



Rethinking Health Insurance

Vitality Health Claims Insights Report 2024





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All figures are taken from Vitality claims and engagement data, 2015-2024, unless otherwise stated.

Foreword

Health insurance is entering a new era



The healthcare landscape has transformed over the past five years. Gone are the days when it was enough for health insurance to merely cover the costs of hospital treatment. Today, customers expect a far broader range of services, from support for leading a healthy lifestyle to seamless pathways into care when they need it.

Helping people live longer, in better health

Against this backdrop, our nation’s health is not improving. Almost two thirds of the UK are either obese or overweight, and we are leading increasingly sedentary lifestyles¹. If these areas are not addressed, we risk encountering an unsustainable burden of ill-health.

Encouragingly, we’ve seen first-hand that incentivising positive lifestyle choices through our Vitality Programme is helping people to lead healthier, longer lives - as well as reducing healthcare costs.

Meeting new levels of everyday care demand

This shifting environment has also meant we’ve needed to develop products that appeal to an evolving customer base. In recent years, we have seen primary care services - such as GP visits, physiotherapy and mental health support - become integral features of health insurance as people’s needs have changed.

As insurers, we’ve delivered new pathways and expanded capacity to meet this demand. Our members are today claiming for everyday healthcare services more than any other form of treatment, presenting an opportunity to deliver more immediate value, and intervene earlier to improve their long-term health.

Laying the foundations for a more sustainable industry

Given this changing landscape, it is vital that our industry ensures our products are not just effective but sustainable too. Through harnessing more sophisticated consultant data, combined with further investment in digital pathways, we are delivering better patient outcomes, including lower hospital readmissions, which is also driving greater efficiency.

Understand the needs of today’s customers

All of this means that customer needs look very different to how they did two or three years ago. As an industry, it is crucial we understand the reasons why customers are considering our products, what they value, and how this translates into utilisation.

Therefore, as part of this year’s Claims Insights report, we commissioned independent research on 1,000 UK health insurance customers, to understand their attitudes towards health insurance. Combined with Vitality Health claims and engagement data, the report examines the latest healthcare trends, what this means for clients, advisers, and insurers, and how we can ensure that our industry is best positioned to move health insurance forward, as we enter a new era.

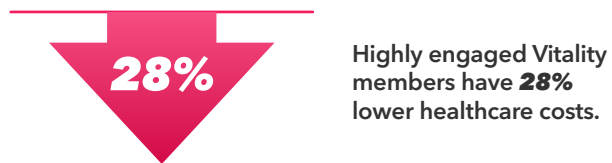


Dr Keith Klintworth, Managing Director
VitalityHealth

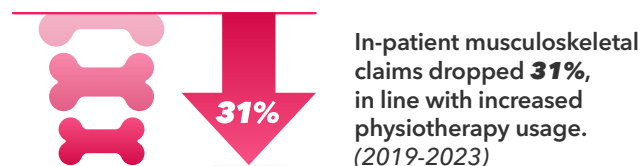
¹Office for Health Improvements and Disparities, 2024.

Health Claims Insights 2024: At a glance

Beyond wellness:
Embedding prevention at every stage of the healthcare journey



Healthcare in the palm of your hand:
How demand for everyday care is transforming insurance



Next-generation insurance:
Harnessing data and technology to drive better health outcomes



What UK health insurance customers told us...



Quick and easy access to care is the top consideration for customers when choosing health insurer.



Find out more

For more information please speak to your Vitality Business Consultant or visit our website: adviser.vitality.co.uk.

Source: Vitality UK data 2015-2024 and Vitality and Opinium survey of 1,000 health insurance customers, May 2024.

Beyond wellness: Embedding prevention at every stage of the healthcare journey



Three stages of prevention - key attributes

1 ←

Primary Prevention

- Building awareness of key health risks
- Support and tools to lead a healthy lifestyle
- Rewards and incentives for physical activity, healthy eating and mindfulness.

2 ↓

Secondary Prevention

- Detailed understanding of key health metrics
- Cancer risk assessments and targeted screenings
- Personalised health recommendations and support for key risks.

3 →

Tertiary Prevention

- Lifestyle support during treatment and recovery for key conditions
- Rehabilitation and recovery services to improve wellbeing post-treatment
- Personal case management support.

"With over nine million people in the UK projected to be living with major illness by 2040², prioritising people's wellbeing at every stage of the healthcare journey - before, during and after claim - is only going to become more important. This allows our industry to go beyond just promoting wellness and towards genuinely making a positive impact on the lives of our members, from preventing ill-health before it emerges, to delivering more effective treatment and improved recovery. As an industry, we must aspire to deliver products that actually help people live longer in better health, regardless of where they are in their health journey."

Nick Read, Managing Director, Vitality Programme.

²Health in 2040: projected patterns of illness in England; The Health Foundation, 2023.



Primary prevention: Changing behaviour through incentives and rewards

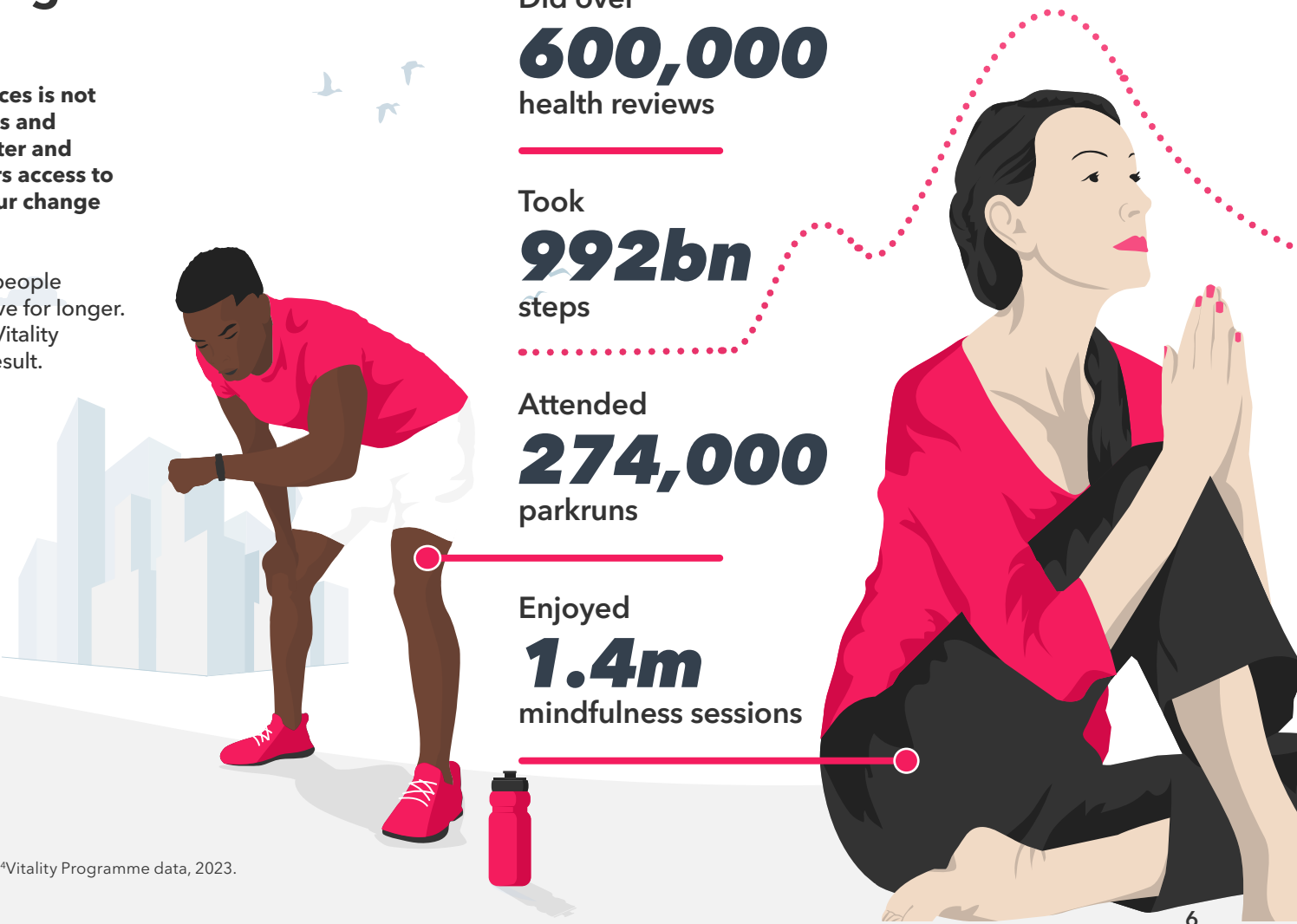
Encouraging people to make healthier lifestyle choices is not easy. It takes a sophisticated combination of rewards and incentives to change people's behaviour for the better and sustain it over time. That's why we give our members access to the Vitality Programme, the world's largest behaviour change programme linked to insurance.

