balance at 31 December 2022	71.3	71.3
Amortisation		
Balance at 1 January 2022	(69.3)	(69.3)
Charge for the year	–	–
Retirements	0.4	0.4
Balance at 31 December 2022	(68.9)	(68.9)
Net book value:		
At 31 December 2022	2.4	2.4
At 31 December 2021	0.6	0.6

Notes to the financial statements (continued)

21. Tangible assets

	Motor vehicles €'m	Fixtures, furnishings and fittings €'m	Computer/ office equipment €'m	Medical equipment €'m	Total €'m
Cost:					
Balance at 1 January 2023	2.9	30.9	36.0	2.5	72.3
Additions	-	4.5	2.5	0.1	7.1
Disposals	(0.2)	(5.2)	(3.0)	(0.2)	(8.6)
Transfers	-	-	4.1	-	4.1
Balance at 31 December 2023	2.7	30.2	39.6	2.4	74.9
Depreciation:					
Balance at 1 January 2023	(2.9)	(26.9)	(33.2)	(1.0)	(64.0)
Charge for the year	-	(2.5)	(2.6)	(0.4)	(5.5)
Disposals	0.2	5.3	3.2	0.2	8.9
Transfers	-	-	(4.0)	-	(4.0)
Balance at 31 December 2023	(2.7)	(24.1)	(36.6)	(1.2)	(64.6)
Net book value:					
At 31 December 2023	-	6.1	3.0	1.2	10.3
At 31 December 2022	-	4.0	2.8	1.5	8.3

	Motor vehicles €'m	Fixtures, furnishings and fittings €'m	Computer/ office equipment €'m	Medical equipment €'m	Total €'m
Cost:					
Balance at 1 January 2022	2.9	30.1	34.8	2.3	70.1
Additions	-	0.8	2.2	0.2	3.2
Disposals	-	-	(1.0)	-	(1.0)
Balance at 31 December 2022	2.9	30.9	36.0	2.5	72.3
Depreciation:					
Balance at 1 January 2022	(2.7)	(23.2)	(29.0)	(0.6)	(55.5)
Charge for the year	(0.2)	(3.7)	(5.2)	(0.4)	(9.5)
Disposals	-	-	1.0	-	1.0
Balance at 31 December 2022	(2.9)	(26.9)	(33.2)	(1.0)	(64.0)
Net book value:					
At 31 December 2022	-	4.0	2.8	1.5	8.3
At 31 December 2021	0.2	6.9	5.8	1.7	14.6

22. Technical provisions

	Provision for Unearned Premium and Unexpired Risks €'m	Claims Outstanding €'m	Total €'m
Gross Amount			
As at 31 December 2022	(572.1)	(391.9)	(964.0)
Movement in provision* (note 2)	(76.7)	(5.4)	(82.1)
As at 31 December 2023	(648.8)	(397.3)	(1,046.1)
Reinsurance Amount**			
As at 31 December 2022	-	6.0	6.0
Movement in provision	-	(2.2)	(2.2)
As at 31 December 2023	-	3.8	3.8
Net Technical Provision			
As at 31 December 2023	(648.8)	(393.5)	(1,042.3)
As at 31 December 2022	(572.1)	(385.9)	(958.0)

	Provision for Unearned Premium and Unexpired Risks €'m	Claims Outstanding €'m	Total €'m
Gross Amount			
As at 31 December 2021	(565.9)	(401.4)	(967.3)
Movement in provision* (note 2)	(6.3)	9.5	3.2
As at 31 December 2022	(572.1)	(391.9)	(964.0)
Reinsurance Amount**			
As at 31 December 2021	-	8.7	8.7
Movement in provision	-	(2.7)	(2.7)
As at 31 December 2022	-	6.0	6.0
Net Technical Provision			
As at 31 December 2022	(572.1)	(385.9)	(958.0)
As at 31 December 2021	(565.9)	(392.7)	(958.6)

* Change in provisions for unearned premium and unexpired risks relates to business performance during 2023 and the impact of price adjustments during 2022.

