



PMI

Product training



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Why do people buy

Reasons for buying PMI

Speed of access for diagnosis and treatment

Access to **all** cancer treatments

Superior private accommodation

A **Choice** of facilities and consultants

Avoid NHS postal code lottery to treatment



So what is PMI ?

Private medical insurance (PMI) is an insurance policy designed to meet some or all of the costs of private medical treatment. It is also known as private health insurance.

The policy can cover the following :

- Access to a wide range of the top consultants and specialists
- Diagnostic tests & scans
- Treatment and surgeries
- Access to private hospital facilities, on-suite with no visiting restrictions
- Aftercare services such as physiotherapists & acupuncture
- Access to drugs and medicines not generally available on the NHS
- Choice of consultants and facilities
- A range of added benefits such as home nursing facilities, use of a private ambulance and dental and optical services



What conditions does it cover ?

Private **Medical Insurance** is designed to pay for private medical treatment for curable, short-term illnesses (**ACUTE** conditions).

It can also include the cost of surgery, accommodation, specialist fees and nursing.

Patient types

In terms of medical cover and treatment there are 3 definitions of a patient, which are used to define the cover you will receive under a PMI policy. These are...

1. **In-patient** - This is where you go into hospital, occupy a bed and spend 1 night or more in the hospital for you treatment.
2. **Day-patient** - This is where you go into hospital, occupy a bed but don't stay in overnight.
3. **Out-patient** – This is where you attend hospital, **don't occupy** a bed and leave the same day. (normally for consultancies, initial diagnostic tests and any follow up appointments etc).



Cover for each patient type

In & Day Patient cover CAN include:

- Hospital charges - Accommodation, food , nursing care, drugs, dressings etc.
- Specialist fees – Such as Doctors, Surgeons or Anaesthetist
- Diagnostic tests (Pre-post Operation) – X-rays, scans , blood test etc.
- Cancer cover – Includes Radio/Chemotherapy and potential use of more expensive cancer treatments frequently not available through the NHS.
- Psychiatric – as an in patient. This will cover treating for mental health issues.



Cover for each patient type

- Out-patient cover CAN include:
- Specialist/consultants fees – Including the initial consultancy
- Diagnostic tests - Including diagnostic x-rays, blood-tests scans etc.
- CT/MRI/PET scans
- Cancer care – As an outpatient – including check ups and scans
- Complimentary Therapies – Such as chiropractors & Osteopathy
- Alternative Medicines – Such as Acupuncture, podiatry and holistic treatments
- Psychiatric cover – as an outpatient.



**ADDITIONAL
BENEFITS**

Additional benefits

The following Additional Benefits **may** also be available on the policy :

- Home Nursing
- Private Ambulance
- Parent Accommodation
- NHS cash benefit – When NHS used for procedure covered on PMI policy
- Maternity cash benefits – paid on the birth/adoption of a child (qualify period applies)
- Dental/Optical cover – Important to check level of cover
- Overseas Cover – which may include evacuation & Repatriation cover
- Travel cover
- Pregnancy/Maternity – ONLY covers for complications in pregnancy

**The nature of the benefits will differ from Insurer
to Insurer and the level of cover you choose **

Levels of cover

There are 3 main levels of cover available on PMI. They are.....



As the names suggest, the level and amount of cover that you get increases as the level increases. They will not be named on the system but will be defined by the level and amount of cover they offer.

We will now look at the levels individually....

Budget/Basic

Many of the panel insurers offer BUDGET plans with low costs, no extra benefits and limits on cover for different types of treatment. They typically include.....

- Limited Cover.
- Will be for just Diagnosis or Treatment.
- Usually not include Cancer cover.
- Have very limited additional benefits.



Mid range

These will cover everything included in a budget plan. They will be more expensive but will typically feature...

- Full in/day patient treatment
- Limited out patient cover (Usually £500 or £1000)
- Limited therapies
- Full out-patient CT/MRI/PET scans
- Cancer cover
- Additional benefits such as parent accommodation cover, cash benefits or private ambulance cover



Comprehensive

The top level of cover and the one that gives the customer the fullest cover.