Designed specifically to drive engagement and nudge people towards healthy habits, its aim is to help our members live for longer. 2023 saw high levels of member engagement with the Vitality Programme, and significant health improvements as a result.



Did you know?

75% of health insurance customers believe insurers should help them get healthier (without making a claim)³.



In 2023, Vitality members⁴...

Did over
600,000
health reviews

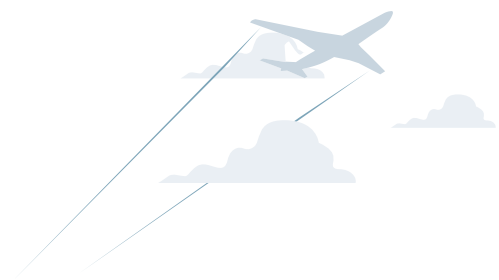
Took
992bn
steps

Attended
274,000
parkruns

Enjoyed
1.4m
mindfulness sessions

³Private Healthcare survey of 1000 UK adults, Opinium, Vitality, May 2024. ⁴Vitality Programme data, 2023.

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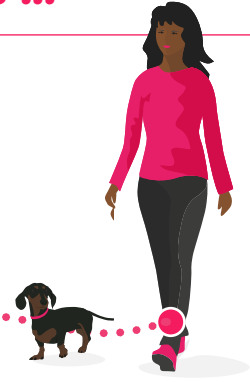


Through this engagement, they experienced significant health improvements⁵...

They received **£82m** total value through rewards and partners

They earned **972,000** cinema tickets

13% increase in physical activity



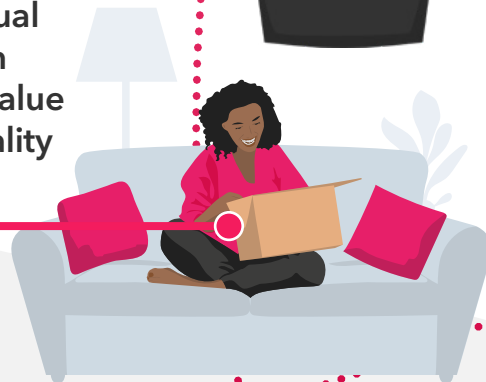
Members using the Vitality Programme benefit from over **25%** of their annual premiums in additional value through Vitality rewards



2.4m handcrafted beverages from Caffé Nero

Enjoyed **1.4m** healthy food baskets from Waitrose & Partners

20% improvement in diet



⁵Vitality Health Review data 2022-2023. Diet refers to improvement in consumption fruit and vegetables and reduction in consumption of fatty foods.



Secondary prevention: Helping people understand their health and take action

From primary to secondary prevention

Earlier diagnosis is proven to improve patient outcomes, making it crucial that our members are aware of their underlying risks and provided appropriate health screening pathways through their health insurance. This is an example of secondary prevention.

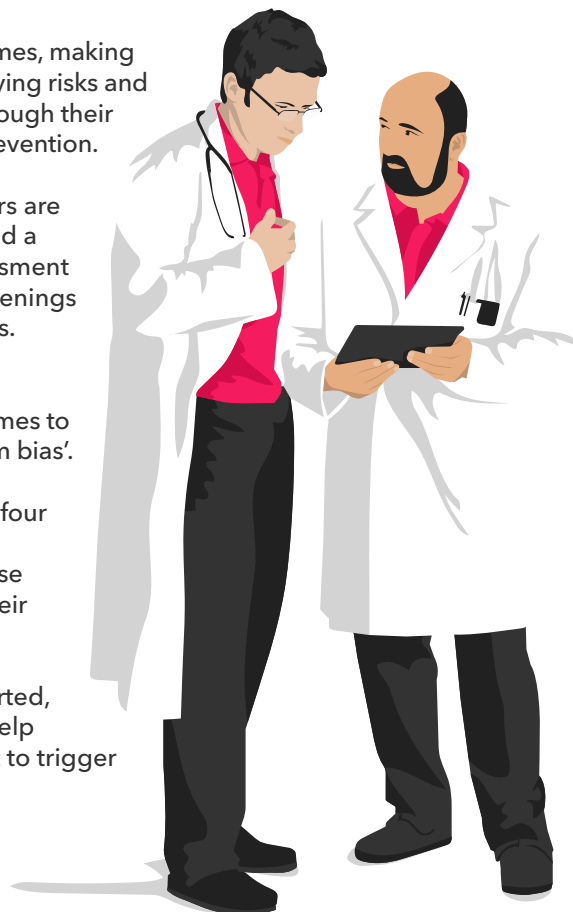
To get a snapshot of their health, all Vitality members are encouraged to complete an online health profile and a Health Check with a clinician, alongside a risk assessment for five types of cancer. Other advanced health screenings are also available depending on age and risk factors.

Beating health over-optimism

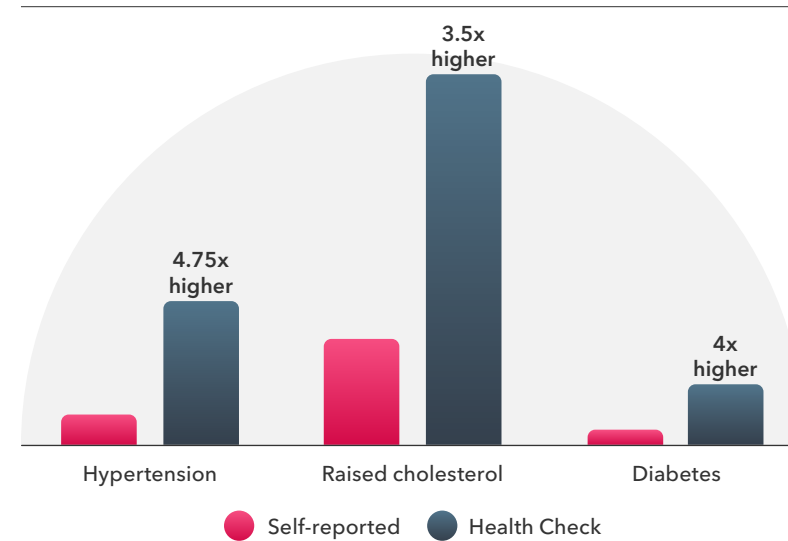
Human beings tend to be over-optimistic when it comes to our health. Behavioural economists call this 'optimism bias'.

We see this in our data. Vitality members are around four times more likely to be identified as having an at-risk reading for hypertension, cholesterol or blood glucose levels through a health check with a clinician, than their self-reported numbers would suggest (see graph).


