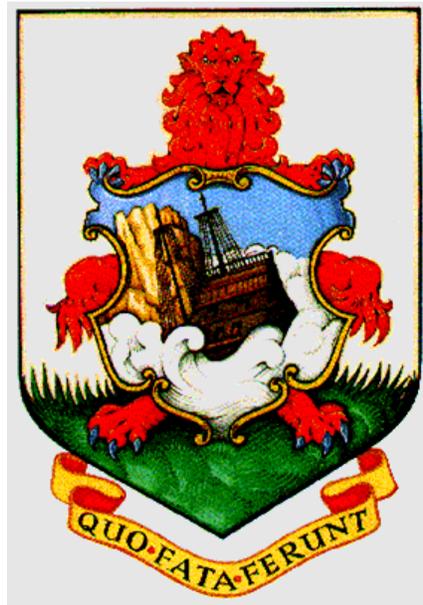


MINISTERIAL STATEMENT

“Update on the Standard Premium Rate for the Upcoming Fiscal Year”



Prepared for

The Honourable Kim N. Wilson, JP, MP
Minister of Health

March 6th, 2026

Mr. Speaker,

I rise today to advise Honourable Members of an adjustment to the Standard Premium Rate, effective 1 April 2026, as previously outlined in the 2025 Budget Statement.

The Standard Premium Rate was last increased on 1 November 2021, when it was set at \$400.31 per member per month.

Since that time, now more than four and a half years, the rate has remained unchanged.

During this period, through the difficult economic aftermath of the pandemic, the Government made a deliberate decision to shield residents from increases to the Standard Premium Rate. Funds from the Excess Borrowing Fund were used to provide temporary support and maintain stability within the health financing system while protecting Bermudian households from additional financial pressure.

Mr. Speaker,

Healthcare costs, however, have not stood still.

Across the world, medical inflation continues to rise. It affects the cost of clinical care, medical equipment, pharmaceuticals, and hospital operations. Bermuda is not immune to these pressures.

In addition, the Bermuda Hospitals Board recently concluded negotiations with the Bermuda Public Services Union representing unionised hospital staff.

Those negotiations resulted in a salary uplift of 18.23 percent, along with a cost-of-living allowance, covering the period April 2022 through October 2025. As a result, retroactive payments totalling \$38 million were owed to staff who have continued to provide essential services during that time.

Mr. Speaker,

These payments recognise the dedication of the nurses, clinicians, technicians, and support staff who sustain Bermuda's healthcare system every day. Ensuring that our frontline healthcare professionals are fairly compensated is essential to maintaining a strong and resilient health system.

These retroactive payments will be issued in two equal instalments, the first was paid on 30 January and the second by 30 April 2026, in accordance with the negotiated agreement.

While \$19 million has already been set aside, the remaining funding requirement must be supported through a combination of government reprioritisation and an adjustment to the Standard Premium Rate.

Following an independent actuarial review, it has been determined that an increase of \$39.24 per member per month is necessary to maintain the financial integrity of Bermuda's health financing system.

Accordingly, the Standard Premium Rate will increase to \$439.55 per member per month effective 1 April 2026.

Mr. Speaker,

This decision is not taken lightly.

However, it is necessary.

The adjustment is driven primarily by the funding requirements within the Mutual Reinsurance Fund.

The Mutual Reinsurance Fund is a cornerstone of Bermuda's health system. It supports high-cost and hospital-based services and ensures that risk is shared broadly across the population. It is what allows essential treatment to remain available when individuals face catastrophic illness or complex medical need.

If the Fund is not stable, the system cannot remain stable.

Honourable Members will recall that the Standard Premium Rate has remained unchanged since November 2021. During that time the Government provided temporary support to shield Bermudians from increases during a difficult economic period.

But healthcare costs have continued to rise. The hospital labour agreement has introduced permanent funding obligations. Maintaining the freeze is therefore no longer sustainable.

This adjustment restores balance to the system and ensures that the resources required to sustain hospital services remain available.

Mr. Speaker,

The Standard Premium Rate forms part of the premium structure across health insurance policies in Bermuda. As such, this adjustment may be reflected in both public and private insurance premiums.

For clarity, the \$39.24 per member per month represents the increase directly associated with this policy decision and the funding needs of the Mutual Reinsurance Fund. Any additional premium adjustments would reflect insurer-specific decisions and should be discussed directly with those providers.

I also wish to note that this adjustment will not apply to individuals enrolled in the FutureCare plan.

Mr. Speaker,

We have one acute care hospital in Bermuda.

That hospital must remain strong. It must remain properly resourced. And it must remain capable of delivering the critical services our people depend upon emergency care, surgery, diagnostics, and treatment for serious illness.

Every day, Bermudians rely on the professionals at the Bermuda Hospitals Board to provide that care.

Ensuring that the system which supports that care remains financially sound is our responsibility.

Mr. Speaker,

The adjustment to the Standard Premium Rate is a necessary step to support the sustainability of hospital services and ensure that Bermuda's healthcare system continues to function for the benefit of our people.

Our duty is not only to manage today's costs, but to safeguard the system on which every Bermudian may one day depend.

Thank you, Mr. Speaker.