**Change in provision for claims includes claims expenses net of payments made in respect of the reporting period and change in provisions in respect of prior years' net of payments made, adjusted for reinsurer's share at the applicable quota share rates. The reinsurance contract ended as at 31 December 2017 resulting in no provision for the reinsurer's share of unearned premium being recognised at the period end.

Notes to the financial statements (continued)

23. Funds withheld from Reinsurer

The reinsurance contract is on a funds withheld basis. Under the agreements, Vhi retains premiums at least equal to the reinsurance asset at all times. This reinsurance agreement expired as at 31 December 2017.

	2023 €'m	2022 €'m
Funds withheld from reinsurer	3.8	6.0
	3.8	6.0

24. Deferred acquisition costs

Acquisition costs are expensed as the premiums to which they relate are earned. The amount of €7.8m provided for 2023 (2022: €7.1m) 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.

25. Other creditors and accruals due within one year

	2023 €'m	2022 €'m
Risk Equalisation Scheme	176.7	174.7
Other creditors	51.8	53.2
Accruals	32.1	19.7
	260.6	247.6

The Risk Equalisation Scheme creditor includes the value of the provision for unearned premium credits at the year ended 31 December 2023 of €113.1m (2022: €115.3m).

26. Other provisions

	Total €'m
At 1 January 2023	6.1
Additional provisions during the year	8.7
Provisions utilised during the year	(5.9)
At 31 December 2023	8.9

Other provisions relate, in part, to expected payments to third parties.

A provision is also held for committed Group restructuring in accordance with the Vhi Group Strategy. The timing of cash flows or release of this provision will occur in accordance with delivery of Vhi's strategic plan and is not expected to give rise to material losses beyond the amounts provided for as at 31 December 2023.

An amount is also provided for the timing of cashing of cheques by members in relation to the return of value made to members as part of the Board's Charter to not profit from the global COVID pandemic.

27. Notes to the cash flow statement

	2023 €'m	2022 €'m
(Deficit)/surplus on ordinary activities before tax	(48.8)	39.7
Add back depreciation	5.5	9.6
Add back amortisation	0.9	-
Defined benefit pension contributions in excess of charge	(19.4)	(0.4)
Net investment return	(39.8)	20.5
Operating cash flows before movements in working capital	(101.6)	69.4
Increase in deferred acquisition costs	(0.7)	(0.8)
Increase in insurance contract liabilities	11.0	11.0
Increase in provision for unearned premium	76.7	6.2
Increase in receivables	(134.0)	(2.3)
Increase/(decrease) in payables	15.8	(168.8)
Working capital movements	(31.2)	(154.7)
Cash generated by operations	(132.8)	(85.4)
Income taxes paid	5.6	(7.1)
Net cash flows from operating activities	(127.2)	(92.5)

28. Analysis of changes in net cash/(debt)

	At 1 Jan 2023 €'m	Cash flows €'m	Other non-cash changes	At 31 Dec 2023 €'m
Cash and cash equivalents				
Cash	59.1	26.2	-	85.3
Overdrafts	-	-	-	-
Cash Equivalents	-	-	-	-
	59.1	26.2	-	85.3
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
Total	59.1	26.2	-	85.3

Notes to the financial statements

(continued)

29. Capital commitments

	2023 €'m	2022 €'m
Capital expenditure contracted for	–	–

30. Prompt payment of accounts

Payments made during 2023 were governed by the Prompt Payment of Accounts Act 1997 (as amended by the European Communities (late payment in commercial transactions) Regulations 2012) to address late payments in commercial transactions. This Act applies to goods and services supplied to the Vhi Board by EU based suppliers.

Statement of payment practices including standard payment periods

The Vhi Board operates a policy of paying all undisputed supplier invoices within the agreed terms of payment. The terms specified in Vhi's 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 Vhi 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.

These procedures ensure reasonable but not absolute assurance of compliance.

31. Retirement benefit schemes

The Vhi Board operates a defined contribution retirement plan open to eligible employees. The assets of this plan are held separately from those of the Vhi Board in funds under the control of Trustees. Costs arising in respect of this plan are charged to the income and expenditure account as an expense as they fall due.