This is why Vitality offers a combination of self-reported, clinician-led checks and specialised screenings to help members not just build a picture of their health, but to trigger them to take positive steps to improve their health, with support from Vitality.



We think we are healthier than we are



Vitality Health Review and Health Check data, 2023-2024



600,000
Vitality members completed a health review or health check in 2023.



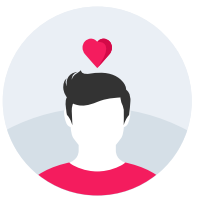
Improving health awareness and early diagnosis

In 2023, Vitality launched a new online Cancer Risk Assessment - available to all members. Members identified as 'at-risk' are then offered access to discounted screening for breast, bowel, cervical, prostate and skin cancer. This enables earlier diagnosis and complements existing screening pathways available through the NHS. Since the introduction of this service, over 14,000 members have completed the Cancer Risk Assessment. Around 10% have been directed to appropriate screening services.



Over 14,000 members have completed the Cancer Risk Assessment since its introduction.

Vitality Next Best Action



Personalising health support

Empowering members with a deeper understanding of their health also enables Vitality to make personalised recommendations to trigger the most important actions they can take to improve their health: their Vitality Next Best Action.

Vitality has made significant progress in helping members address their most important health risks, as a result boosting their long-term health and life expectancy.



Weight management pathway

Since 2022, Vitality has offered a 12-month weight management pathway for at-risk members. Those who took part on average lost 5.6% of bodyweight. **Over half (52%) reached the target of 4%**, while 24% achieved a weight loss of 10%.

These levels of weight loss are associated with reduced risk of diabetes and cardiovascular disease. Findings from the first phase of the pathway showed that **43% of members with type-2 diabetes reversed their diabetes.**



Quit smoking pathway

Vitality has also demonstrated strong success in supporting members to quit smoking. **47% of members enrolling in the Vitality quit smoking pathway** (launched in 2022) were able to quit smoking.





Tertiary prevention: Wellbeing support during and after treatment

As well as reducing the risk of people getting ill in the future, evidence shows that healthy lifestyle changes are improving healthcare outcomes in a clinical setting too. A study of Vitality members in South Africa found that those who were more active before a cancer diagnosis had 48% improved survival rates for breast cancer and 53% for prostate cancer⁶.

Lifestyle support during cancer treatment

In 2022, Vitality introduced its Cancer Support Programme. Members going through chemotherapy benefit from specialist dedicated case management and tailored lifestyle coaching to manage treatment side effects, nutrition and rehabilitation via an app. Patients enrolled in the programme between 2023 and 2024 saw improved levels of exercise, stress and anxiety, as well as better quality of life⁷.

Reducing mental wellbeing risk

A strong relationship can also be observed between physical health and mental wellbeing. Vitality Health members who were active at least twice a week were 17% less likely to make a severe mental health claim than those who were inactive, adding to significant evidence of the positive impact of physical activity on the prevention of, and recovery from, mental health conditions.



Vitality Cancer Support Programme

- 1** Prehabilitation (physio)
- 2** Diet and nutrition support
- 3** Lifestyle coaching
- 4** Psychological support
- 5** Rehabilitation (physio)

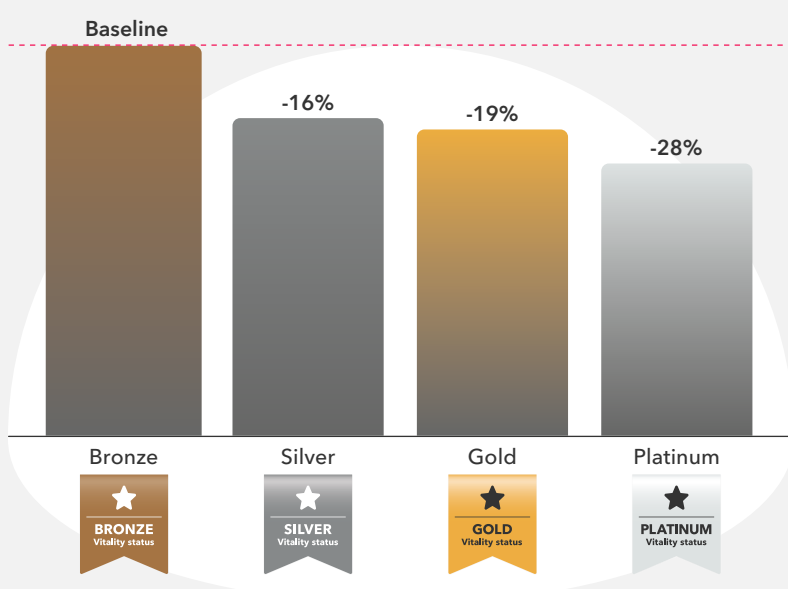
⁶Based on 7-year survival rates, Discovery Health data, 2015-2022. ⁷Vitality members enrolled in Cancer Support Programme 2022-2023.

Healthier, longer lives - how this benefits everyone

The benefits of physical activity for our mind and body are widely known. However, Vitality is the only insurer demonstrating strong evidence that those engaging in healthy habits are living longer and bringing down healthcare costs.

Engaged Vitality members claim less
Members engaging with the Vitality Programme - through physical activity, health checks and more - see significant decreases in claims costs compared to unengaged members. On average, those achieving Platinum status generated 28% lower claims costs compared to Bronze members.

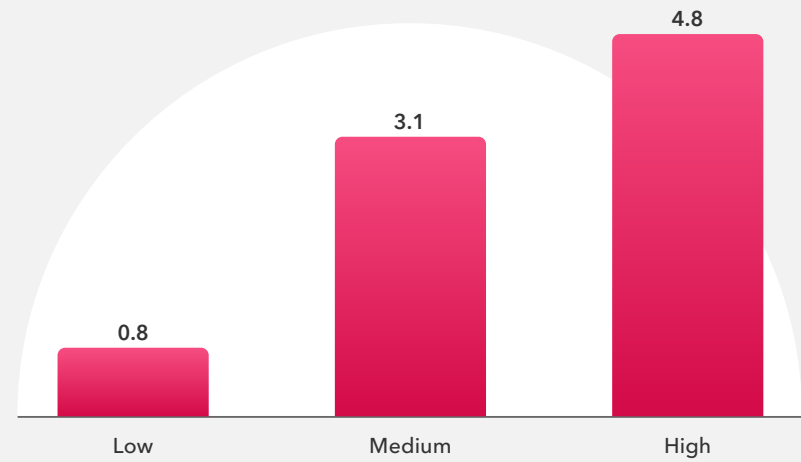
Vitality Health claims costs by Vitality engagement



⁸The Habit Index, Vitality and London School of Economics, 2024.

Vitality is helping members to live longer
There is also powerful proof of the positive impact of physical activity on longevity. Highly active members enjoy a life expectancy nearly five years longer than those who are less active. Even those doing small or moderate weekly exercise are benefiting from healthier, longer lives.

Potential improvements in life expectancy by level of physical activity.[^]



[^]Based on VitalityLife Shared Value Modelling. Example of life expectancy improvements based on a 30 year old man earning a consistent number of activity points each week throughout their lifetime.

Creating a more sustainable healthcare system
Such a preventative approach can also have profound implications for healthcare sustainability. In addition to Vitality's member engagement and claims data, recent research conducted with the London School of Economics revealed the NHS could save an astounding £15bn annually: if the inactive UK population walked just 5,000 steps three times a week⁸.

Prevention: By the numbers

During 2023, Vitality member data reveals...

