

Life's better with

*Vitality*

# Why sell Private Medical Insurance?

Meet your client's health needs  
- and boost your business.

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## People value good health.

**Over 89% of the UK population does not currently have any form of private medical insurance\*. This means that there is a huge opportunity for you as an adviser to grow your business and sell the opportunity that Private Medical Insurance provides.**

Private Medical Insurance – or PMI – is a great way to help protect good health. It gives clients fast, stress-free access to high-quality medical facilities and the very latest treatments, at a time and place that suits them.

It also plays an equally important role in helping fund the cost of early diagnosis and treatment of acute conditions – anything from a few sessions of physiotherapy to complex major heart surgery or the latest in chemotherapy treatments for cancer.

Health insurance is the profitable business opportunity that we can help you find in your existing protection insurance client bank.

\*LaingBuisson, Health Cover UK Market Report, 15th ed, 2018

## How private medical insurance covers in a way other protection products don't.

This table shows how various health and protection products fit into a typical patient journey - from seeing a GP through to diagnosis, treatment and recovery.

	Symptoms	Investigations	Diagnosis	Treatment	Terminal illness
Private Medical Insurance	●	●	●	●	○ depending upon condition
Critical Illness Cover	-	-	○ depending upon condition and/or severity	○ depending upon condition and/or severity	○ depending upon condition and/or severity
Income Protection Cover	-	-	○ depending upon time off work	○ depending upon time off work	○ depending upon time off work
Life Cover	-	-	-	-	○ in the event of death
	Patient referred by GP to consultant showing symptoms of illness	Consultant refers patient for tests to help diagnosis	Following the results of the tests a diagnosis is made	A course of surgery/ treatment is recommended	Treatment is unsuccessful resulting in palliative care

- Typically covered
- Limits may apply

# The key benefits of PMI.



## **No waiting lists**

Private healthcare removes the uncertainty of NHS waiting lists, by allowing your clients' access to the very best in medical care, at a time and place that suits them.

## **Fast diagnostic tests**

With waiting times being a prime source of anxiety in many health events, private healthcare offers your clients the reassurance of a quick and full diagnosis.

## **Choice of hospital**

PMI offers easy access to hundreds of private hospitals in the UK, as well as the freedom for your clients to choose where and when they are treated.

## **Drugs & treatment**

Private healthcare can provide access to a wider range of drugs and treatment, including those which might not yet be approved for use or paid for by the NHS.

## **Privacy**

Private healthcare provides your clients' with the comfort and privacy of their own room - eliminating concerns about shared wards.

## **Hospital Quality & cleanliness**

Access to a nationwide network of private hospitals, all with extremely high standards of hygiene and patient care.

## **Virtual gp consultations**

On average individuals now face a 13 day wait to see an NHS GP.\* We offer Vitality GP as core to all members giving them access to one-on-one virtual consultations within 48 hours.

\*Pulse Survey, June 2017

# How to get the right level of cover for your clients.

Before recommending a PMI plan, it's a good idea to get answers to the following questions:

1. How much does your client want to spend on PMI?
2. Do they want their plan to fully cover the cost of all treatment or are they happy to pay part of the cost themselves?
3. Does your client want their PMI to cover diagnostic tests such as X-rays and blood tests or just hospital treatment?
4. Does your client want access to every hospital in the country, or are they happy to limit themselves to a network of providers?

There are generally three types of PMI plans - Comprehensive, Mid-range and Low cost. All three will normally cover the cost of private in-patient and day-case hospital treatment and other treatments. Diagnostic tests or ancillary services, such as nursing at home, may vary according to plan type. This table gives you a basic idea of what each type of plan covers:

	Comprehensive	Mid range	Low cost
In-patient treatment	●	●	●
Out-patient treatment	●	○	-
Other (e.g. Mental Health Cover)	●	○	-

- Typically covered
- Limits may apply

Clients can reduce or control their premiums by:

- Choosing an excess
- Choosing a suitable hospital list
- Choosing appropriate cover options
- Receiving a no-claims discount

## Raising the issue of cost

While consumers' expectations of healthcare provision in the UK are understandably high, when it comes to private healthcare, many underestimate the true costs involved. So it's a good idea to raise awareness of these costs with your clients.

For example, an initial consultation with a specialist can cost anywhere in the region of £150 to £250, with just minor routine surgery often costing a few thousand pounds and more complex surgery, such as a heart bypass, costing anywhere up to £20,000.