The Vhi Board also operates a defined benefit pension scheme which was closed to new members effective 24 January 2013. The assets of the defined benefit scheme are held in a separate trustee administered fund. Retirement benefit costs and liabilities are determined by an independent qualified actuary, using the projected unit credit method of funding. The pension scheme is internally financed. The contributions to the scheme for 2023 amounted to €14.3m (2022: €14.4m).

The liabilities at the reporting date have been calculated through the means of a full valuation of the Plan's liabilities at that date. The amounts have been fully implemented in the financial statements in accordance with the requirements of Section 28 FRS 102.

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

(i) The major assumptions used in respect of the pension scheme are:	2023 %	2022 %
Rate of increase in salaries	2.45	2.65
Rate of increase in pensions in payment	1.80	1.80
Discount rate	3.60	4.15
Revaluation	1.80	1.80
Inflation assumption	2.45	2.65

(ii) Long-term expected rates of return at financial year end are:	2023 %	2022 %
Equities	3.60	4.15
Fixed interest	3.60	4.15
Property	3.60	4.15
Other	3.60	4.15

(iii) Weighted average life expectancy for mortality tables used to determine benefit obligations at	2023	2022
Member age 65 (current life expectancy)	25.1	24.8
Member age 40 (life expectancy at age 65)	27.1	27.0

(iv) The assets in the pension scheme at market value were:	2023 €'m	2022 €'m
Equities	89.7	74.5
Fixed interest	21.9	20.6
Property	33.2	32.3
Non-sovereign bonds	28.6	26.1
Cash	14.0	1.9
Inflation-linked bonds	120.3	113.4
Other	58.1	61.5
Total market value of assets	365.8	330.3
Present value of scheme liabilities	(302.0)	(273.6)
Surplus/(Deficit) in the scheme	63.8	56.8
Related deferred tax asset	(8.0)	(7.1)
Net retirement benefit asset	55.8	49.7

Notes to the financial statements (continued)

31. Retirement benefit schemes continued

(v) Income and expenditure account	2023 €'m	2022 €'m
Charged to net operating expenses		
Retirement benefits		
Current service cost	(4.6)	(8.8)
Death in service cost	(0.4)	(0.4)
	(5.0)	(9.2)
Other retirement benefits		
Charge to income & expenditure	(5.0)	(9.2)
Interest in scheme liabilities	(11.2)	(6.4)
Expected return on scheme assets	13.9	6.3
Past service cost	-	-
Net change in operating result	(2.3)	(9.3)

(vi) Statement of comprehensive income	2023 €'m	2022 €'m
Actual return less expected return on scheme assets	13.9	(87.7)
Experience gains and losses on scheme liabilities	6.0	(4.7)
Changes in financial assumptions	(24.9)	157.6
Remeasurement of actuarial surplus/(deficit) on pension fund liability	(5.0)	65.2
Movement on deferred tax	(0.9)	(8.8)
Total remeasurement of actuarial surplus/(deficit) on pension fund liability	(5.9)	56.4

(vii) Movement in net deficit during the financial year	2023 €'m	2022 €'m
Net surplus/(deficit) in scheme at start of year	49.7	(11.8)
Current service cost	(4.6)	(8.8)
Death in service cost	(0.4)	(0.4)
Past service cost	-	-
Contributions	14.3	14.4
Interest on scheme liabilities	(11.2)	(6.4)
Expected return on scheme assets	13.9	6.3
Remeasurement of actuarial surplus/(deficit) on pension fund liability	(5.0)	65.2
Movement in deferred tax	(0.9)	(8.8)
Net surplus/(deficit) at end of financial year	55.8	49.7

(viii) History of experience gains and losses	Year ended Dec 2023	Year ended Dec 2022	Year ended Dec 2021	Year ended Dec 2020	Year ended Dec 2019	Year ended Dec 2018
Difference between expected and actual return on assets	13.9	(87.7)	39.9	25.0	28.7	(13.5)
% of scheme assets	4%	(27%)	10%	7%	9%	(5%)
Experience (losses) and gains on scheme liabilities	6.0	(4.6)	(1.9)	4.4	0.1	2.1
% of scheme liabilities	2%	(2%)	(4%)	(1%)	0%	1%
Total (increase)/decrease in actuarial surplus/(deficit)	(5.0)	65.2	23.9	22.0	(22.7)	(17.6)
% of scheme liabilities	(2%)	24%	6%	6%	(6%)	(5%)