992bn steps in total

600,000+ health review

14,000+ Cancer Risk Assessments

4.8 years longer life expectancy for highly active members

28% lower claims costs for Platinum members



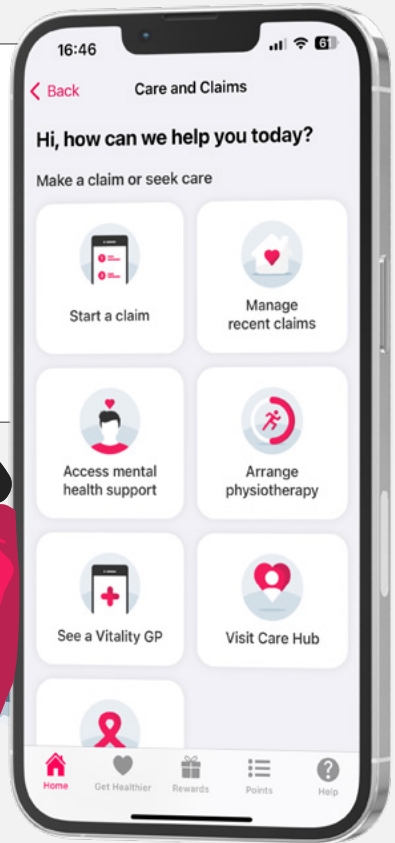
Healthcare in the palm of your hand: How everyday care is transforming health insurance

After introducing everyday care to health insurance through launching Vitality GP app in 2015, we've continued to integrate primary care services into the care journey to manage increasing demand.



"Customer expectations of health insurance have shifted from a product that covered secondary treatment in hospitals to one that encompasses everyday care services such as virtual GP, physiotherapy and Talking Therapies. This shift, alongside more holistic support for health and wellbeing, presents a key opportunity for insurers to offer a more comprehensive product which helps customers navigate the healthcare system, effectively placing healthcare in the palm of their hand."

Dr Katie Tryon, Director, Everyday Care

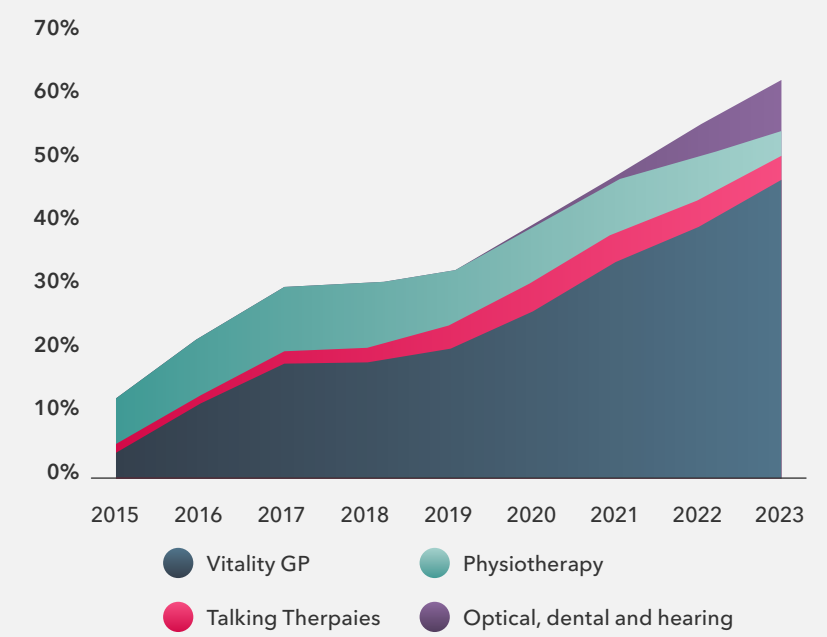


Significant growth in everyday care demand

Vitality, along with the rest of the health insurance industry, has seen significant demand for everyday care services – including virtual GP, physiotherapy and Talking Therapies. Claims rates for everyday care increased by 83% between 2019 and 2023.

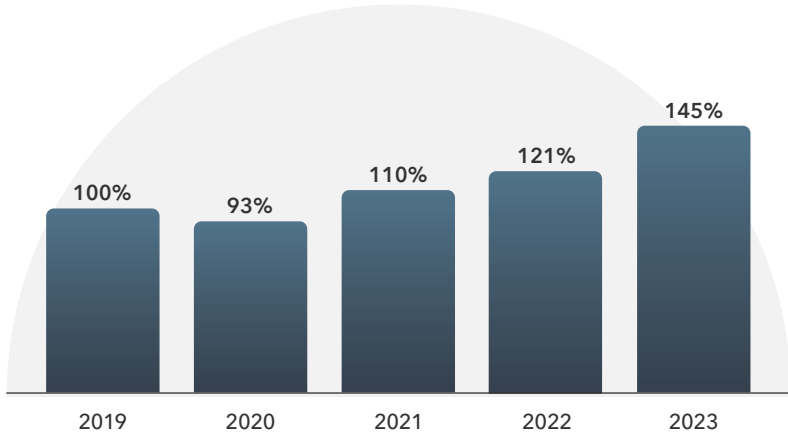
In 2023, everyday care represented almost two-thirds of Vitality Health claims. **64%**

% of total claims for everyday care



Overall rates of claim have increased significantly

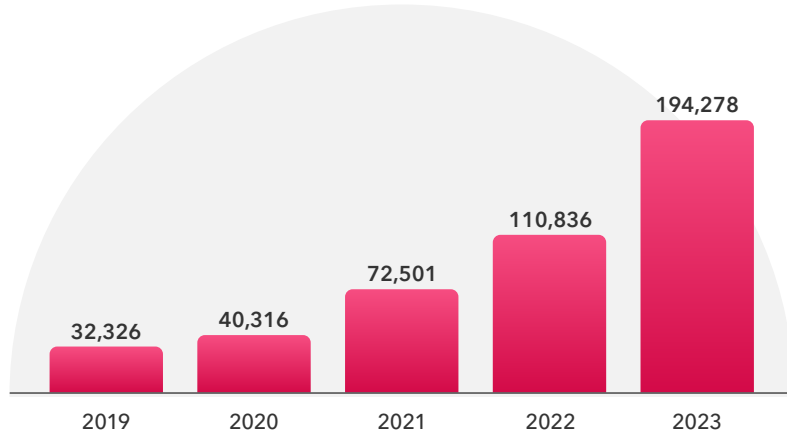
Relative increase in proportion of members making a PMI claim



Vitality has seen a 45% increase in the proportion of members making a claim between 2019 and 2023, including both everyday and secondary care.

This increase in claims has significantly exceeded the dip in activity seen due to lockdowns in 2020, indicating that this trend is here to stay.

Sixfold increase in Vitality GP consultations



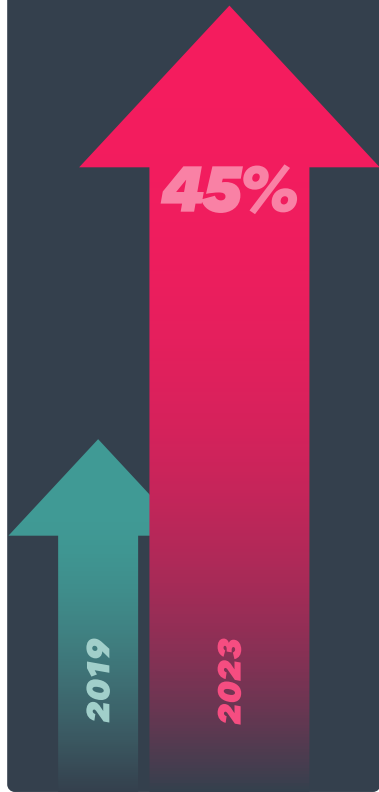
A significant driver of this increase has been demand for Vitality GP services. From 2019 to 2023, we have seen a sixfold increase in virtual GP consultations. Vitality has built significant capacity to manage this demand, delivering 99% of consultations within 48 hours, as reflected in a 4.9-star app rating.

With private GPs access ranking as the top feature customers would like to see within their health insurance, according to our recent survey⁹, it has become an integral part of any comprehensive health insurance product.