Benefits will include...

- Full in/day patient cover
- Full out patient cover
- Therapies
- Full cover for CT/MRI/PET scans
- Cancer cover
- Ancillary benefits
- Additional benefits which include worldwide cover, complications in pregnancy and often Dental and Optical cover..

Hospital types..

There are 4 different types of hospital...

- NHS – Completely public services
- Private – Completely private services
- PPU (Private patient unit) – private facilities within an NHS hospital
- Diagnostic – Private facilities for diagnostic tests



Hospital List



In all cases it is important to check what the list covers as some of names can be deceiving.

- Always check the list if you are looking at a specific hospital.
- Most insurers will offer an **upgraded** list which will give the customer access to the Elite central London hospitals.
- Some insurers will give specified discounts if the customer limits which hospitals they can use.

Excess



It is possible to apply an excess to your policy, which come in 3 different types.

- **Annual** - The customer makes a one off payment in the policy year for a specified amount. The excess will apply for each person on the policy
- **Per claim** – The customer pays the specified amount for each claim made
- **Co pay or Shared responsibility** – The customer will pay a % of a claim up to an annual maximum amount.

Underwriting Options

When we look at the underwriting options on a policy, we are looking at the way the insurer will interpret **if**, **how** and **when** they will cover any existing medical conditions the customer may have prior to taking up the cover.

If the customer has no existing medical conditions then the choice is easier.

However if they have suffered from previous medical issues then these will need to be considered to confirm what level of underwriting is best for the that individual customer.



Underwriting Options

In PMI there are **4** types of Underwriting:

- Moratorium
- **Full Medical Underwriting (FMU)**
- Switch (CMORI or CPME)
- MHD



Moratorium



- **Under the rules of Moratorium.....**

The Customer is not required to disclose any medical details at the start of the policy. However any condition that they have had..

- Symptoms
- Diagnosis
- Advice
- Treatment
- Medication

..for in the last **5 years** prior to the start of the policy will be deemed to be a pre-existing condition and will **not be covered** until they have been **2** consecutive years free from Symptoms, diagnosis, advice, treatment or medication.

The Moratorium is often referred to as **the 5-2-2.**

Any **new** conditions are covered immediately.

Advantages of Moratorium U/W.

- **Less paperwork** - With moratorium underwriting, you do not need to fill in any forms when taking out the cover meaning that a policy can be taken out with immediate effect.
- **No obligation to disclose everything** – with a moratorium policy, you don't have to remember your full medical history or risk invalidating your policy by leaving something out.
- **Shorter pre-existing conditions period** – only conditions that occurred in the last five years are excluded. Fully underwritten policies can often exclude conditions from **any** time in the past.
- **Subsequent cover for pre-existing conditions** - if you have a pre-existing acute condition that shows no symptoms for two years, then this can subsequently be covered by your private health insurance policy. Fully underwritten policies may exclude pre-existing conditions permanently.

Good for:
Healthy individuals.
People with older medical conditions .
Certain pre existing conditions that may be covered in the future.



Full medical underwriting (FMU)

On a fully medically underwritten policy..

The customer is asked to complete a medical questionnaire at the start of the policy detailing all medical conditions.

Most insurers will ask for information for the last 5 years (other than heart conditions or cancer history), however there are a few who will ask for a declaration of any medical conditions the customer has EVER suffered , and can also include GP visits or even advice given on-line or over a medical advice line.

The information gathered will then be sent to the insurers medical underwriting team who will decide if the risk is acceptable and if any exclusions are to be applied. If a exclusion is included it will normally exclude that condition on a permanent basis

Advantages of FMU U/W.