(ix) Recognised within the Balance Sheet:	2023 €'m	2022 €'m
Net deficit as at 31 December	55.8	49.7

(x) Movement in group assets and liabilities:	2023 €'m	2022 €'m
Assets		
Assets in scheme at 1 January	330.3	405.2
Return on scheme assets (excluding interest income)	13.9	(87.7)
Employer contributions	14.3	14.4
Employee contributions	2.3	2.3
Interest on scheme assets	13.9	6.3
Insurance premiums for risk benefits	(0.4)	(0.4)
Benefits paid	(8.5)	(9.8)
Assets in scheme at 31 December	365.8	330.3
Liabilities		
Liabilities in scheme at 1 January	273.5	418.7
Experience gains and losses on scheme liabilities	(6.0)	4.7
Changes in assumptions	24.9	(157.6)
Current service cost	4.6	8.8
Death in service cost	0.4	0.4
Employee contributions	2.3	2.3
Interest on scheme liabilities	11.2	6.4
Insurance premiums for risk benefits	(0.4)	(0.4)
Benefits paid	(8.5)	(9.8)
Liabilities in scheme at 31 December	302.0	273.5

33. Financial risk management continued

Market risk

Market risk is the risk of losses on the value of investments due to changes in financial markets e.g., increased interest rates resulting in fall of value in bond investments. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities. The objective of Vhi Board in managing its market risk is to ensure risk is managed in line with the Board's risk appetite.

Vhi Board has established policies and procedures in order to monitor and manage market risk and methods to measure it.

Market risk has remained within risk appetite throughout the year. There were no other significant changes to the objectives, or policies and processes for managing market risk.

i. Foreign currency risk management

Vhi Board's financial assets are mostly denominated in Euro, as are all its insurance contract liabilities. Any currency risk from assets denominated in foreign currencies is minimised using suitable derivative contracts. This represents a small proportion of the financial assets.

ii. Interest rate risk management

Interest rate risk is the risk of change in assets and liabilities caused by fluctuations in interest rates.

Interest rate risk arises primarily from Vhi Board's investment in fixed interest government and corporate bonds. The risk is managed by Vhi Board by limiting the maturity of instruments which the portfolio invests in, closely matching the outstanding duration of its assets to its liabilities and using derivative contracts. Vhi Board diversifies its fixed interest investments by issuer and type to ensure it has no significant concentration of interest rate risk at the balance sheet date.

The sensitivity analyses below have been determined based on prescribed Solvency II test formulae for interest rate risk used in the calculation of the Solvency Capital Requirement for Vhi Insurance DAC, which accounts for all of the Vhi Board's exposure to interest rate risk. The exposure to interest rates at the balance sheet date for financial assets is as follows:

	Pre-tax surplus		Shareholder's equity	
	2023 €m	2022 €m	2023 €m	2022 €m
Increase in interest rates	(22.2)	(27.3)	(19.4)	(23.9)
Decrease in interest rates	20.0	32.0	17.5	28.0

The Vhi Board's measured sensitivity to interest rate changes has decreased compared to the prior year due to a decline in overall financial investment assets from €1,146.6m to €1,041.0m, and due to the disposal during the year of some longer duration corporate bonds combined with an increased allocation to cash and money market funds. This resulted in a decrease in the average maturity of the remaining assets, though this was partly offset by a decrease in hedging against interest rate risk.

iii. Other market price risk management

Vhi Board is exposed to market price risk arising from fluctuations in the value of financial instruments as a result of changes in the market prices and the risks inherent in all investments. There is limited concentration of price risk as investments are diversified by sector and geography. The risk is managed by Vhi Board by investing primarily in listed fixed income securities, maintaining an appropriate mix of investment instruments, limiting the maturity profile of fixed interest securities and matching liabilities by outstanding duration and type.

