



30.1.2015

NOTICE TO MEMBERS

Subject: Petition No 1902/2013 by Paul Mangen (Luxembourgish), on cancellation of a health insurance contract to cover hospital expenses in the event of moving to another Member State

1. Summary of petition

The petitioner was born in 1952 and works in Belgium. In 1983 he signed an insurance policy to cover hospital expenses that are not reimbursed by the Belgian social security system. The petitioner is still paying for this insurance policy. Now that he is nearing retirement age, the petitioner intends to move to France or Luxembourg for family reasons. The insurance company has informed him that, in the event that he intends to move 'abroad', even if the country concerned is a Member State, the contract will simply be cancelled and the petitioner will have to sign a new insurance contract. If he wishes to sign a similar contract, the petitioner will have to pay an annual premium three or four times higher than the premium he is currently paying. The petitioner takes the view that the arguments put forward by the insurance company represent a significant obstacle to citizens' freedom of movement within the European Union.

2. Admissibility

Declared admissible on 17 July 2014. Information requested from Commission under Rule 216(6).

3. Commission reply, received on 30 January 2015

Private hospitalisation insurance is a specific type of complementary health insurance against the financial consequences of being admitted to hospital. It reimburses costs after payments by the social security system. The scope of the coverage of such insurance policies is,

therefore, intensely linked with the scope of the benefits guaranteed by the social security system of the given Member State.

Private hospitalisation insurance is covered by the Non-life Insurance Directives.¹ The Directives are based on the principle of the location of insurance risks which means that an insurance company can insure risks in a Member State where the given policy-holder has his/her habitual residence and where the insurance company is officially authorised or active under the rules on the right of establishment or the free provision of services. The Directives do not oblige insurance companies to be active in all Member States.

The Non-life Insurance Directives are also based on the principle of the freedom of contract under which insurance companies and consumers can agree on a variety of contractual terms and conditions, including geographical scope of the given policies. The Directives neither prescribe an EU-wide insurance coverage nor oblige insurance companies to contract. Currently, only the compulsory third party motor insurance under the Motor Insurance Directive² covers, on the basis of a single premium, the entire territory of the EU (to ensure the compensation of victims of accidents caused by vehicles from other Member States and the quick settlement of claims occurring outside the victim's Member State of residence).

Should a policy-holder of private hospitalisation insurance relocate to another Member State, his/her current policy will only be valid if he/she and the insurance company agreed to cover insurance risks in that Member State and the insurance company is active there under the right of establishment or the free provision of services. The policy will have to be compatible with the rules designed to protect the general good in the insurance sector of that Member State.

Conclusion

The Commission recognises the desire to continue insurance policies when citizens relocate to other Member States. In view of the above, and bearing in mind the current state of harmonisation of EU insurance law, this petition could provide useful input for further improvements of EU insurance law.

¹ OJ L 228, 16.8.1973, p. 3–19; OJ L 172, 4.7.1988, p. 1–2; OJ L 228, 11.8.1992, p. 1–23.

² OJ L 263, 7.10.2009, p. 11–31.