

Abstract

Part I Enrollment and Underwriting

National Health Insurance (NHI) provides all nationals with compulsory coverage. The purpose is to ensure individuals receive adequate health care through the arrangement of a cooperative scheme. The beneficiaries under the NHI scheme are divided into six categories; each differs in the insured amount, premium contribution rate, and premium calculation method. Applications are to be made at the agencies, schools, enterprises, institutions, employers, groups, or designated departments to which the insured belong.

I. Group Insurance Applicants

The number of group insurance applicant at the end of 2007 was 671,023 in total (including the group insurance applicant in Category 4), showing an increase of 57.8%, or 245,674 group insurance applicants, from the end of 1995. Broken down by the beneficiary category, there were 665,991 applicants in Category 1, accounting for 99.3% of the total, whereas 3,170 applicants in Category 2, 345 applicants in Category 3, 8 applicants in Category 4, 588 applicants in Category 5, and 921 applicants in Category 6, together accounting for only a total of 0.7%. Broken down by the BNHI branch, Taipei Branch accounted for the greatest number at 269,355 (40.1%), followed by Central Branch at 140,739 (21.0%), Northern Branch at 90,796 (13.5%), Kao-Ping Branch at 84,881 (12.6%), Southern Branch at 73,948 (11.0%), and finally the Eastern Branch at 11,304 (1.7%).

Figure 1 Group Insurance Applicants

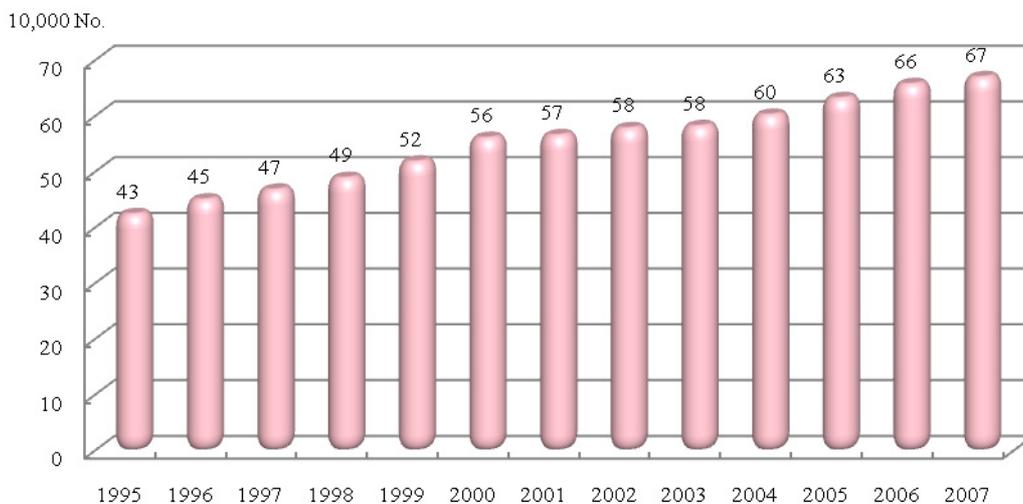
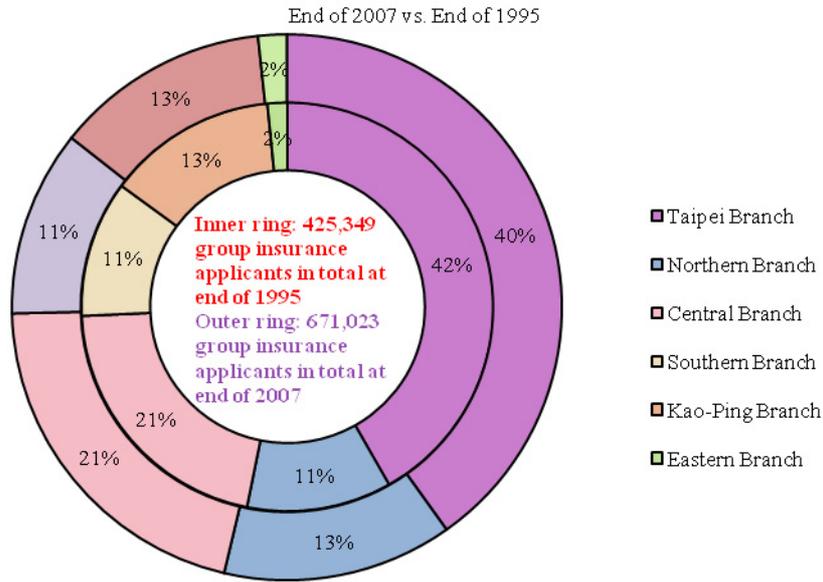