The Vhi Board's sensitivity to a 0.5% increase and decrease in market prices is as follows:

	2023 €'m	2022 €'m
0.5% increase		
Movement in the fair value of debt securities and other fixed income securities	8.8	8.8
0.5% decrease		
Movement in the fair value of debt securities and other fixed income securities	(8.8)	(8.8)

Credit risk

Credit risk is the risk of a change in the value of assets and liabilities caused by an unexpected default or deterioration in the credit rating of counterparties and debtors. The main credit risk is counterparty default risk. The key areas of exposure to credit risk for Vhi Insurance DAC are in relation to its investment portfolio and amounts due from policyholders and other third parties.

The objective of Vhi Board in managing its credit risk is to ensure risk is managed in line with the Board's risk appetite. Vhi Board has established policies and procedures in order to manage credit risk and methods to measure it.

Financial assets are graded according to current credit ratings issued by credit rating agencies. Where not available, Vhi Board uses other publicly available financial information and its own trading records to rate its major financial counterparties. AAA (or equivalent) is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB ratings. Financial assets which fall outside this range are classified as speculative grade. The majority of debt securities held are investment grade and the Board has limited exposure to below investment grade securities.

Vhi Board's exposure and the credit ratings of its counterparties are continuously monitored. Vhi Board monitors the credit risk in relation to its investment portfolio by monitoring external credit ratings for the investment assets held by Vhi Board on a monthly basis. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Investment Committee annually.

The carrying amount of financial assets and reinsurance assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk.

Receivables consist of a large number of policyholders, and their financial condition is subject to ongoing evaluation. Loans and receivables from policyholders, agents, intermediaries and other third parties generally do not have a credit rating.

Notes to the financial statements

(continued)

33. Financial risk management continued

Credit risk continued

The following table shows aggregated credit risk exposure for assets held in respect of external credit ratings, where available, for Vhi Board. For Collective Investments, it illustrates the average credit risk of each fund, with exposure to equity securities included as ‘not rated’ as credit risk is not applicable for that asset class.

2022 €m	AAA < AA-	A+ < BBB	< BBB	Not Rated	Carrying Amount
Financial assets classified as available for sale					
Corporate Bonds	65.3	225.2			290.5
Government Bonds	26.8	23.6			50.4
Financial assets classified as held for trading					
Corporate Bonds	31.7	269.5	12.2	-	313.4
Government Bonds	131.7	35.2	-	-	166.9
Collective investments	45.6	118.2	30.9	22.1	216.8
Deposits in banks	-	6.2	-	-	6.2
Other Investments	0.1	2.9	-	-	3.0
Total financial investment assets	301.2	680.8	43.1	22.1	1,047.2
Cash at bank and in hand	32.3	53.0	-	-	85.3
Insurance receivables	-	-	-	561.9	561.9
Other debtors	-	-	-	447.2	447.2
Total financial assets	333.5	733.8	43.1	1,031.2	2,141.6

2022 €m	AAA < AA-	A+ < BBB	< BBB	Not Rated	Carrying Amount
Financial assets classified as available for sale					
Corporate Bonds	12.9	150.6			163.5
Government Bonds	-	2.1			2.1
Financial assets classified as held for trading					
Corporate Bonds	37.1	480.1	16.6	-	533.8
Government Bonds	119.0	111.3	-	-	230.3
Collective investments		171.6	17.8	15.5	204.9
Deposits in banks	-	5.4	-	-	5.4
Other Investments	-	15.8	-	-	15.8
Total financial investment assets	169.0	937.0	34.4	15.5	1,155.9
Cash at bank and in hand	10.5	48.6	-	-	59.1
Insurance receivables	-	-	-	522.6	522.6
Other debtors	-	-	-	361.2	361.2
Total financial assets	179.5	985.6	34.4	899.3	2,098.8

The following table shows the carrying value of assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining that the value of the assets have been impaired were: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

	Neither past due nor impaired €'m	Past due less than 30 days €'m	Past due 31 to 60 days €'m	Past due 61 to 90 days €'m	Past due more than 90 days €'m	Past due and impaired €'m	Carrying amount €'m
Insurance receivables							
2023	546.3	5.9	9.7	-	-	-	561.9
2022	505.8	5.9	10.9	-	-	-	522.6

Liquidity risk management

Liquidity risk is the risk that the group cannot meet its obligations associated with financial liabilities as they fall due, or the risk of incurring excessive costs in selling assets to meet these obligations. The group has adopted an appropriate liquidity risk management framework for the management of the group's liquidity requirements.

