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Bermuda: Public Health Insurance

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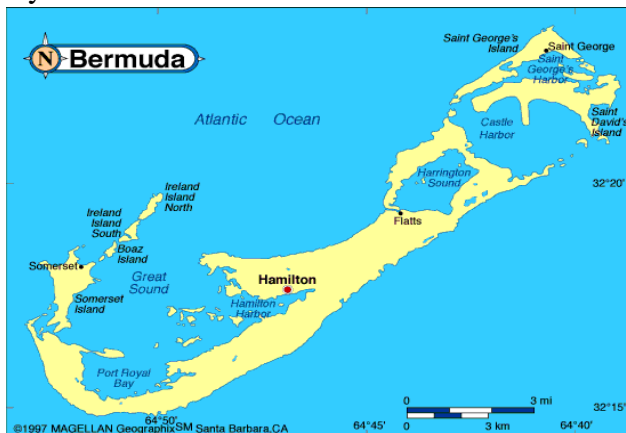
Bermuda: The Importance of Insurance

Issue

Background

Located approximately 650 miles off the coast of North Carolina, Bermuda is a lone island in the Atlantic Ocean. Home to mostly native Bermudans and wealthy retirees, the population is mostly African (53.8%) or white (31%). The community remains tight knit: lacking in displaced individuals almost completely save for several refugees from Vietnam. With a total population of 65,235 people as of 2015, Bermuda's most prominent religion is that of Protestant Christianity (46.2%).

The government of Bermuda is a Parliamentary Representative Democratic Dependency. In other words, Queen Elizabeth the II has ruling over the country through her planted Governors. Currently it is a two-party system featuring the Progressive Labor Party and the One Bermuda Alliance. Currently speaking, Bermuda faces no threats from foreign entities as it is under official protection of the British Crown. However, public schools are far below the level of the private schools. Health/Medical insurance also ranks among the most expensive in the world and Bermuda lacks in a national health insurance system. The Bermudan unemployment rate also stands at 7% as of 2015.



Bermuda, while not undeveloped as a country, remains far behind the modern world in terms of Public Health Insurance (PHI). Along with offering no national PHI, Bermuda is also the highest annual spender on health in the world per capita at \$11,952 (Government of Bermuda, 2014). This large amount of spending has caused Bermudan spending to reach 13 percent of the nation's Gross Domestic Product (GDP) – a full 3.7% higher than the world average (Organization for Economic Co-operation and Development (OECD), 2014). As such, health insurance throughout Bermuda is offered by employers as required by law (Chappel and Penning). While this is a temporary solution to the lack of a proper healthcare system, it does not cover the 7% of the population that is unemployed, nor does it help cover any tourists, all of whom make up Bermuda's second most important economic industry of tourism (Bermuda-attractions, 2017).

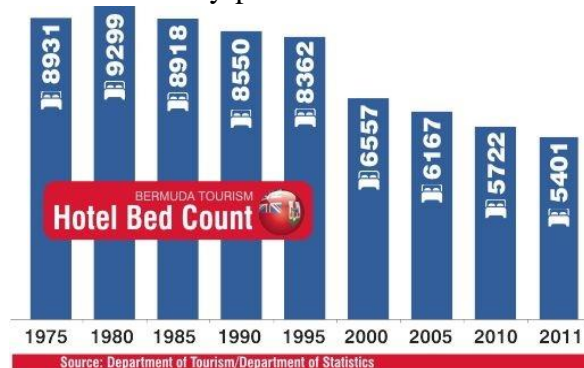
Thanks to the lack of coverage, travel to Bermuda often comes with national warnings (including ones on Bermuda's official government site) stating any tourists should come already insured for any possible injuries or deaths while they stay in Bermuda to provide themselves proper coverage during their vacation and upon their return (Government of Bermuda, 2014). As such, any foreigners in Bermuda lack insurance and hence these are the people most at risk.

Foreign Industry and Disease

While Bermuda is lacking in proper healthcare, surprisingly it does not have many issues with high-profile diseases such as Acquired Immune Deficiency Syndrome (AIDS). In fact, as of 2015, Bermuda has only experienced 464 deaths from AIDS or its predecessor Human Immunodeficiency Virus (HIV) since the disease's outbreak (Government of Bermuda, 2015). As such, the pressure to fix the current system does not seem present. However, current attempts to fix the public health insurance format include the requirement that employers provide their employees with health insurance. As discussed before, while this does help 93% of the population, those who are unemployed lack health insurance.

Tourists also lack any coverage.

Ironically, the largest portion of the Bermudan economy is the insurance market: comprising a reported \$442 billion in assets as of 2009 (Bermuda-attractions, 2017). However, this part of the market has to do with catastrophe insurance, such as coverage for hurricanes. While this does offer protection to the public in a specific way, it does not help to solve the lack of everyday nationally-provided healthcare.



<http://www.bermuda-online.org/accomm1.htm>

Solution

A plan that can be put into action relatively quickly would work best. Bermuda should establish a national health insurance system within the next 5-10 years while relying on the functioning system of employer-based insurance until the NHI becomes mainstream in the population. Then, naturally, Bermuda would abolish its law requiring employers to provide insurance to its employees, thereby allowing these businesses to allocate more funds to hiring more employees – potentially lowering the unemployment rate to between 3-5%, a near “perfect” unemployment rate in countries as small as Bermuda. However, the likelihood of this project being undertaken by the Bermudan government is slim as – other than extreme expenditures per capita – there is no mounting pressure to formally establish a national health insurance system.

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