

Open
8am-7pm Mon-Fri
10am-3.30pm Sat

Eastgate Road,
Eastgate Business Park,
Little Island, Co Cork,
T45 E181.

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E-mail info@layahealthcare.ie
Website www.layahealthcare.ie



Consumer Protection Directorate
Central Bank of Ireland
PO Box 559
Dublin 1

24th March 2023

Re: Submission on the Consumer Protection Discussion Paper 2022

To whom it may concern,

Laya Healthcare (“Laya”) welcomes the invitation to share our views on the Central Bank of Ireland’s, (“Central Bank”), review of the Consumer Protection Code 2012 and is keen to engage in supporting the Central Bank’s review.

Ireland is a thriving global hub for health insurance and Laya healthcare strides to be progressive, innovative, and inclusive, providing competitive and sustainable products and services to our members in Ireland. To contribute to this review, Laya proposes to set out some of the recommendations specially relating to health insurance and the Code, and how we believe that a revision to the Consumer Protection Code 2012 might better support consumer protection and fair outcomes for our members.

The Code needs to remain readable and concise and further enhanced with practical examples. Together with the Central Bank we hope to remove the complexity for our team and our members alike. Below highlights the areas which Laya has identified as our key priorities for consideration in amending the Code.

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1. Promotion of more effective consumer understanding

Laya would like to make it easier for members to do business and to engage with us by reducing the complexity that our members feel today. We feel this could be achieved through our communications and Sector Specific regulation.

a. Communications

Simple and Consistent: Clearly defined consumer protection standards relating directly to the health insurance industry will help to educate our team and our partners to deliver an exceptional consumer experience within this market.

The sheer volume of documentation that consumers now need to review as part of new business, renewal and ongoing communications can have a detrimental consumer impact.

Consumers need to be in a position to make an informed decision and in order to do so they need clear, concise and effective disclosure.

Meaningful: Laya wants to be intelligent in the use of data to improve the member experience. Our communications are personal, intuitive, and our members' needs are taken into consideration during our engagements. Laya as a business wants to continue to deliver stand-out Customer Experience within such a sensitive area of insurance. Laya believes that relevant, meaningful, concise, and timely information is key to ensuring effective consumer understanding and informed decision making.

Ineffective disclosures to consumers can be key driver of consumer risk. If the disclosures firms make, are easier to understand, it mitigates many of the risks around digitalisation and financial literacy. Where disclosures to consumers are very lengthy, they can discourage engagement in the products and reduce understanding. We feel this is relevant also to advertising where we have had to dedicate 50% of our 30 second radio advertisement to disclosures.

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On this basis, Laya recommends that in reviewing the Consumer Protection Code 2012, meaningfulness of information provided to consumers is the paramount consideration. This applies to all customer communications, from the literature to the advertising and each of the channels through which these are sent and received.

Clearly defined expectations that are product and indeed industry specific would benefit the consumer and provider alike.

b. Sector specific Regulation

In addition to the excessive volume of information provided to the consumer currently, regulatory overlap acts to compound the negative impact on effective consumer understanding.

While a memorandum of understanding exists between The Central Bank and the Health Insurance Authority (“HIA”), a review of sector specific regulatory requirements by Laya has found areas which either contradicts or overlaps with sections of the Consumer Protection Code governing the following areas: suitability, charges, disclosure regarding conflicts of interest and remuneration, cooling off periods, marketing, complaints, claims handling and terms of business.

The Health Insurance Acts outline the principles underpinning private health insurance. Open enrolment, lifetime cover, minimum benefits and community rating are fundamental to its operation.

Strict pricing rules, including maximum discount application, creates a different risk and price dynamic in the health insurance market compared to the Non-life market. Recognition needs to be given to the nature of the health insurance sector and its consumers, many of which are vulnerable at a point in time.

Recommendation: The Central Bank may use the opportunity of revising the Code to set out sector specific guidance depending on the type of product. Laya feels this approach would ensure far more clarity and consistency for both consumers and providers as to what requirements should apply for each product in a clear and comprehensible way, rather than assessing various and contradictory

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pieces of legislation across the life cycle of health insurance products. The private Health Insurance market is unique, not least because it is a community rated market. At times, regulation applied to health insurance has stemmed or evolved from other sectors and is sometimes developed with products other than health insurance in mind. A consequence of this is that it sometimes fails to recognise and effectively regulate the complexities of a health insurance product which can cause unintended consequences for both the consumer and the market as a whole. Complaint and Claim handling processes are specifically challenged by the current “one size fits all” approach.

With that in mind, Laya recommends that the Central Bank engage and utilize the expertise of insurance companies when assessing regulatory initiatives and as part of the consultation process. To be effective, regulation needs to take account of the unique features of an insurance product.

To address this issue, it is recommended that the Central Bank allocate necessary time and resources to consult with stakeholders in a meaningful way. Laya feels the health insurance industry’s expertise can help ensure a more cohesive consumer protection and recommend that an industry advisory group would be able to offer this clarity and expertise at an early stage

2. Promotion of digitalisation and innovation

- a. **Effortless Service:** Laya is improving its technology to support members to ensure that there will be complete parity for members contacting us digitally or by phone. Whatever medium the member uses to contact us, there should be no difference in experience or outcome. Any contact with laya should feel special and effortless.

As we know, technology is playing an ever-increasing role in people’s day-to-day lives. For example, we have observed a 27% increase in monthly GP-live appointments in the last 12 months.

- b. **Access:** The ever-evolving digital landscape presents an important opportunity for health insurers to build a more accessible landscape for consumers. In order to achieve this Laya recommends putting digital first in all developments and decisions to allow us to deliver the customer experience desired at the scale that is required.

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Recommendation:

The Central Bank may ensure that requirements are designed in a more technology neutral way which allow consumers access information or complete services digitally if they wish. In particular, disclosures prescribed under GDPR and the Distance Marketing Directive are not digital friendly and often mandate information in paper format as the default. Such default obligations are at odds with customer demand and undermines the internet as a key distribution channel for insurance products.

It is important to highlight that Laya is mindful of digital exclusion. It is recommended that a balanced approach which recognises the increasing demand for more digital services while also making allowances for less digitally literate/internet accessible consumers would achieve a fairer and more positive customer outcome.

To summarise the important points to note for the consumer are that communication needs to be simple and consistent; the use of technology with data and digital to make the customer journey effortless and by having the Code sector specific will make the content more meaningful and relevant to the customer.

Laya welcomes any further opportunity to participate in any future discussions to guarantee a greater understanding and segregation for health insurance within the Code.

If you have any questions about this letter or require any further information, please contact me.

Yours sincerely,

Mary Condon

Mary Condon

Director of Finance & Compliance

Laya Healthcare Limited