The group is exposed to liquidity risk arising from clients on its insurance contracts. The group manages liquidity risk by continuously monitoring forecasted and actual cash flows and ensuring that the maturity profile of its financial assets is in line with the maturity profile of its liabilities and by maintaining appropriate liquidity buffers at all times.

In practice, most of the group's assets are marketable securities which could be converted to cash when required.

There were no material changes in the group's liquidity risk exposure in the financial year nor to the objectives, policies and processes for managing liquidity risk. The following table shows details of the expected maturity profile of the group's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. The table includes both interest and principal cash flows.

	2023 €'m					Total
	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5+ years	
Insurance contract liabilities	106.2	108.5	142.0	40.3	0.3	397.3
Trade and other liabilities	115.2	188.3	51.3	-	-	354.8

	2022 €'m					Total
	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5+ years	
Insurance contract liabilities	105.7	111.8	144.4	30.0	-	391.9
Trade and other liabilities	109.8	175.0	51.4	-	-	336.2

34. Insurance risk management

Assumptions and sensitivities

The risks associated with the health insurance contracts are subject to a number of variables. The Vhi Board uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Vhi Board for estimating liabilities are:

- i. chain ladder;
- ii. estimated loss ratio;
- iii. average cost per claim; and
- iv. Bornhuetter-Ferguson.

Prudent assumptions are made so that the provision should be sufficient in reasonably foreseeable adverse circumstances.

The Vhi Board considers that the liability for health insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

Some results of sensitivity testing are set out below, showing the impact on surplus before tax and shareholder's equity. For each sensitivity the impact of a change in a single factor is shown with other assumptions unchanged.

	Pre-tax Surplus		Shareholder's equity	
	2023 €'m	2022 €'m	2023 €'m	2022 €'m
5% increase in loss ratios	(80.6)	(80.2)	(70.5)	(70.2)
5% decrease in loss ratios	80.6	80.2	70.5	70.2

The Vhi Board's method for sensitivity testing has not changed from the prior financial year.

Claims development tables

The following tables show the development of claims over a period of time on both a gross and net of reinsurance basis. The top half of the table shows how the estimates of total claims for each accident year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

The below tables show the information for 2014 to 2023 only, as information pertaining to prior years is not available due to underlying methodology changes in the reserving process.

Analysis of claims development

	2014 €'m	2015 €'m	2016 €'m	2017 €'m	2018 €'m	2019 €'m	2020 €'m	2021 €'m	2022 €'m	2023 €'m	Total €'m
Gross Estimate of ultimate claims:											
End of accident year	1,478.7	1,461.1	1,488.0	1,492.5	1,439.5	1,487.1	1,183.0	1,392.9	1,499.1	1,710.5	
One year later	1,326.1	1,334.6	1,365.5	1,338.1	1,337.2	1,407.7	1,086.3	1,321.2	1,470.8		
Two years later	1,304.4	1,307.3	1,340.4	1,312.8	1,323.2	1,393.0	1,068.1	1,309.7			
Three years later	1,296.6	1,295.9	1,331.8	1,309.0	1,316.7	1,386.1	1,065.0				
Four years later	1,290.4	1,290.5	1,330.6	1,305.9	1,313.2	1,382.5					
Five years later	1,286.2	1,289.4	1,328.4	1,302.6	1,309.9						
Six years later	1,282.4	1,285.1	1,324.2	1,296.3							
Seven years later	1,279.9	1,283.4	1,323.2								
Eight years later	1,279.8	1,283.2									
Nine years later	1,279.7										
Current estimate of ultimate claims	1,279.7	1,283.2	1,323.2	1,296.3	1,309.9	1,382.5	1,065.0	1,309.7	1,470.8	1,710.5	
Cumulative payments	1,278.4	1,282.3	1,316.9	1,296.5	1,312.4	1,378.0	1,058.6	1,299.1	1,438.6	1,373.8	
In balance sheet	1.3	0.9	6.3	(0.2)	(2.5)	4.5	6.4	10.6	32.2	336.7	396.2
Provision for prior Accident Years (2014 & Prior)											1.1
Liability in balance sheet											397.3

