

## The medical index is back

The new medical index can already be applied to individual (non-occupational) insurance contracts with a renewal date after 1 July 2016.

The medical index was introduced in 2010 to curb sharp premium increases of individual (non-occupational) health insurance policies and ensure that premium increases occur more gradually.

However, the calculation method of the medical index was soon debated. In 2011, this led to the partial annulment of the Royal Decree that introduced the medical index. The legislator was given one year to develop a new calculation method, but did not issue a new Royal Decree.

As a result, the medical index has no longer been applied since the end of 2012. The premiums, excess and benefits of individual insurance policies for medical expenses were therefore only indexed based on the consumer price index, on the condition that this was provided for in the insurance contract. If the insurance only allowed indexation based on the medical index, no indexation took place at all.

In March 2016, a new and improved medical index was introduced by Royal Decree. The medical index figures are now calculated by the Federal Public Service for the Economy based on the increase in healthcare costs. The figures are published in the Belgian Official Journal on the first business day in July.

This year, the new medical index can already be applied to individual (non-occupational) insurance contracts with a renewal date after 1 July 2016, on the condition that the insurer informs the policyholder of this in the renewal date notification. The applicable index is determined by the health insurance cover (single room, two-bedded room, multiple-bedded room, outpatient care or dental care).

The premiums, excess and benefits of collective (occupational) health insurance policies can also be adjusted based on the medical index, provided that this is allowed by the insurance contract.