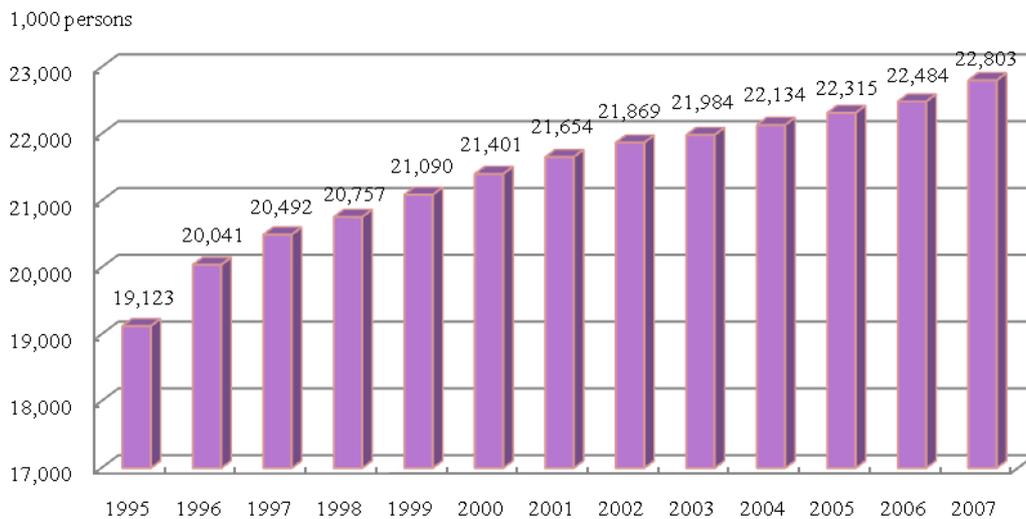
Figure 2 Group Insurance Applicants by BNHI Branch



II. Beneficiaries

National Health Insurance is a compulsory social insurance scheme. The purpose is to enhance the health of all nationals and fair access to medical treatments. At the present, with the exception of those in the corrective institutions, all nationals are covered under the insurance scheme. As of the end of 2007, the number of beneficiaries in the NHI scheme had reached 22,803,048 individuals, showing a growth of 19.2% from 19,123,278 individuals at the beginning of the NHI scheme in 1995.

Figure 3 Beneficiaries



The number of the beneficiaries at the end of 2007 was 22,803,048 individuals in total (including the beneficiaries in Category 4), 14,076,979 individuals (61.7%) were the insured and 8,726,069 (38.3%) were dependents. Broken down by gender, 11,387,207 individuals (49.9%) were male and 11,415,841 (50.1%) were female. Broken down by the beneficiary category, Category 1 was the largest group with 11,993,100 individuals (52.6%), followed by Category 2 with 3,775,260 (16.6%), Category 3 with 3,036,617 (13.3%), Category 4 with 173,413 (0.8%), Category 5 with 221,916 (1.0%), and Category 6 with 3,602,742 (15.8%). Broken down by age, age 25~29 was the largest group with 2,072,669 individuals (9.1%) followed by age 30~34 with 1,911,264 (8.4%). For male beneficiaries, age 25~29 was the largest one with 1,006,761 (8.8%) followed by age 40~44 with 934,081 (8.2%). For female beneficiaries, age 25~29 was the largest one with 1,065,908 (9.3%) followed by age 30~34 with 981,140 (8.6%). Broken down by BNHI branch, Taipei Branch accounted for the greatest number at 8,373,104 (36.7%) followed by Central Branch at 4,140,770 (18.2%). Eastern Branch accounted for the smallest one at 504,744 (2.2%).

