



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **State aid: Commission finds Slovak system of compulsory health insurance involves no state aid**

Following an in-depth investigation, the European Commission has concluded that the Slovak system of compulsory health insurance does not contain elements of state aid. In particular, the Commission has found that the state-owned health insurers SZP/VZP are not undertakings because they do not carry out an economic activity within the meaning of EU rules. Their activity is therefore outside the scope of EU state aid control.

Following a complaint from a competitor, the Commission opened an in-depth investigation in July 2013 to assess whether a number of state measures in favour of the publicly-owned health insurers SZP/VZP, including capital increases and debt discharges, were in line with EU state aid rules.

EU state aid control only applies if the beneficiaries of the public aid measures are undertakings carrying out economic activities. Therefore, the key aspect of the assessment of this case was to determine whether the way compulsory health insurance in Slovakia is organised and carried out amounts to an activity of an economic nature within the meaning of EU state aid rules.

The Commission conducted a comparative assessment of the presence and relative weightings of different features of the Slovak compulsory health insurance system. On the one hand, in its assessment the Commission had to take into account the introduction into this system of a limited degree of profit-making and competition (which existed only concerning quality of service but not regarding the level of contributions). On the other hand, the Commission took into account the social and collective character of the system. Indeed, the system is based on compulsory membership for most Slovak citizens, with contributions fixed by law in proportion to the income of the insured person, while all insured people are guaranteed the same minimum level of benefits, the value of which is unrelated to the individual contribution paid.

On this basis, the Commission's investigation has found that social objectives are predominant in the Slovak health insurance system and that it is centrally based on the solidarity principle. The Commission therefore concluded that the activities concerned are not of an economic nature and that the public funding of health insurers operating in that system therefore does not amount to state aid. This conclusion relates to the specific way in which that activity is organised and carried out in Slovakia and is therefore specific to the system in the Slovak Republic.

### **Background**

There are currently three companies providing compulsory health insurance in Slovakia, i.e. the state-owned players SZP/VZP, the privately-owned insurer Dôvera and the privately-owned insurer Union Health.

In 2007 Dôvera lodged a complaint alleging that unlawful state aid was granted in 2005-2006 to one of the two state-owned health insurers (SZP), in the form of a €15 million capital increase. In 2011, the complainant extended the scope of its allegations to several other measures (i.e. additional capital increases, debt discharges and direct subsidies) in favour of SZP as well as VZP, the other Slovak state-owned health insurer with which SZP had merged in 2010.

The non-confidential version of today's decision will be made available under the case number [SA.23008](#) in the [State Aid Register](#) on the [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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