- **No automatic exclusion** - The insurers may consider whether a condition can be covered, unlike on a moratorium policy, where the condition is automatically excluded for 2 years.
- **Minor symptoms may be included** – any early symptoms could result in exclusion under a moratorium policy. Fully underwritten policies may not consider some early symptoms of a disease significant and may not specifically exclude the condition.
- **Will make it clear what is not included** – while a fully underwritten policy will be black and white about what is included or excluded, you may not be sure with a moratorium policy until you make a claim and they look at your medical history.
- **No Delays in claims** – Because the policy is underwritten at the start, there should be no delays at the time of a claim. On a moratorium the insurers may request medical details from the customer prior to a claim being accepted.
- **Possible acceptance at an older age** – some companies may exclude the option of moratorium at the start due to the customers age.

Good for:
Certain pre existing conditions that may be covered.
Knowing exactly what is and isn't covered.
Older customers

Switch policies.

Where a customer already holds an existing Private Medical Insurance policy and is considering changing to another provider it may be prudent to look at a switch policy.

Essentially the new policy will mirror that of the policy the customer formally held, and gives the same U/W criteria as that policy.

For what reasons may the customer be looking to change?

- Cost
- Insufficient cover
- Specific cover not available with current insurance
- Displeasure with current insurer.





Switch

When a customer has an existing PMI policy and wishes to move to another it is referred to as a SWITCH case.

As there are 2 basis U/W methods on a PMI policy, it stands to reason that there are 2 types of switch policy. These are :

- Continued Moratorium (**CMORI**) – The Original policy was on a moratorium basis
- Continued Personal Medical Exclusions (**CPME**)- Essentially the Original policy was on a FMU basis.

Continued Moratorium (CMORI)

A continued moratorium will basically honour the date on which the original moratorium policy was taken out.

So for example.....

- Mr Jones took his original moratorium policy out on the 1st Feb 2012. He had a knee operation on 15th Nov 2011, which was excluded on that policy due to the moratorium rule.
- Mr Jones is unhappy with his renewal premium for 2016 and is looking to change to another insurer.
- If we were to place Mr Jones on a new Moratorium policy, as the knee op is still within the last 5 years, the 2 year exclusion period would begin again.
- However if we set up a switch CMORI policy, the original date of the policy would be honoured and the knee will be covered immediately.

This assumes that there were no further symptoms, treatment or medication from the original knee op

Continued Personal Medical Exclusions (CPME)-

A continued personal medical exclusion policy will copy the exclusions listed on the existing policy.

So for example.....

- Mr Jones took his original FMU policy out on the 1st Feb 2012. He had a right knee operation on 15th Nov 2011 and also broke his left foot on 9th Jan 2011. Both were listed as permanent exclusions on the policy.
- Mr Jones made a claim through his PMI policy for a shoulder injury sustained playing tennis on 4th December 2012, had an operation and 5 sessions of physio ending 10th Feb 2013.
- Mr Jones is unhappy with his renewal premium for 2016 and is looking to change to another insurer.
- If we place Mr Jones on a new FMU policy, the policy is likely to still exclude the knee and the foot but will probably now also exclude the shoulder as well.
- However if we set up a switch CPME policy and the terms are acceptable to the insurers, the policy may still exclude the knee and the foot, but will cover the shoulder immediately.

What triggers a claim

Visit to see family doctor

Doctor's referral to see specialist

PMI claim approval required by insurer

Book appointment to see specialist

Quick access to diagnosis and treatment





Pricing Factors

The cost of the PMI policy will in the main depend on the following factors....

- **Age**
- **Who is covered. Single/Joint/Family**
- **Smoker/Non smoker**
- **Postcode**
- **Previous claims experience**
- **Hospital coverage**
- **Type of policy/Add-ons required**
- **Excess**
- **Existing medical Conditions**
- **Lifestyle**



Main factors in purchasing PMI.

The main factors effecting someone's likelihood to purchase PMI will be..

- **Their age** - Health tends to be more of an issue as you get older.
- **Their Income** – It is regarded as a luxury product, so cost will always be a factor.
- **Health facilities in their local area** – If there are poor facilities in their local area, they might decide to go along the private route for better and easier access to healthcare.
- **Previous experiences of the NHS or with PMI** – If they have had a negative experience in an NHS hospital this will also be a large factor in choosing PMI.
- **Existing medical conditions** – They have existing or previous medical conditions

What are the main benefits for the customer ?