Analysis of claims development – Net of Reinsurance

	2014 €'m	2015 €'m	2016 €'m	2017 €'m	2018 €'m	2019 €'m	2020 €'m	2021 €'m	2022 €'m	2023 €'m	Total €'m
Estimate of ultimate claims:											
End of accident year	605.9	1,028.6	1,047.4	1,051.7	1,439.5	1,487.1	1,183.0	1,392.9	1,499.1	1,710.5	
One year later	532.7	935.1	956.9	937.6	1,337.2	1,407.7	1,086.3	1,321.2	1,470.8		
Two years later	522.6	915.5	938.6	919.1	1,323.2	1,393.0	1,068.1	1,309.7			
Three years later	519.2	907.3	932.4	916.4	1,316.7	1,386.1	1,065.0				
Four years later	516.5	903.4	931.6	914.2	1,313.2	1,382.5					
Five years later	514.6	902.6	930.0	911.9	1,309.9						
Six years later	513.0	899.6	927.0	907.4							
Seven years later	512.0	898.4	926.3								
Eight years later	512.0	898.2									
Nine years later	511.9										
Current estimate of ultimate claims	511.9	898.2	926.3	907.4	1,309.9	1,382.5	1,065.0	1,309.7	1,470.8	1,710.5	
Cumulative payments	511.4	897.5	921.7	907.6	1,312.4	1,378.0	1,058.6	1,299.1	1,438.6	1,373.8	
In balance sheet	0.5	0.7	4.6	(0.2)	(2.5)	4.5	6.4	10.6	32.2	336.7	393.5
Provision for prior Accident Years (2014 & Prior)											–
Liability in balance sheet											393.5

35. Subsidiary undertakings

The Vhi Board is the parent of Vhi Group DAC and the ultimate parent of Vhi Insurance DAC, Vhi Healthcare DAC, Vhi Group Services DAC, Vhi Health and Wellbeing Holdings DAC, Vhi Health and Wellbeing DAC, Vhi Occupational Health DAC, Vhi Abbey DAC, Vhi Portfolio DAC, Vhi Health Services DAC, Vhi Cumhdach DAC and Áras Sláinte Limited at 31 December 2023.

Vhi Group DAC is the holding company for the Vhi group companies and the Vhi Board holds 100% of the shares in Vhi Group DAC. Vhi Group DAC holds 100% of the shares of Vhi Insurance DAC, Vhi Healthcare DAC, Vhi Group Services DAC and Vhi Health and Wellbeing Holdings DAC. The other subsidiary companies shown in the table below are 100% subsidiaries of Vhi Health and Wellbeing Holdings DAC. Vhi Group DAC and Vhi Health and Wellbeing Holdings DAC are Irish registered companies with a registered address at Vhi House, 20 Lower Abbey Street, Dublin 1.

Subsidiaries	Country of Incorporation	Registered Address	Nature of Business	Holding by Vhi Group DAC (Directly or Indirectly)	%
Vhi Insurance DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Insurance	€5,000,000	100
Vhi Healthcare DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Retail Intermediary	€1	100
Vhi Group Services DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Shared Services	€1	100
Vhi Health and Wellbeing Holdings DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Holding company	€1,577,966	100
Vhi Health and Wellbeing DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Provision of health services and minor injury clinics	€1	100
Vhi Portfolio DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Property rental activities	€1	100
Vhi Occupational Health DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Recruitment and occupational health services	€1	100
Vhi Abbey DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Property Development Services	€1	100
Vhi Health Services DAC	Ireland	Waverly Office Park, Old Naas Road, Dublin 12	Did not trade during 2023	€700	100
Vhi Cumhdach DAC	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	Did not trade during 2023	€1	100
Áras Sláinte Limited	Ireland	Vhi House, 20 Lower Abbey Street, Dublin 1	In liquidation	€1	100

36. Related party transactions

As with many other entities, the Vhi Board deals in the normal course of business with Government sponsored agencies, including the Health Service Executive (“HSE”) through the public hospitals and with Government owned financial institutions. The Minister for Health also appoints the members of the Vhi Board. Transactions with Government related parties, therefore, include claims and other expense and taxation payments, banking and investment transactions. Details of such transactions are not disclosed separately as it is the view of the Board that it would not constitute information useful to the readers of the financial statements.

