

## June 2010

### **Pick of the month**

We have a record number of new products this month for your delectation. Aviva offers a new budget slant on PMI that focuses on out-patient waiting, AXA PPP introduces a managed care option with its CHP Pathways; BIBA launches a new PPI plan (with Millennium), as does British Insurance; Bupa introduces both a new HCP and a new international plan variant; Cigna launches experience rated PMI; Cuna has a new life plan (that can cover up to 12 family members) as does LV+.

Our pick of the month though is the changes made to IMG Europe's GlobalSelect plan.

All in all it has been a busy month for new and revised plans—with more expected in the next few weeks... and two we have carried forward from this month too.

### **Aviva Speedy Diagnostics**

Good as the NHS is, it can still take weeks to see a specialist for a first (or subsequent) out-patient appointment. Around half those who have a first out-patient appointment then do not actually go on to need a hospital admission, so this can mean long and worrying waits for otherwise well people. **Aviva's** new solution is Speedy Diagnostics, which offers the following benefits:

- Pays for out-patient diagnostic tests—specialist fees for consultations and for diagnostic tests as well as the cost of X-rays, scans and ECGs.
- Pays for day-patient or in-patient diagnostic tests—hospital charges for e.g. an endoscopy or removal of tissue for a biopsy, as well as specialists' fees.
- GP helpline.
- Stress helpline.
- Both the helplines allow an unlimited number of calls. Discounts up to 45% at a nationwide network of health and fitness clubs are also offered.
- The plan does not cover treatment or tests/consultations once a diagnosis has been made, nor does it cover diagnostic tests ordered by a GP where there is no specialist referral. Tests relating to causes of infertility and sleep disorders are also not covered.
- Five types of underwriting are available:
  - Full medical underwriting (FMU).
  - Continued medical exclusions (CME).
  - Moratorium (mori).
  - Continued moratorium (CMORI). That is, where an existing policy already had a moratorium operating and Aviva agrees to continue the rest of that moratorium period, rather than starting again.
  - Medical history disregarded (MHD).

The plan pays 25% initial and 5% renewal commission. Premium rates are 70% cheaper than Aviva's Healthier Solutions core cover that includes treatment costs.

**Plus points:** *Helps avoid the first part of NHS queuing, and many people do not go beyond that stage anyway. Can reduce overall waits. Very low cost compared to 'full cost' PMI. GPs are more likely to refer a patient for tests if they have PMI than they would for an NHS-funded test, so some patients may have health problems diagnosed earlier in practice.*

**Not so plus points:** *Those who do need hospital treatment will then either have to go back into the NHS (unpopular with many NHS employees and there may be restrictions to discourage this) or to pay for treatment themselves (either in the UK or, perhaps at lower cost, abroad). Less cover than conventional PMI.*

**Contact:** 0845 3000 649 or [www.aviva.co.uk/healthcarezone](http://www.aviva.co.uk/healthcarezone).

**Rating (max 5):** Innovation: 4. Overall: 3.75.

## **AXA PPP healthcare Corporate Health Plan Pathways**

**AXA PPP healthcare's** CHP Pathways is a new, lower cost PMI plan for groups of 75+ employees.

The plan is based on AXA PPP's Corporate Health Plan but instead of having their GP refer them to a named specialist, members obtain an open referral (see *Page 10*) and let AXA PPP decide which healthcare provider they should see.

This should result in savings of around 15%, which is reflected in the plan's premium rates.

As part of the way it works, scheme members must have any treatment pre-authorised. This helps ensure that the required treatment is covered and enables AXA PPP to then make an appointment for the member with its selected provider.

The plan is available to new and existing customers. Firms can continue to use say an existing occupational health (OH) provider or allow more senior managers to have a higher level of PMI cover.