Figure 4 Beneficiaries by Age and Gender

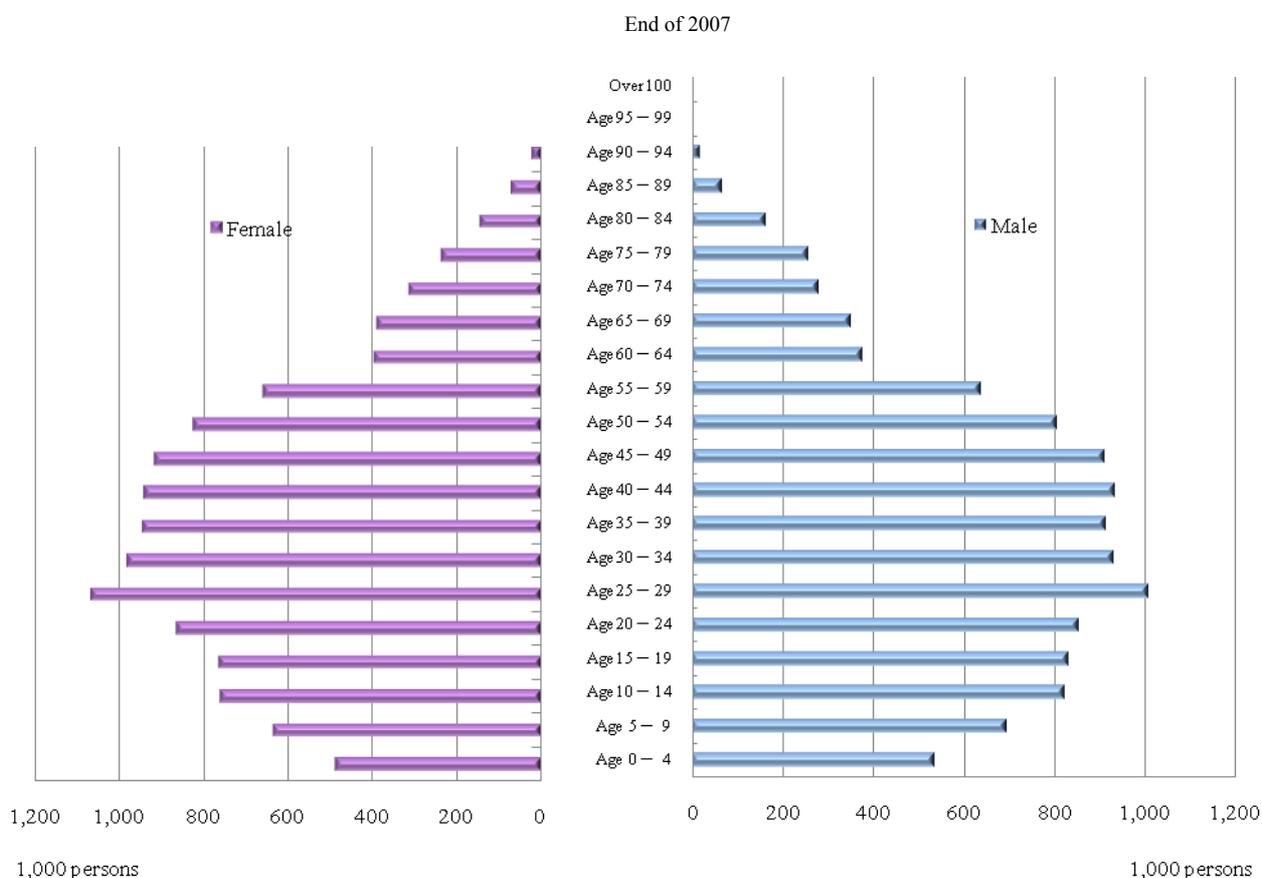
