

Frequently Asked Questions

What are the two changes?

1. An increase in contribution rates, spread over three years, to generate an increase in premium income of +10%, +4% and +4% respectively in 2027, 2028 and 2029
2. A change in the contribution rate structure aimed at creating a more equitable redistribution of the premium and a clearer risk premium per participant.

What will stay the same?

Premiums for non-dependent children, non-dependent spouses, and parents will not change for 2027. Benefits will remain unchanged.

When will the changes happen?

The changes will become effective on 1 January 2027 for all UNSMIS insured members.

What will I personally pay?

As explained above, the exact amount will depend on your grade, step, duty station, and any allowances included in the medical net salary that you may be receiving, or not. Please refer to the premium estimate calculator we have developed. <https://unsmis.org/2027-premium-estimate>

Why are the costs for insurance claims increasing?

The primary cost drivers identified are:

1. *Medical inflation, which in recent years has once again started to exceed wage inflation. This is primarily a macroeconomic factor that has affected health insurance plans worldwide. UNSMIS continues its efforts to contain these costs.*
2. *As the insured population ages, their need for healthcare increases. Statistically, older people use healthcare more often and the type of care required is often more expensive.*

What actions does UNSMIS take to manage the increase in costs?

UNSMIS uses a variety of tools to try and contain costs, such as relying on joint negotiations with ILO, WHO and CERN to obtain favorable terms with medical providers, limiting costs to geographically reasonable and customary rates, relying on repricing partners in North America, careful plan design and various other tools.

UNSMIS also relies on you, the insured member, to take a financially responsible and a prudent approach to the use of our health care plan.

Why is this increase happening now?

Independent actuarial analysis projects that without action, UNSMIS would record its first loss in 2027 and deplete all assets by 2034. These changes are essential to ensure that UNSMIS is financially solvent and thus able to maintain the current level of benefits for all its insured members for the foreseeable future.

What are the issues identified with the current premium structure?

The current premium structure does not adequately reflect how many people are insured or whether dependent are adults or children. This means that some household categories currently contribute proportionately more than others.

- *Staff members insured on their own carry a comparatively high share of the cost. A staff member only contributes 3.4% of medical net salary for their health insurance coverage while a staff member with a dependent spouse and three children contributes 4.8%. This means that covering four additional people increases the contribution by only 41%.*
- *The current contribution rate structure does not sufficiently distinguish between adults and children. UNSMIS experience shows that adults have significantly higher medical costs on average than children. The premium structure should reflect this difference.*
- *The current premium rates are applied on medical net salary, which **does not include child allowance**. A rate per dependent child remedies this by ensuring that insured families pay a more correct risk premium.*

- *Within the insured population, staff members who are insured alone and single-parent households generally have lower take-home pay than other insured groups*

Why could my increase be more than 10%?

Your increase may be lower or higher than +10%; this is because the entire premium structure is being reviewed with the aim of having a more equitable redistribution and a more accurate risk premium for all participants.

Why is the increase phased over three years?

A phased approach was deliberately chosen to spread the financial impact and give participants time to plan accordingly.

Will my benefits change?

This communication relates specifically to contribution rates and the contribution structure. No reduction in benefits is envisaged at this stage.

Are other international organization insurance plans using a similar premium rate structure?

Yes, many different international organizations use a similar premium rate structure. The other two Geneva based mutualistic health insurance funds of the ILO and WHO use a similar premium rate structure.

Are other international organization insurance plans impacted by medical inflation and/or rate increases?

Unfortunately, yes. This is global macroeconomic trend. It varies by region and plan but most health insurance plans, be they those of IGO's, NGO's or private sector companies, are impacted to varying degrees.

When was the last time changes were made?

Thanks to continuous cost containment efforts, UNSMIS has only increased contribution rates twice since 1994 – in 2000 and 2013, even then the increase was spread over 3 years. Increases have consistently remained below premium increases in Switzerland's mandatory basic health insurance scheme as well the amounts forecasted each year by the AON Medical Inflation Worldwide Report. Please refer to Table 1 below.

Table 1: Contribution Rate Increase Comparison Through Time

	Suisse		AON Medical Inflation Worldwide report		UNSMIS	
2009	+1,0%	Average Annualized 3,4% Medical Inflation	4,09%	Average Annualized 4,07% Medical Inflation	0,0%	Average Annualized 0,85% increase
2010	+8,6%		4,09%		0,0%	
2011	+6,0%		4,09%		0,0%	
2012	+2,3%		4,09%		0,0%	
2013	+1,0%		1,20%		+5,0%	
2014	+2,2%		3,00%		+5,0%	
2015	+3,7%		4,00%		+5,0%	
2016	+4,7%		4,00%		0,0%	
2017	+4,7%		4,00%		0,0%	
2018	+3,6%		4,00%		0,0%	
2019	+1,0%		4,00%		0,0%	
2020	+0,1%		4,00%		0,0%	
2021	+0,3%		4,00%		0,0%	
2022	-0,6%		2,00%		0,0%	
2023	+5,2%		5,00%		0,0%	
2024	+8,7%		8,00%		0,0%	
2025	+6,0%		6,00%		0,0%	