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. Please see note 35 for interests in subsidiary undertakings.

The total remuneration of the Vhi Board key management personnel for the financial year ending 31 December 2023 was €3.9m (2022: €3.3m), of which remuneration in respect of directors disclosed in Note 8 comprises €0.6m (2022: €0.8m).

Intra group transactions

- There are a number of intra group transactions within the Vhi Group which are described below:
- The Vhi Board is the administrator of the Vhi Group Pension fund and as such has intra group transactions regarding the pension fund with Vhi Group Services DAC, Vhi Insurance DAC, Vhi Healthcare DAC and Vhi Health and Wellbeing DAC. There were no outstanding balances in the financial statements of the Vhi Board at 31 December 2023.
 - Vhi Group DAC is the holding company for the Vhi Group. Vhi Group DAC has an intra group loan agreement in place with Vhi Group Services DAC, Vhi Abbey DAC, Vhi Portfolio DAC and Vhi Health and Wellbeing Holdings DAC.
 - Vhi Health and Wellbeing Holdings DAC has an intra group loan agreement in place with Vhi Health and Wellbeing DAC.
 - Vhi Insurance DAC is authorised by the Central Bank of Ireland to sell approved non-life Insurance products for specific classes of business. Vhi Insurance DAC has an agency agreement in place with Vhi Healthcare DAC (regulated as a Retail Intermediary by the Central Bank of Ireland) to sell and administer its policies.
 - Vhi Health and Wellbeing DAC provides home infusion and related services. Vhi Health and Wellbeing DAC provides services to the other Vhi group companies. Vhi Health & Wellbeing DAC also owns the line of business which trades as Vhi Swiftcare. The Vhi Swiftcare clinics and Vhi 360 Health Centre exclusively provide services to Vhi Insurance DAC members.
 - Vhi Group Services DAC is a shared service provider for the Vhi group companies and as such has transactions with the other entities within the Vhi group.
 - Vhi Group Services DAC has a cash pooling agreement in place with all other entities within the Vhi group.
 - Vhi Occupational Health DAC provides recruitment services to Vhi Health and Wellbeing DAC.
 - Vhi Abbey DAC provides property development services to other group companies.

37. Subsequent events

A receivable has been recognised in the financial statements in respect of a legal matter that was agreed in 2023 and formally executed in March 2024. There have been no other significant subsequent events affecting the Vhi Board or any of its subsidiary companies since the balance sheet date.

38. Legal cases

The Vhi Board is satisfied that there are no material legal cases pending.

39. Approval of financial statements

These financial statements were approved by the Board of Directors on 28 March 2024.

Directors and Advisors

Directors

Joyce Brennan* (resigned 3 October 2023)
Peter Cross*
Mike Frazer*
Karen Furlong*
Mary Halton*
Dean Holden*
Martin Kelly
Greg Sparks* (appointed Chair 27 February 2023)
Brian Walsh
Paul Zollinger-Read*

*Independent Non-Executive Director

Secretary

Tara Glynn

Registered office

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Solicitor

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Independent Auditors

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Kilkenny

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Headford Road, Galway

Donegal
Údarás na Gaeltachta, Business Park,
Gweedore, Co. Donegal

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Bishop’s Quay, Limerick

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Vhi 360 Health Centre
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Raheen Business Park,
Limerick, V94 H9YE

Vhi 360 Health Centre (Screening)
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Dundrum, Dublin, D16 A6K5

Vhi 360 Health Centre
Columba House,
Airside Retail Park, Swords,
Co. Dublin, K67 R2Y9

Vhi SwiftCare Clinic
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Cork, T12 W7CV

Vhi Medical Screening Centre
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Cork, T12 W7CV

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