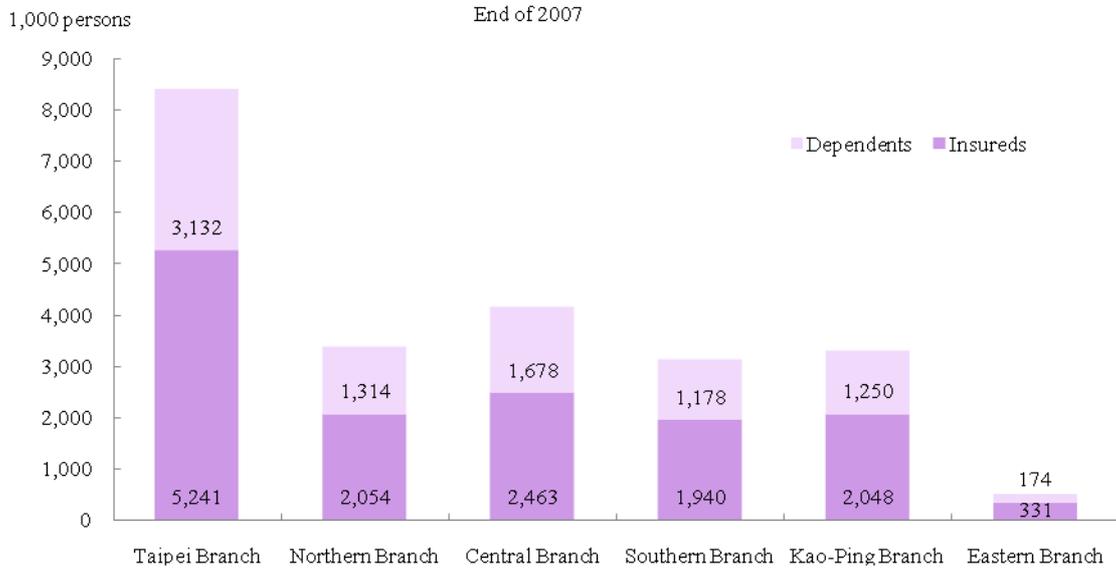
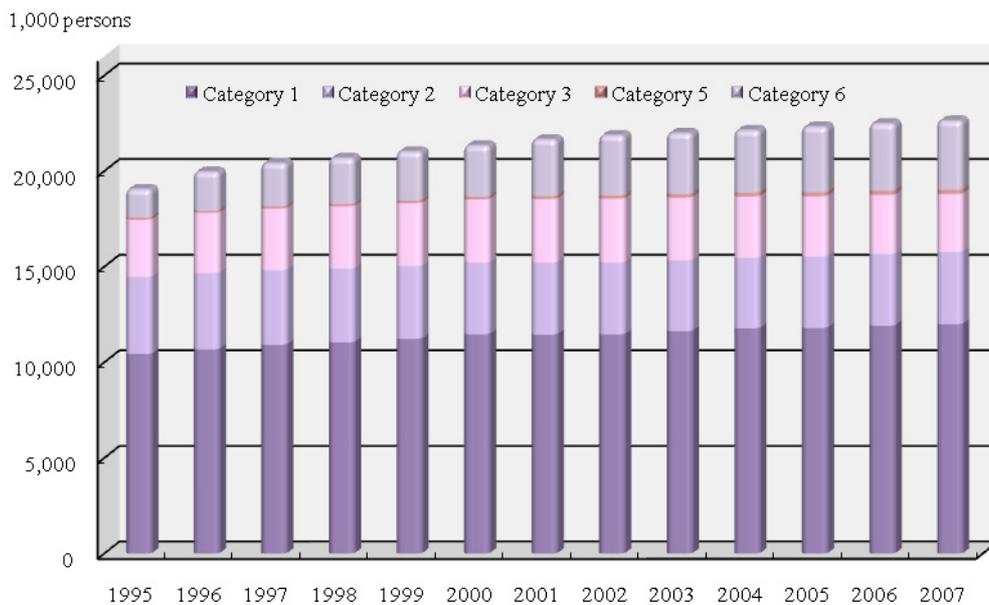