⁹Private Healthcare survey of 1,000 UK adults, Opinium, Vitality, May 2024.



Vitality has seen a 45% increase in the proportion of members making a claim between 2019 and 2023



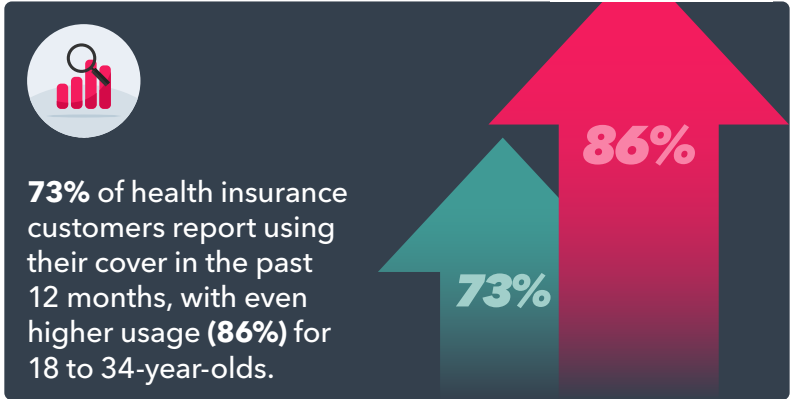
Appealing to new segments of customers

Turning traditional perceptions of health insurance on their head

Traditional health insurance products - typically purchased to cover the costs of private hospital treatment for elective procedures, or severe health events - have historically appealed primarily to older, more affluent customers. The recent emergence of everyday care services within PMI has revolutionised this perception.

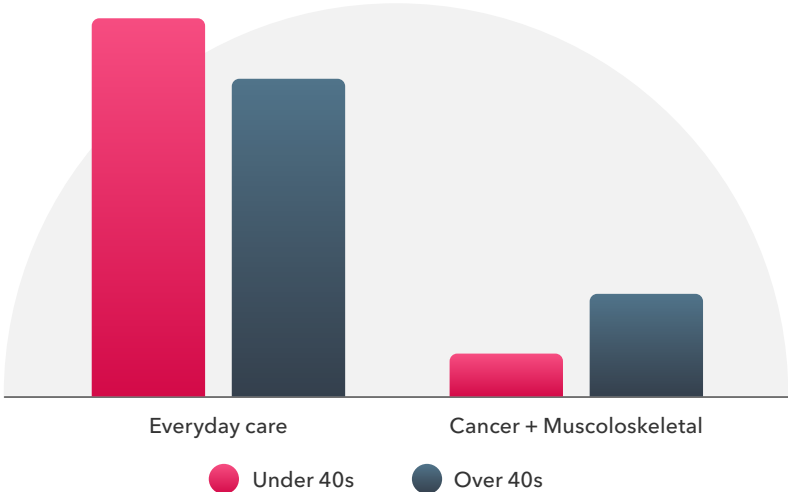
Across the market, 73% of health insurance customers report using their cover in the past 12 months, with even higher usage (86%) for 18 to 34-year-olds.¹⁰

Vitality's everyday care benefits demonstrate strong value for younger customers, with claims rates being highest among 30 to 40-year-olds, decreasing with age. Conversely, claims for cancer treatment and in-hospital treatment for musculoskeletal conditions are lower for those under 50 and increase significantly for older customers, as would be expected. This highlights that health insurance can increasingly be a product which appeals to people of all ages.



¹⁰Private Healthcare survey of 1,000 UK adults, Opinium, Vitality, May 2024.

Claims per 1,000 lives by age group



Appropriate everyday care pathways prevent more serious claims

Effective triage and onward referral

To be part of a sustainable healthcare system, everyday care must be seamlessly integrated with onward care, effectively directing patients to the right care pathway based on their needs.

For members seeing a Vitality GP, more than half (52%) of care requests can be managed in an everyday care environment, either solely by the GP (through medical advice or a prescription), or through referral to everyday care services. Only 25% of members require an onward referral - either to see a consultant, or into Vitality's cancer diagnosis pathway. A remaining portion of claims were referred into the NHS or emergency care.

This underscores the vital role that technology can play in directing members quickly and efficiently to the most appropriate treatment pathway.

For members seeing a Vitality GP, more than half (52%) of care requests can be managed in an everyday care environment

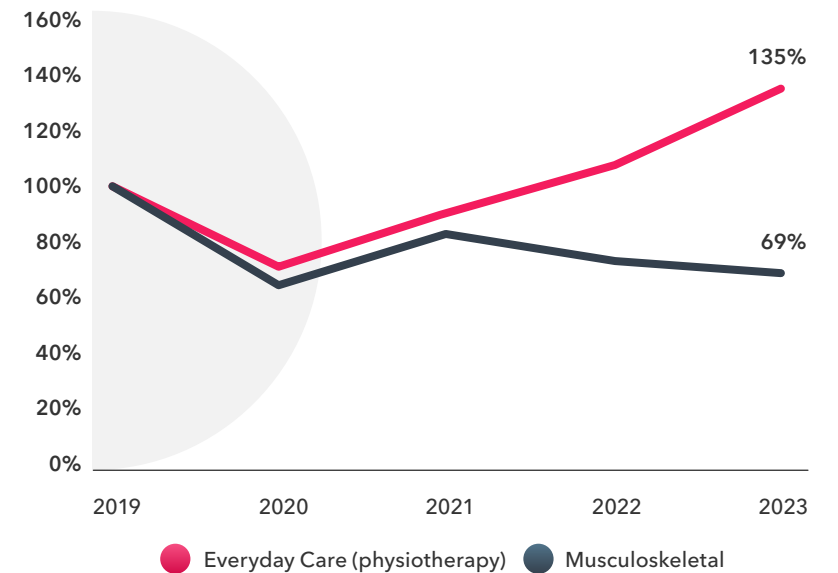
Intervening earlier to reduce more severe conditions

While significant increases in everyday care claims across the industry might be expected to drive higher claims costs, it is simplistic to view everyday care solely as a driver of increased costs. In fact, there is evidence that early intervention in a primary care setting can lead to greater healthcare sustainability and lower secondary care claims.

Between 2019 and 2023, Vitality physiotherapy claims increased by 35%, while in-patient musculoskeletal claims decreased by 31%.

Everyday care and In-patient musculoskeletal claims

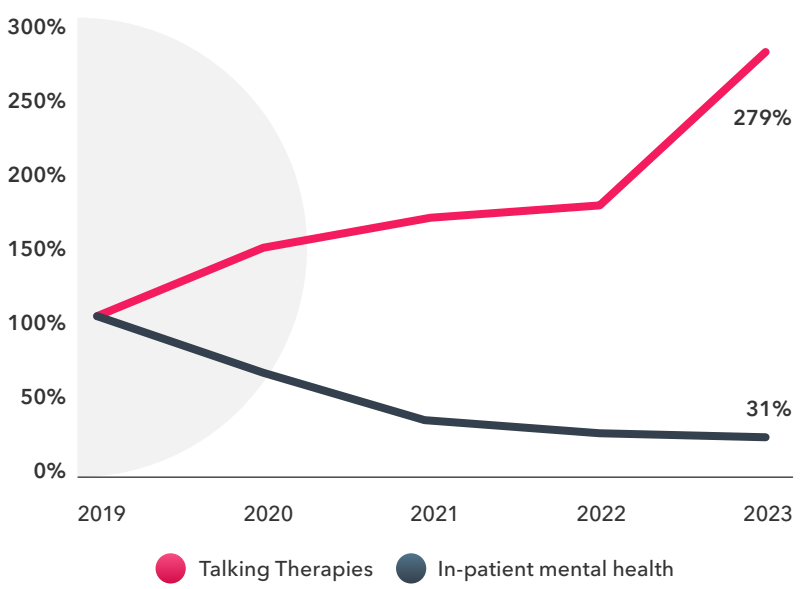
Relative visits per 1,000 lives



Everyday care and in-patient mental health claims

Over the same period, Vitality Talking Therapies claims rose by 179%, while in-patient mental health claims decreased by 69%.