The health costs insured against are significant - One hospital stay can cost more than £10K

Average self-pay rates		
Scans	Diagnostic procedures	Surgical procedures
<b>Chest x-ray</b> £79 - £140 (£101 Average)	<b>Sigmoidoscopy</b> £825 - £2,425 (£1,496 Average)	<b>Cataract surgery</b> (£2,436 Average)
<b>Ultrasound</b> £180 - £400 (£327 Average)	<b>Colonoscopy</b> £608 - £2615 (£2045 Average)	<b>Inguinal hernia repair</b> (£2,695 Average)
<b>MRI</b> £145- £705 (£363 Average)	<b>Gastroscopy</b> £1450 - £2,779 (£1,447 Average)	<b>Hysterectomy</b> (£6,545 Average)
<b>CT Scan</b> £113- £960 (£500 Average)	<b>Coronary angiogram</b> £1,700- £2,625 (£2,066 Average)	<b>Cruciate knee ligament repair</b> (£7,202 Average)
	<b>Knee Arthroscopy</b> £1,545 - £5,426 (£3,670 Average)	<b>Hip replacement</b> (£10,761 Average)
		<b>Heart bypass</b> (£17,500 Average)

Source: The Private Healthcare UK, 2015

These tables give indicative costs of common procedures however these will vary between different hospitals and will also vary depending on the clinical nature of each case. They are only intended to give an indication as to the costs involved in private healthcare.

Average costs of cancer drugs		
Drug	Type of cancer used for	Cost per year
<b>Avastin</b>	Colorectal cancer an advanced non-small cell lung cancer	£70,000
<b>Herceptin</b>	Breast cancer	£60,000
<b>Sutent</b>	Kidney and digestive system	£40,000

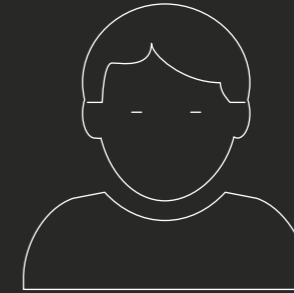
Source: SpireHealthcare, Vitality, Health Insurance Magazine

Therefore, PMI is designed to be an affordable way of getting fast, on-demand access to all these services and treatments, without having to directly meet the cost of tests, drugs and procedures.

# Who are the most likely clients for PMI.

Historically, demand for PMI grows as people get older, reaching a peak in the 45 to 60 age group. It is, however, becoming more popular among younger clients, as they consider the potential implications for an NHS under greater financial pressure. All this points to a larger potential market.





## Typical PMI customers.

To help give you a little more insight on who might be interested in PMI and how you might be able to target them, here are a few example profiles of typical PMI customers.

### Maximising the cross -sell opportunity

Between them, the health and protection heartlands represent nearly 50% of households.

	Bright Futures	Growing Rewards	Accumulated Wealth	Consolidating Assets	Platinum Pensions
Health		●	●	●	●
Life	●	●	●	●	
Critical Illness Cover (CiC)	●	●	●	●	
Income Protection (I/P)	●	●	●	●	
GYM	●	●	●	●	●

● = Greater propensity than average to hold product

## Young City-based professionals.

Young professionals building their careers whose incomes have good potential to rise.



### The Vitality sweet spot

They may not have a current health concern but understand the need to protect themselves for the future. With access to discounts and rewards from big brands that they relate to, Vitality can provide them with great value without having to claim.

**Better Care** - Vitality GP, Consultant Select, Talking Therapies

**Better Health** - Apple Watch, Gym network, Amazon Prime, Caffè Nero and Healthy Mind

- Young professionals who are building their careers.
- Live alone in compact homes and while some have taken their first step onto the property ladder, others have chosen to continue renting.
- Incomes are above average and have good potential to rise further as their careers progress.
- Finances are generally stable but, with busy social lives and a youthful outlook, financial planning is not necessarily a top priority.
- The internet is a useful source of information for them in researching and buying goods and services generally, and so those with an interest naturally look around for information on financial products as well.

## Young Non-metropolitans.

High income families with growing children who are making excellent financial progress.



### The Vitality sweet spot

Their loved ones health is important to them, as is ensuring they all live a healthy lifestyle. As their families grow they want the peace of mind that should the worst happen they and their families will have fast access to quality care. They also want to receive value from their health insurance without the need to claim.

**Better Care** - Parent Accommodation, Vitality GP, Childbirth Cash Benefit

**Better Health** - Waitrose, Cinema and Apple Watch

- Young professionals in their 20s and early 30s who are building their careers outside of the city.
- Young families with mortgage and family commitments.
- In an excellent position to improve their reserves in the coming years as outgoings fall and incomes increase.
- Often customers who have life insurance and critical illness cover.
- A significant number have health insurance. Many consult an IFA who will have helped them put appropriate insurance in place.
- Likely to research financial options themselves either through provider websites or other financial websites.



# Families.

**Affluent families with the high incomes, expensive homes and many assets.**



### The Vitality sweet spot

The importance of their loved ones health and ensuring they all live a healthy lifestyle. As they and their families get older they may experience a greater need to access care and want the peace of mind that they and their families will have fast access to quality care.