Figure 5 Beneficiaries by BNHI Branch



When compared to the end of 1995, the proportion decreased by 1.8 percentage points in Category 1, by 4.5 percentage points in Category 2, by 2.3 percentage points in Category 3, and increased 0.4 and 8.2 percentage points in Category 5 and Category 6 respectively. The proportion of the disadvantaged minority groups had increased substantially.

Figure 6 Beneficiaries by Beneficiary Category

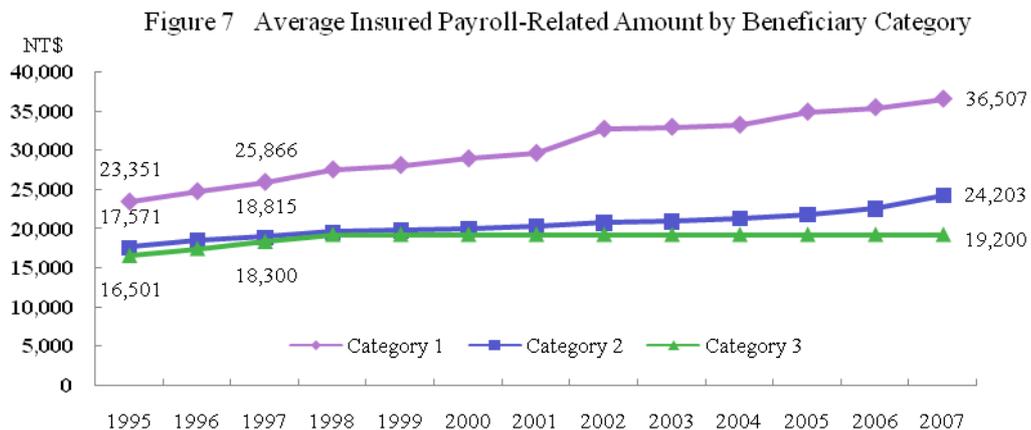


III. The Insured Payroll-Related Amount

According to Article 18 of the National Health Insurance Act, the premium payable by the insured in Categories 1 to 3 and their dependents shall be calculated on the basis of the insured payroll-related amount and the premium rate of the insured. Article 23 states that the insured payroll-related amount applicable to the insured in Category 3 shall be the average amount for those specified under items 2, 3 of subparagraph 1, and subparagraph 2 of paragraph 1, Article 8; provided that the insurer may adjust the level of insured payroll-related amount according to the financial viability of the insured and their dependents. Articles 25 and 26 state that the premium for those in Categories 4, 5, and 6 shall be the actuarial average premium per person based on the overall beneficiaries.

As of the end of 2007, the average insured payroll-related amounts were \$36,507 for the insured in Category 1, \$24,203 in Category 2, and \$21,000 in Category 3. The aggregate average insured payroll-related amount for the insured in Categories 1, 2, and 3 was \$31,427. If broken down further by subcategory, Item 1 of Category 1 had the highest average insured payroll-related amount at \$53,902, followed by Item 2 of Category 2 at \$51,037. Category 3 had the lowest average insured payroll-related amount at \$21,000. The premium was \$1,317 per person for insured in Categories 4 and 5, and \$1,099 per person for those in Category 6. In terms of the number of the insured in each level of insured payroll-related amount, the amount of \$21,000 covered the largest number of the insured at 3,408,842 individuals (24.2%), followed by \$17,280 with 1,339,958 individuals (9.5%) and \$43,900 with 446,354 individuals (3.2%).