Relative visits per 1,000 lives



These increases in everyday care claims fall in line with data published by the ABI, which reported a 140% increase in mental health appointments and a 27% increase in physiotherapy over a three-year period (2019 - 2022)¹¹. However, Vitality is the only insurer to publish evidence of reductions in-patient claims over the same timeframe.

¹¹Growing demand: increased use of health and protection services in 2022, Association of British Insurers, 2024.



'It was all very seamless'

When Rebecca used her Vitality Health Insurance to get the 'all clear', it gave her peace of mind

After noticing a breast lump during the 2023 festive period, Rebecca accessed support via Care Hub.

"I booked in a call and had an initial chat with someone from Vitality, who explained the whole process and that I'd be referred - basically to a 'one-stop-shop' - where everything would be investigated. I got a call back from Check4Cancer to arrange everything later that day. It was all very seamless. They were able to book my appointment at a hospital I preferred, to see a specialist on the following Monday. I got the results immediately and fortunately it turned out to be a non-cancerous cyst. It was such a relief and a big weight off my mind.



A couple of weeks later, I went in for day surgery and had the cyst removed. It was all dealt with quickly and authorised by the Vitality claim team. Overall, the service was really good. I didn't have to wait around for ages, which meant I didn't have that mental strain for a long period of time."

Everyday care: By the numbers

99% of virtual GP consultations within 48 hours

64% of health insurance claims for everyday care

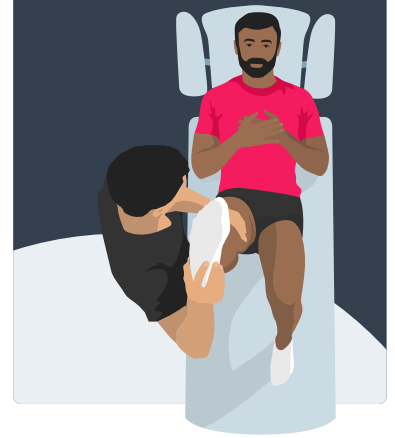
Between 2019 and 2023...

Physio up **35%** but in-patient claims down

31%

Talking Therapies up **179%** but in-patient claims down

69%




Next-generation insurance: Harnessing data and technology to drive better health outcomes

Through leveraging digital innovation, we can streamline the care journey and improve the health of our members - before, during and after claim.


The evolution of technology-driven experiences

According to our recent survey, the top priority for consumers considering health insurance is quick and easy access to care¹². As we explored in the Health Claims Insights Report last year, insurers can do this by leveraging data and technology to deliver patient-first healthcare journeys. This needs to involve seamless adviser and client experiences across every digital touchpoint - from underwriting to everyday care engagement to making a healthcare claim.

Seamless technology-driven journeys



Automated underwriting
Full medical underwriting > Powered by data and policy terms > Immediate decisions




App-led engagement
Health Profile > Personalised Recommendations > Incentives and rewards




"Whether it is engaging with healthy habits, seeking everyday care support, or receiving consultant-led care, our next-generation approach uses data and technology to deliver a seamless and empowering customer experience."

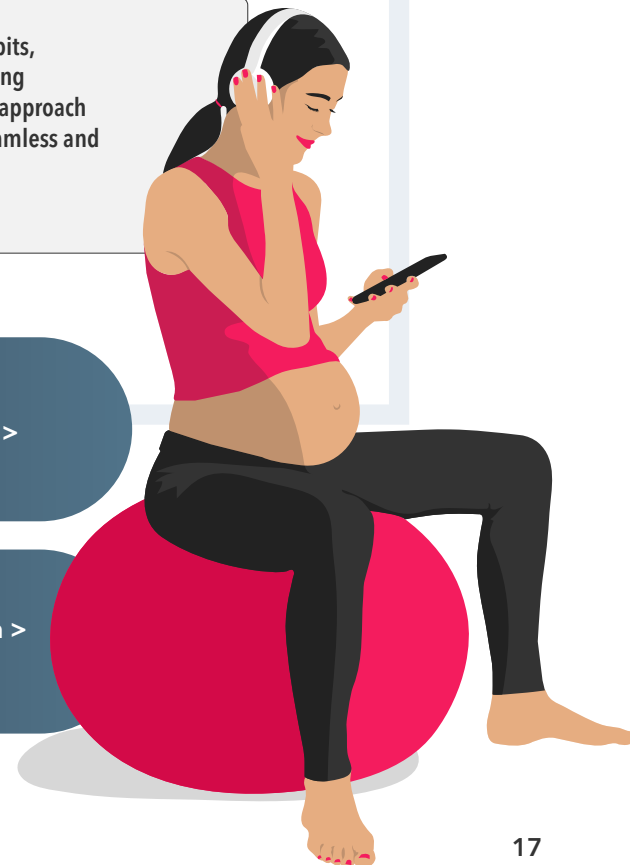
Dr Ali Hasan, Chief Commercial Officer



Integrated Primary Care
Vitality GP > Quick online authorisation > Onward care referral



Data-driven directional care
Care Hub > Instant Claims Authorisation > Choose and book Premier Consultants based on 500 data points



¹²Private Healthcare survey of 1,000 UK adults, Opinium, Vitality, May 2024.

A more seamless, integrated approach



An automated underwriting experience

In April 2024, Vitality launched an innovative automated underwriting experience to enable immediate decisions for customers going through full medical underwriting without the need for a referral to an underwriter. Powered by Vitality’s claims data and policy terms, this technology is already delivering automated decision-making at the point of sale for approximately 60% of cases we underwrite.

While Full Medical Underwriting offers customers and advisers greater certainty on which conditions will be covered in the event of claim, and can offer the most competitive premium, many customers traditionally opt for moratorium underwriting due to the perceived complexity of going through full underwriting. Enhancing the Full Medical Underwriting journey removes this barrier, making it just as easy to benefit from greater clarity at point of sale, and an improved customer experience when a member comes to claim.



An app-led Vitality experience

The Vitality App is a gateway to member engagement, from unlocking healthier behaviour to access to health plan management.

Vitality Programme engagement has continued to grow. The number of members using the app each month has doubled between 2021 and 2024, helping more members than ever to benefit from actionable health insights and value from Vitality rewards.

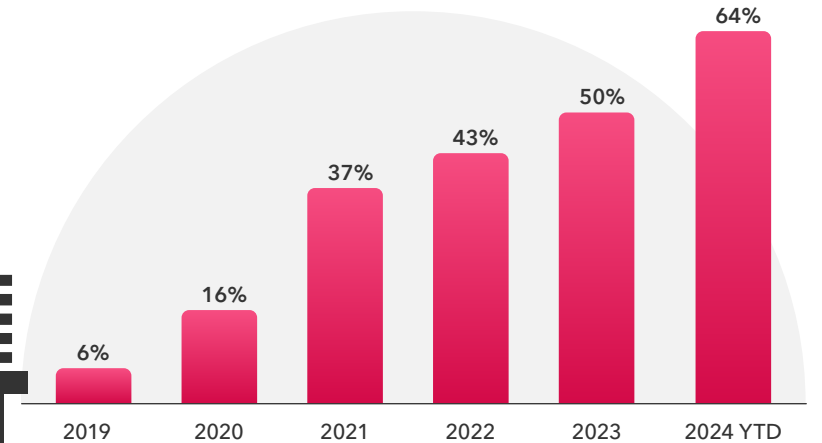


End-to-end digital claims journey

Members can start a claim and receive instant authorisation online on Care Hub. They can also search and immediately book an out-patient consultation with over 5,000 consultants, whose calendars are embedded within the platform.

