



HEALTH COUNCIL
BERMUDA



2023

**EMPLOYERS'
COMPLIANCE
ANNUAL REPORT**

Employers' Compliance with the Health Insurance Act 1970 2023 Annual Report

Contact Us:

If you would like any further information about the Bermuda Health Council, or if you would like to bring a healthcare matter to our attention, we look forward to hearing from you.

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In accordance with Section 20 of the [Health Insurance Act 1970](#) (the Act), the Bermuda Health Council monitors the extent to which employers are compliant with obtaining health insurance coverage for employees.

SUMMARY:

- ❖ There was a 13% **decrease** in the total number of inactive policies reported by insurers and a 29% **decrease** in the total number of affected employees reported in 2023 compared to 2022.
- ❖ \$468,763 was recovered in Standard Premium Rate (SPR) on behalf of employees.
- ❖ 111 employers were posted on the Health Council's website in 2023.
- ❖ 18 employer compliance complaints were received in 2023, reflecting a 13% increase from 2022.

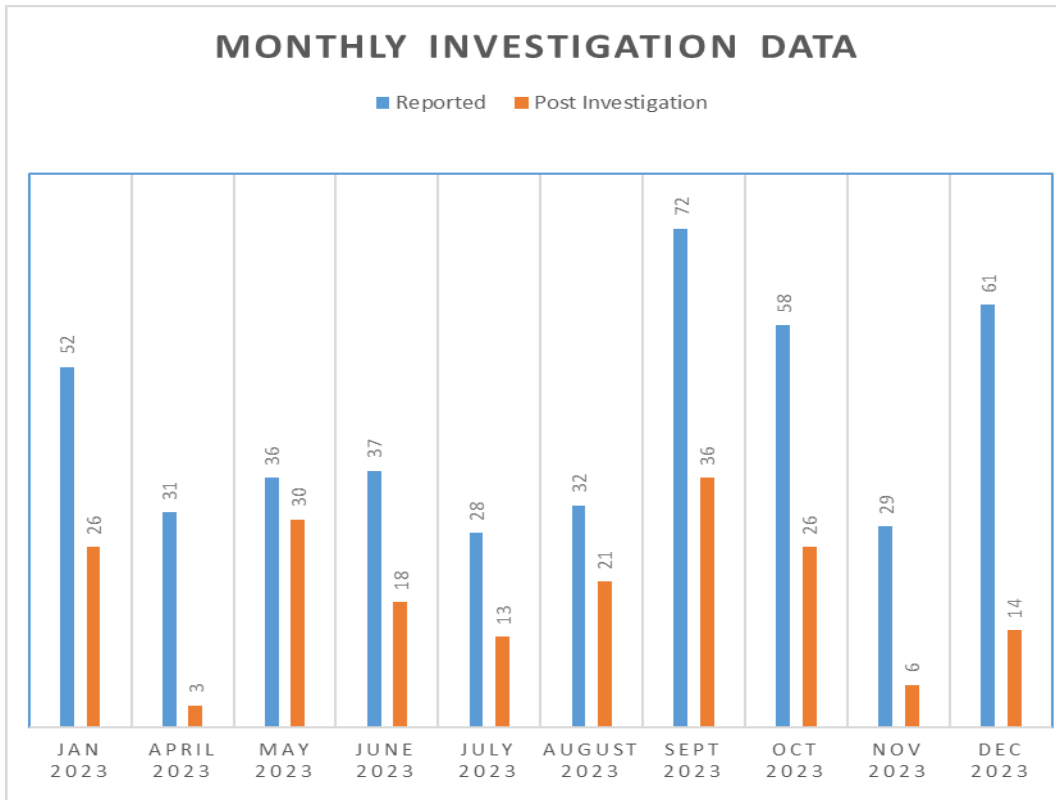
METHODOLOGY:

1. The Health Council monitors employer compliance with the Act by investigating complaints received from members of the public and monthly reports obtained from local insurers about employers with:
 - Inactive policies (with claims not being paid)
 - Terminated policies
 - New policies
2. Data was provided from the public and private insurers for 1st January 2023 – 31st December 2023. Insurers provide a monthly report that includes a list of policies in arrears or terminated with claims not being paid. The Health Council then sends each employer a letter via email to notify them of their non-compliant status and legal obligations according to the Act. Employers are given two weeks to provide proof of coverage, such as a statement or an email from their insurer. Employers who fail to provide evidence of a current policy face having their company name published on the Health Council's [website list](#).
3. The Health Council investigates all complaints reported by members of the public regarding employer compliance. Investigating complaints involves the collection of evidence such as pay stubs, medical bills and employment contracts. Insurers are also asked to verify the complainant's policy status and history. Once evidence is collected, the employer is contacted regarding the complaint. If necessary, an inspection of employer financial and employment records is conducted. Resolution of complaints involve the repayment of unlawful deductions, payment of medical bills incurred during non-coverage, and activation of health insurance coverage.
4. For persistent non-compliance, the Health Council facilitates legal action in the criminal courts. Preparing a case file for the Department of Public Prosecution (DPP) entails obtaining witness statements from the complainant(s), insurer, Health Council Project Manager, and any other relevant individuals. These statements are subsequently provided to the DPP for review.