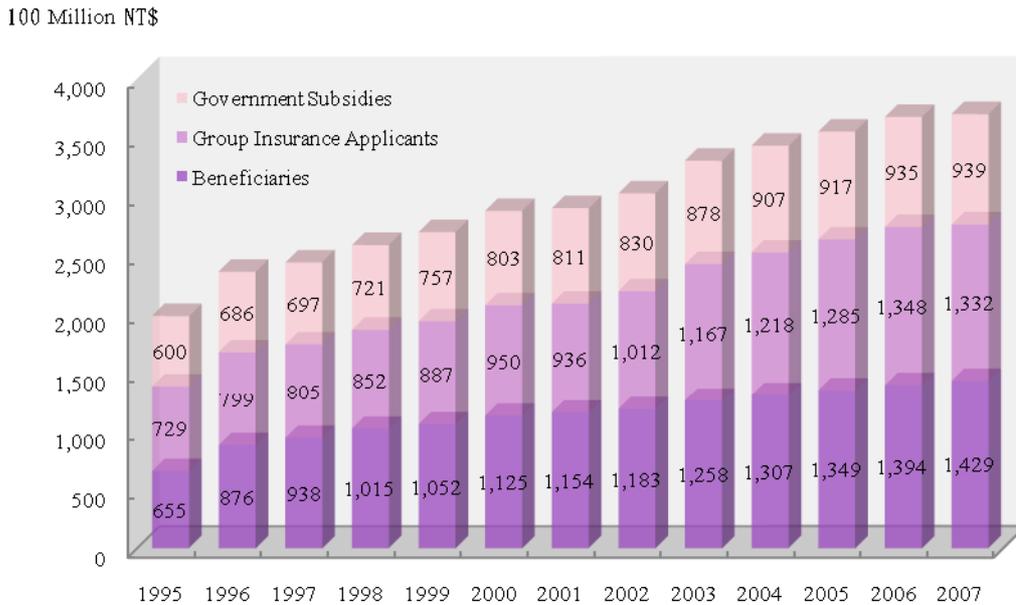
When compared to the end of 1995, the average insured payroll-related amount showed an increase of 56.3% with the largest increase in 2002 with \$3,087 for Category 1, and an increase of 37.7% for Category 2. The average insured payroll-related amount for Category 3 showed a rising trend in the first three years, growing from \$16,501 to \$19,200. It was adjusted to \$21,000 at the end of 2007. The premium contribution rate was 4.55% in 2007, showing an increase of 0.3 percentage points from 1995.



IV. Premium contribution

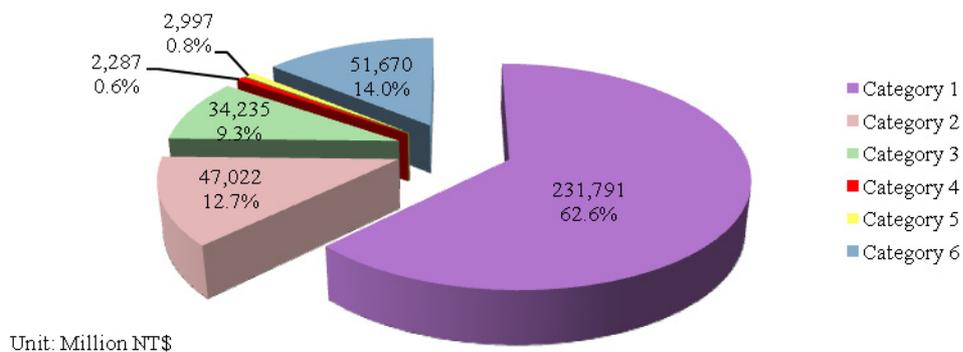
The main source of income for the NHI scheme is premium contribution. The rate of premium contribution varies by type of the insured. Category 4 beneficiaries, Low income households and unemployed veterans receive full subsidies from the government.

Figure 8 Premium Receivable



Premium receivable was \$370 billion in 2007, showing an increase of \$2.4 billion from the previous year and an annual growth of 0.7%. Premiums receivable were \$231.8 billion (62.6%) from Category 1, \$47 billion (12.7%) from Category 2, \$34.2 billion (9.3%) from Category 3, \$2.3 billion (0.6%) from Category 4, \$3.0 billion (0.8%) from Category 5, and \$51.7 billion (14.0%) from Category 6.

Figure 9 Premium Receivable by Beneficiary Category 2007



Total premium receivable in 2007 was \$370 billion.

Broken down by source, the amounts of premium collected were \$142.9 billion (38.6%) from the insured, \$133.2 billion (36.0%) from the group insurance applicants, and \$93.9 billion (25.4%) from the governments (of which \$79.1 billion (21.4%) from the central government, \$10 billion (2.7%) from the provincial/municipal governments, and \$4.9 billion (1.3%) from the county/city government subsidies).

Compared to the structure of premium by source in 1995, the amount collected from the insured increased by 5.6 percentage points, the central government subsidies by 8.0 percentage points. On the other hand, the amount collected from the group insurance applicants fell by 0.7 percentage points, the provincial/municipal government subsidies by 12.3 percentage points, and the county/city government subsidies by 0.5 percentage points.

Figure 10 Premium Receivable by Source

End of 2007 vs. End of 1995