Members have been quick to adopt the online claims experience. Just under two-thirds of all Vitality claims now start online through the Vitality GP app or the Care Hub - up from just 6% in 2019.

Authorisations originating online



x2 increase in engagement with the Vitality member app from 2021-2024.

App rating
★★★★★

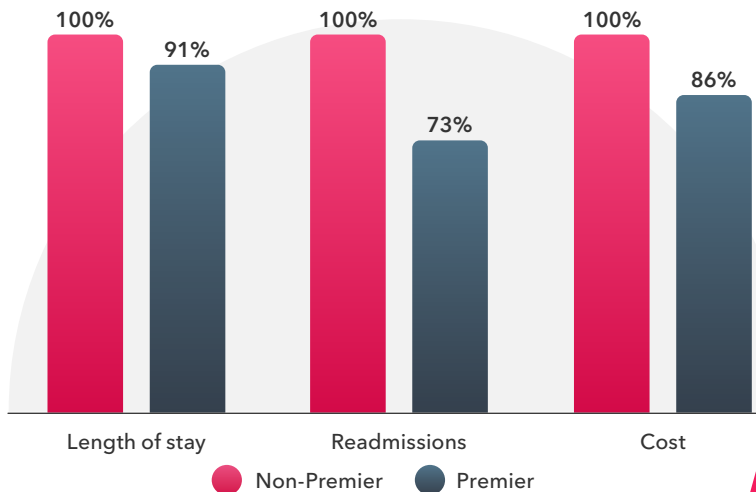
Data-led approach to consultant quality and claims management

Premier Consultants are assessed on more than 500 data points including both Vitality claims data and external data-sources, such as the GMC register, NICE guidelines and The National Joint Registry.

These data-points highlight that Premier Consultants are delivering significantly better quality and efficiency compared to other private consultants. Patients treated by Premier Consultants spend less time in hospital, are less likely to be re-admitted, and have lower overall claims costs.

By directing members to high-performing consultants, Vitality data is showing improved patient outcomes, delivered through more efficient and effective forms of healthcare.

Premier Consultant Performance, 2023



Directing members to high performing consultants

Care Hub also empowers members to find the right consultant for them, by matching them with specialists and displaying relevant qualifications, experience and their 'Premier Consultant' status.

Members claiming through online channels are over 20% more likely to see a Premier Consultant compared to those coming through a traditional telephonic route.



"With technology and data now at our fingertips like never before, this is unlocking new opportunities - for customers, insurers, and advisers. Whether it is an automated approach to full medical underwriting, enhanced experiences through the Vitality member app, or the ability for clients to receive authorisation for a claim and find and book a consultant online, our integrated approach ensures we can deliver a more seamless experience, meet changing customer expectations, and be easier to do business with."



Greg Levine, Chief Operations and Growth Officer, Vitality

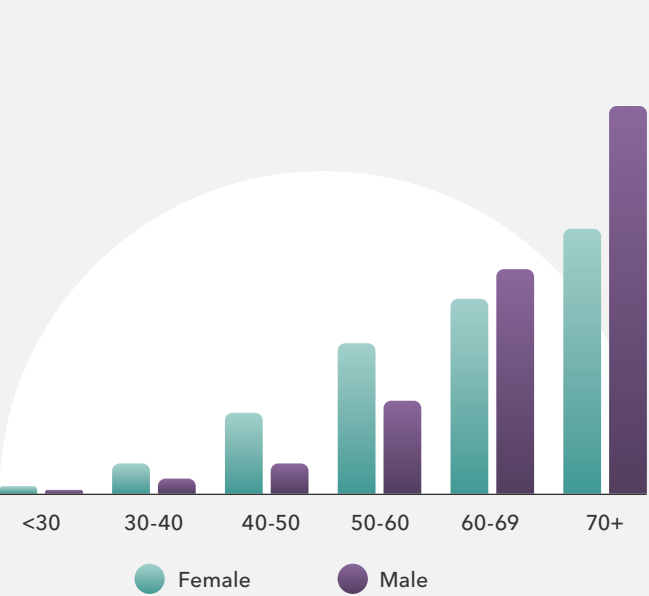
Appendix

Cancer

Cancer claims

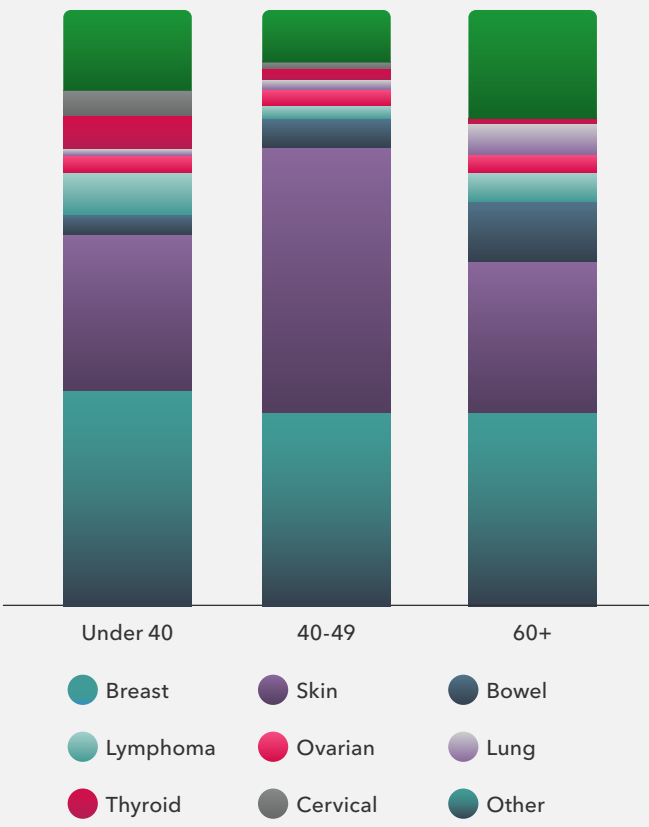
Cancer is more prevalent at younger ages amongst women, driven by breast cancer, but more prevalent amongst men at older ages driven by prostate cancer.

Cancer claimants per 1,000 lives



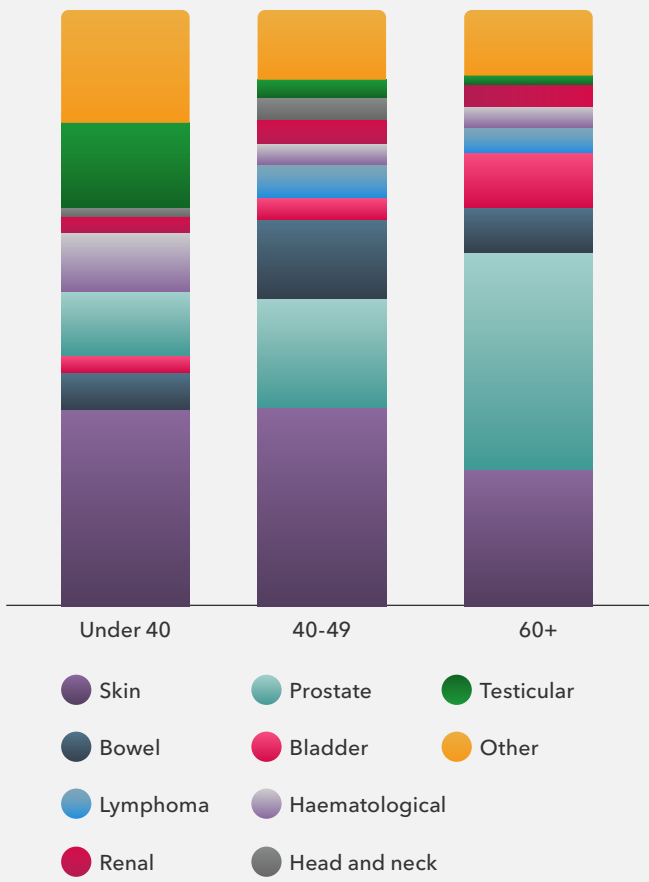
Female cancer claims

Breast cancer and skin cancer are the most common cancers affecting women.