**Better Care** - London Care, Vitality GP, Full Cover Promise, Vitality Care

**Better Health** - Disney, Apple Watch, Champneys, Waitrose and Mr & Mrs Smith.

- Families who are enjoying the benefits of high income and the security of accrued assets.
- Tend to own very expensive homes and have a sophisticated range of investments.
- Accumulated Wealth are the wealthiest households with extremely successful careers and correspondingly high salaries.
- There are a very high number of professionals, senior managers who have high-status corporate careers and many people who have been successful in small businesses.
- They have a large number of savings and investments vehicles. Stocks and shares are widely held, often in the company they work for as well as in other investment accounts, and they are the biggest users of equity ISAs.
- Insurance premiums are naturally high as they have considerable assets to insure.

# Approaching retirement.

**Older individuals or couples enjoying a comfortable retirement.**



### The Vitality sweet spot

They value fast access to high quality care. As your clients are getting older and are likely to spend longer in retirement they want to know that they have fast access to high quality care when they need it. They no longer have dependent children and would like to enjoy their retirement to the full. Vitality provides them with access to the quality care they need when they need it so that they can recover and spend time doing more of the things that they enjoy.

**Better Care** - London Care, Advanced Cancer Cover, Full Cover Promise

**Better Health** - Waitrose, Cinema and Champneys

- Retired couples whose incomes reflect successful careers and careful saving.
- Good investment advice is important to this group to ensure their savings are getting good rates of return and their capital is secure.
- Their income is considerably above the national average. Two thirds are receiving company pension payments and the other third made careful provision using personal pensions.
- They have a high level of spend on insurance as they have expensive assets to insure.
- There is a high use of annual travel insurance, particularly among the younger retirees who are enjoying their new found freedom with frequent holidays.
- PMI is popular among the wealthier end of this group.



## 5 key reasons why to choose **VitalityHealth**.

- 1 Vitality Programme**

The Vitality Programme is the largest behavioural platform linked to insurance globally, which is designed to make your clients healthier. By leading a healthier life with Vitality, your clients can access a range of discounts and rewards - worth £100 million to our members during 2019.
- 2 Vitality GP Pathway**

Vitality GP offers your clients video GP consultations within 48 hours, with benefits such as written prescriptions, minor diagnostics, a skin analytics service and a unique home diagnostics service. A key benefit of Vitality GP is its integration with onward care. Not only can your clients self-refer into physiotherapy and Talking Therapy services, but following a Vitality GP consultation they can be referred quickly and conveniently to the most appropriate and high quality specialist through our Consultant Select pathway. Your clients will also have access to a minimum of two face-to-face consultations in Greater London per plan year, for only £20 per consultation.
- 3 Full Cover Promise**

As well as all of the benefits of Core Cover such as Advanced Cancer Cover, we offer a rich range of cover options. This includes access to the most holistic mental health offering in the market and comprehensive out-patient and diagnostic cover.
- 4 Advanced Cancer Cover and screenings**

All VitalityHealth Personal/Business Healthcare plans include Advanced Cancer Cover. This provides comprehensive cover for the treatment of cancer, including full cover for biological and targeted therapies, as well as discounts on Targeted Cancer Screenings for breast, bowel and cervical cancer.
- 5 Mental Health Support**

VitalityHealth offer a comprehensive end-to-end approach to mental health - from prevention and maintenance to early intervention, and comprehensive treatment for more severe conditions. As part of Core Cover, all members have access to the Vitality Programme and Vitality Healthy Mind, and eight Talking Therapies sessions (for example Cognitive Behavioural Therapy). In addition, our Mental Health Cover option provides additional comprehensive cover for out-patient, in-patient and day-patient treatment.

### **Plus fair and transparent renewal pricing**

Our renewal prices are based on our ABC pricing model which is fair, intuitive and transparent. We use your client's Age, Base rate increase, Claims history and engagement with the Vitality Programme to calculate their renewal premium. Members can also reduce any increase by engaging with the Vitality Programme.

# About **VitalityHealth.**

**VitalityHealth is part of the Discovery Group, founded in 1992 and now covering over 15 million customers, across 19 countries worldwide. VitalityHealth's core purpose is to enhance and protect members lives, which is why we make it easier and more affordable for members to get healthier as well as providing members with quality care.**

VitalityHealth is different to other insurers, as we realise that health risk is closely linked to people's lifestyle behaviour. This underpins our Shared-Value Insurance Model. By incentivising and encouraging our members to be healthier, not only do they benefit from improved health and wellbeing, but VitalityHealth as an insurer benefits from insurance savings from healthy members who are less likely to claim. These savings allow us to offer comprehensive cover with richer benefits, more valuable behavioural incentives, and more sophisticated pricing and underwriting. This approach benefits all stakeholders - the individual, the insurer, and broader society.

## **Talk to us.**

**To find out more about how our PMI can help your clients and your business, call your Vitality Representative or visit [adviser.vitality.co.uk](https://adviser.vitality.co.uk)**