

Brief analytical comments

In Q4 2011 there is a total of **nine health insurance companies** in the CR, is the one less than to the corresponding period of 2010. In Q4 2011 health insurance companies employed in total 6446 persons (FTE), which was 8,4% less than in Q4 2010 (7036 persons).

The average monthly wage (calculated from wages excluding other personnel expenses and from the above number of employed persons) increased from CZK 39 230 in Q4 2010 to CZK 40 358 in Q4 2011 (2,9 % year-on-year). **Wage compensations provided by the employer** for the first 21 days of temporary incapacity for work in Q4 2011 accounted for CZK 2.1 million. These wage compensations (for the first days of temporary incapacity for work) are paid out by the employer in compliance with relevant legislation. A year-on-year comparison of paid compensations is not made in 2011 due to a change in the time taken into account for the duty to pay the wage compensation.

Premiums written (excl. those paid by the state) make up a substantial part of total revenues of health insurance companies. In the reported period they amounted to CZK 43.9 bn, i.e. by 3.2 % up compared to the corresponding period of 2010. The amount of premiums is regulated by the General Health Insurance Premiums Act No. 592/1992 Sb., amendment of which referring, among other things, also to the assessment base determination, has been applicable already since 2008. Premiums written measured on accrual basis are not, however, actual revenues of health insurance companies. Actual revenues unlike premiums written are reduced by premiums not paid.

According to data of the **Ministry of Health of the Czech Republic**, the **actual revenues** of health insurance companies – collection of premiums incl. those for persons paid by the state, reached the total of CZK 215.5 billion in 2011, which was a 1.35 % increase compared with the corresponding period in 2010 when the revenues accounted for CZK 212.7 billion (data of the Ministry of Health on results of the 1st to 12th relocation of revenues of health insurance companies - collected premiums in 2010 and 2011).

Current economic situation of the Czech Republic is reflected in collection of premiums for health insurance due to an increased number of persons registered by labour offices and health insurance contributions related to that. Besides that, payments for the insured, where the payer is the state, have not increased since 2010. Differences between collection of insurance premiums and payments to health establishments were settled from created reserves of health insurance companies.

Of the **total costs** of health insurance companies in **Q4 2011** (costs and expenses from respective funds of health insurance companies), **health care costs** paid from the basic health insurance fund and the prevention fund or possibly from the preventive care fund made up 93.7%, which was the same amount (99,9%) compared with the corresponding period of 2010 (see Table 3). Costs of in-patient services make up a key proportion of health care costs (51%); they down by 2,9% compared to the corresponding period of 2010.

In Q4 2011, the health insurance companies **acquired** intangible and tangible **fixed assets** (incl. land) worth CZK 132 million and CZK 113 million, respectively. The **balance sum** of the health insurance companies (the total of assets or liabilities) reached CZK 63.8 billion at the end of Q4 2011 and, compared to the end of Q3 2011, it increased by CZK 0.2 billion. The acquisition **value of intangible and tangible fixed assets – net** in assets of the health insurance companies was CZK 32 million up compared with the previous quarter.