Male cancer claims

Skin cancer, prostate cancer and bowel cancer are the most common cancers affecting men.



Appendix

Talking Therapies

Talking Therapies claims

Women aged under 40 are most likely to use Talking Therapies, and account for half of all claims.

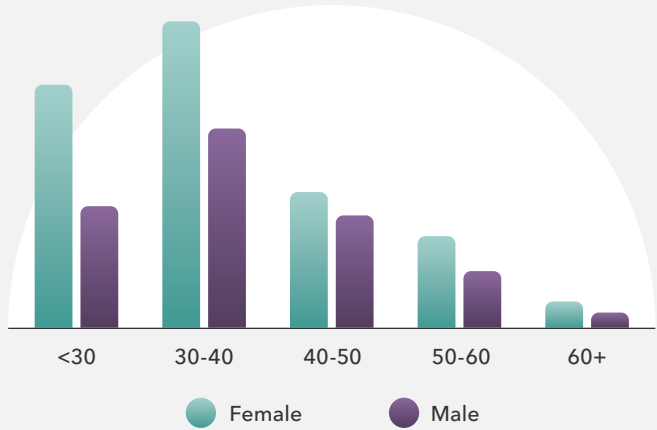
Trends in Talking Therapies claims

Talking Therapies claims have increased by 179% since 2019.

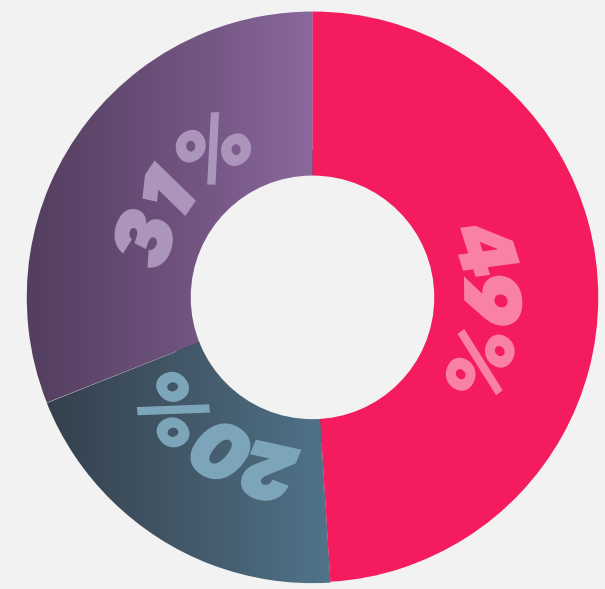
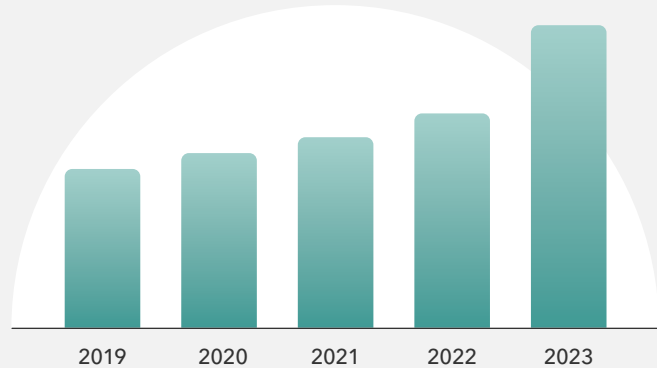
Talking Therapies claims by condition

Generalised anxiety disorder and depression account for 69% of Talking Therapies claims.

Talking Therapies claims per 1,000 lives



Relative Talking Therapies claims per 1,000 lives



- Generalised Anxiety Disorder
- Depression
- Other

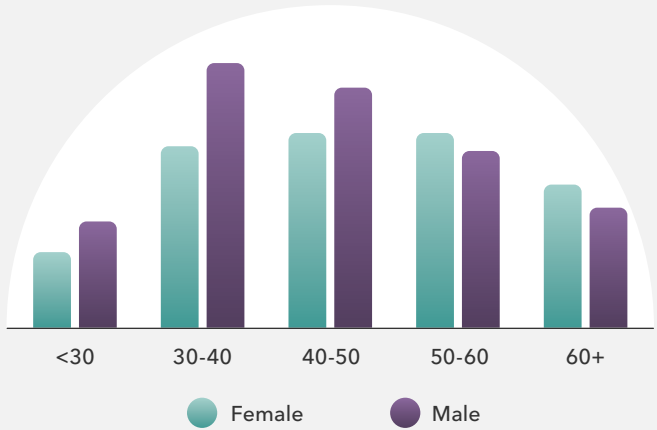
Appendix

Physiotherapy

Physiotherapy claims

Physiotherapy claims are highest for men aged 30-50.

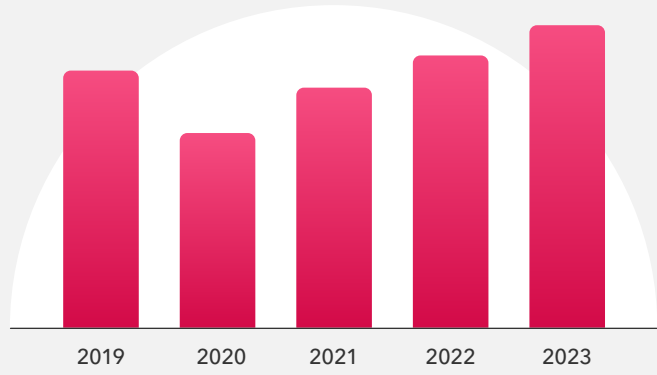
Physiotherapy claims per 1,000 lives



Trends in physiotherapy claims

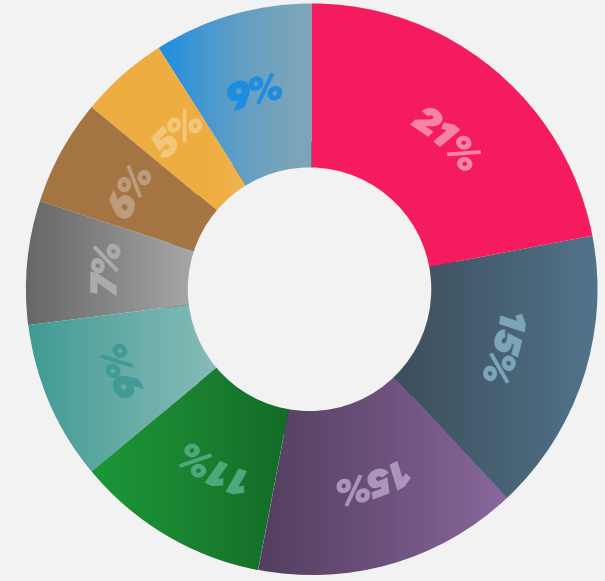
Physiotherapy claims have increased by 35% since 2019.

Relative Physiotherapy claims per 1,000 lives



Physio claims by condition

Knee, lower back and shoulder issues are the most common cause of physiotherapy claims.



- Knee
- Lower back
- Shoulder
- Ankle/foot
- Hip
- Spine
- Neck
- Hand/wrist
- Other

Rethinking
Health Insurance

Foreword

2023 at a glance

Beyond wellness

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Healthcare in the
palm of your hand

Next-generation
insurance

Appendix



Find out more

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