RESULTS:

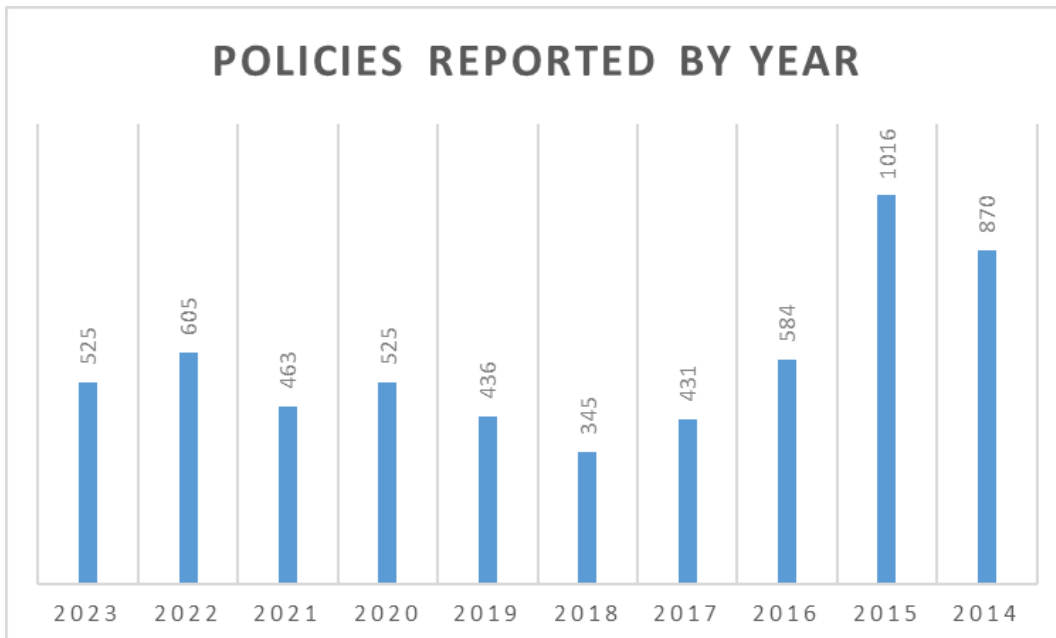
5. **525 employer policies were reported by insurers as inactive or terminated in 2023, with 2041 employees affected.** It is important to note that these calculations include some policies that were reported for two or more consecutive months and therefore counted two or more times.
6. **There was a 13% decrease in the total number of inactive policies reported and a 29% decrease in the total number of affected employees reported in 2023 compared to 2022.**
7. Of the employers investigated in 2023 for having inactive health insurance policies, **55% of policies were reactivated.** This resulted in **1171 employees regaining health insurance coverage.**
8. **\$468,763 was recovered in standard health premium in 2023.** This figure is based on an uninsured employee's monthly standard premium rate of \$400.31
9. Web publication of non-compliant employers on the Health Council's website was implemented in June 2015. A total of **111 non-complaint employers were posted on the website** in 2023, compared to 65 in 2021.
10. **18 employer compliance complaints** were received in 2023. This compares to 16 complaints received in 2022, reflecting a 13% increase in the number of complaints compared to 2022. 7 complaints were resolved, 7 were dismissed and 4 were referred to Labour Relations.
11. Chart 1 shows the number of policies reported as non-compliant by insurers each month and how many remained non-compliant post-investigation.

Chart 1- 2023 Monthly Investigation Data



12. Chart 2 provides an annual comparison of the number of policies reported each year by insurers.

Chart 2- Policies Reported by Year



CONCLUSION:

13. There was noticeable decrease in the number of policies reported by insurers in 2023 compared to 2022. However, a significant portion of inactive policies was reported during the last four months of 2023. This upward trend at the end of the year may indicate that non-compliance will increase in 2024.
14. Companies with 10 or fewer employees remain most of the businesses reported monthly by insurers as non-compliant. Small businesses report struggling to afford their monthly health insurance premiums. Many have moved their policies from private insurers to the Health Insurance Department. As such, most non-compliant businesses are reported by the Health Insurance Department.