

# To your good health!

**Health insurance gives everyone living in Switzerland access to high-quality, comprehensive health care in the event of a sickness, or accident if they are not already covered by accident insurance. Premiums are expected to rise in 2010, so now is the time to compare offers.**

By Brien Donnellon | Since the national health insurance scheme was introduced in 1996, all permanent residents of Switzerland have been able – in fact, required – to purchase coverage regardless of age or pre-existing conditions. Basic health insurance premiums do not vary by risk rating, and instead are the same for each policyholder within a particular insurance company. The premiums for the basic insurance can vary within a canton and are often more expensive in cities, as insurers have noted people in rural areas tend to visit the doctor less frequently.

## Switching to a new insurer

If you have a basic insurance policy with the standard deductible of SFr 300, you can cancel it with three months' notice at the end of June or December. This means your notice of cancellation must reach your health insurance fund by March 31 or September 30 in order to be effective.

If you have a policy with a higher deductible or a restricted choice of doctors/hospitals, you can only cancel it at the end of the year, usually with three months' notice – meaning your notice of cancellation must reach the health insurance fund by September 30.

If your health insurance fund notifies you of a new premium, you can change to another insurance provider by giving one- to two-months' notice. We recommend you keep your current insurance until you have an unconditional confirmation of acceptance from your new insurer.

## Shopping around

Price variations between companies still exist, so it is worth it to shop around. You could write to different insurers individu-

ally and request information, or try an online comparison service like [www.comparis.ch](http://www.comparis.ch). Whilst the comparison website does not provide offers from all the health insurers, it is a good starting point and also provides the information in English. Alternatively, to avoid many hours of comparing and possibly still being unsure, it makes sense to ask your financial advisor to do the donkey work. We at [www.keyinvestment.ch](http://www.keyinvestment.ch) would be pleased to help you.

## How to save

**Franchise:** The law stipulates insured persons have to share the cost of the benefits provided to them. This cost sharing consists of two parts: a franchise in the form of a fixed annual sum that the insured person will cover, and a percentage-based excess (or deductible) on all costs above the franchise. In the compulsory basic insurance, you can opt to increase your franchise and receive an attractive reduction in your premium as a result. The minimum franchise is SFr 300 per calendar year (younger people are exempt from the franchise), and the maximum is SFr 2,500.

**Deductible:** The deductible, or 'excess', amounts to 10 per cent and is calculated on all payouts after the franchise is paid in full. You can substantially reduce the portion of your premium covering hospitalisation by agreeing to pay a deductible in the event of an overnight stay.

Certain insurers offer policies where a franchise or deductible/excess that is paid under a compulsory or supplementary policy will be counted as a paid deductible in the event of a hospital stay. In such cases, if you opt for a deductible of

between SFr 1,000 to SFr 5,000 you can save 15 to 50 per cent.

**Accident cover:** Employees who work for more than eight hours a week are insured through their employer against occupational and non-occupational accidents. By excluding accident cover from your compulsory basic health insurance (in accordance with the federal law on accident insurance, UVG) you can save around seven per cent of the basic insurance premium.

**Alternative cover:** HMO, Telmed or GP are among the terms used for alternative insurance plans. Most larger insurers offer at least one alternative plan in most cantons. Depending on the canton, region and chosen franchise, you can save up to 25 per cent on your premium compared with the conventional basic health care insurance.

**Premium calculation:** With most health insurers, the premiums in the hospital insurance plans show a noticeable increase every five years depending on the age group. If you plan to stay in Switzerland into old age, try to find an insurer that does not hike premiums in this way.

**Group contracts:** Trade organisations, associations and companies often negotiate group plans for supplementary insurance with insurers. If eligible, you and your relatives can reap these benefits.

**Cantonal rebates:** Cantons grant people living in modest financial circumstances individual rebates on their premiums. This support is usually not provided automatically and is also handled differently

from canton to canton. To determine eligibility, contact the local authority responsible in your canton of residence directly.

**Military service:** Anyone who spends longer than two consecutive months in military service in a single year can usually claim a reduction of the premium for compulsory coverage. The premium over the period of service will be fully and retroactively reimbursed.

**Longer terms & lump sums:** Certain insurers offer discounts if you sign contracts for longer periods and pay by the chunk. For example, a contract of five years attracts a discount of up to two per cent, and paying bi-annually or annually instead of monthly offers discounts of between 0.4 and one per cent.

**If you are willing to pay extra**

Supplementary insurance is purely optional, and offers amenities like semi-

private or private hospital wards, or additional services and benefits like treatment by naturopaths or routine dental work. The most popular supplementary policies are those that allow freedom to choose the doctor, and superior inpatient accommodation. Unlike mandatory coverage, these premiums may be based on the risk an individual represents to the insurer. The health insurance fund may refuse this insurance or attach conditions.

**Divide and conquer:** You can buy supplementary insurance from an insurer other than your basic health insurance provider. While the basic health insurance benefits are clearly defined and identical for all insurers, supplementary insurance providers can offer various benefits at different prices.

**Did you know?**

If an insurer becomes insolvent, the cost of its statutory benefits are taken over by

a joint body funded by contributions made by the insurers on the basis of their social health insurance premiums.

**Brien Donnellon**

Brien Donnellon is the owner of KEY INVESTMENT, a financial services company providing unbiased financial advice and solutions for Swiss-based expatriates, HR departments and foreign investors. The company, formed in 1997, is authorised and regulated by the Swiss Federal Banking Commission.



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