**Plus points:** *Most patients are more interested in getting better than in who sees them or where. Allowing AXA PPP to decide that can reduce costs by around 15%. A cost saving add-on to an existing well-established plan.*

**Not so plus points:** *Takes away patient and GP choice and may be unpopular with GPs and (excluded) specialists and hospitals. Also requires employers to trust AXA PPP to always make decisions in the best interests of the patient; not just to secure lower claims costs.*

**Contact:** 01892 508799 or [www.axapphealthcare.co.uk](http://www.axapphealthcare.co.uk).

**Rating (max 5):** Innovation: 3.5. Overall: 3.5.

## **BIBA/Millennium Committed Payments Protection**

The **British Insurance Brokers' Association (BIBA)** and **Millennium Insurance** have launched a new payment protection plan for BIBA members to market. The plan is underwritten by **Jubilee** at **Lloyd's**. The plan features:

- Accident, sickness and unemployment (ASU) cover to protect regular bill payments of from £200 up to £2,000 a month.
- Optional life cover from £2,400 to £24,000.
- Confidential and independent advice programme to help claimants back to work.
- Up to £50,000 help in appealing or defending employment or contract disputes and negotiating settlements for bodily injury or death.
- 24/7 helpline.
- Alternative lump sum plan pays £1,000 lump sum on notification of redundancy.

The plan is annually renewable and pays 22.5% commission each year.

**Plus points:** *PPI benefits with optional life insurance and a range of help and legal services designed for BIBA members. Exclusive scheme for BIBA members.*

**Not so plus points:** *PPI is not suitable for all clients and long term income protection may be a better choice. Especially as PPI insurers can usually change terms quickly.*

**Contact:** 0844 412 4153 or [www.biba.org.uk](http://www.biba.org.uk).

**Rating (max 5):** Innovation: 2.5. Overall: 2.5.

## British Insurance Mortgage Payment Protection Insurance

British Insurance's latest MPPI plan is of conventional design, with a choice of unemployment only, sickness and accident only or accident, sickness and unemployment.

The plan offers a choice of 30, 60, 90 or 180 days waiting periods. The marketing materials we saw implied a back to day one 30 day waiting period was also available, although the quotes engine did not offer this option online.

Plans can be taken out from age 18 up to age 65. Customers must be in employment and living and working in the UK and their mortgage must not be in arrears.

Benefit is payable for up to 12 months only. Maximum benefit is £2,000 a month, and is designed to cover mortgage interest plus insurance and other mortgage-related costs. Someone age 30 would pay, for an insured benefit of £1,000 a month:

Waiting period	AS	U	ASU
30 days	£12.90	£27.30	£30.20
60 days	£10.70	£22.70	£24.90
90 days	£9.00	£19.10	£21.00
180 days	£6.30	£13.40	£14.60

Key: AS: accident and sickness cover only; U: unemployment cover only; ASU: accident, sickness and unemployment cover.

The cost of cover varies by age, so full ASU cover with a 30 day waiting period would cost £30.20 a month at age 30, rising to £39.30 at age 40 and £52.70 at 50. Female and male rates are the same, and there is no non-smoker discount. Insurers can change terms at 60 days' notice.

**Plus points:** *Despite huge ongoing problems around PPI sales practices, people still have mortgages that need protecting and MPPI has been a popular choice in meeting that need. But the UK's economic situation has seen many providers raising their rates, restricting cover to certain professions only or withdrawing from the market completely.*

*British Insurance traditionally undercuts lenders' MPPI rates, while offering policies with similar levels of cover, which is what this plan does too. It costs little more to add sickness and accident cover to (now more expensive ) unemployment cover.*

**Not so plus points:** *As always, read the smallprint to ensure that the customer would be able to make a valid claim, especially for unemployment cover. Long term income protection (where unemployment cover can be added, as it increasingly is) can provide a better solution. As with many other PPI type products, we remain concerned that an insurer could revise its terms and conditions and pricing (with few restrictions) for existing customers at just 60 days' notice—not good when the liability to be covered could be for 25 years or more.*

**Contact:** 08450 175 178 or [www.britishinsurance.com](http://www.britishinsurance.com).

**Rating (max 5):** Innovation: 2. Overall: 2.5.

## Bupa Patient Cash

Bupa claims that this new plan is an industry first as a cash plan alternative to PMI. It offers three levels of cover and maximum annual benefits of:

<b>Benefit</b>	<b>Level 1</b>	<b>2</b>	<b>3</b>
Consultations	£150	£300	£600
Therapies (physiotherapy, osteopathy, chiropractic and homeopathy)	£150	£300	£600
Diagnostic scans	£150	£300	£600
Hospital in-patient per night*	£25	£50	£100
Hospital day-patient surgery**	£25	£50	£100

\* Up to 20 nights a year

\*\* Per day, up to four days a year

In addition, customers have access to the Bupa Healthline helpline. The plan is available as a company funded, voluntary or flexible benefit. Prices start at £93.50 a year per employee for firms with more than 250 employees. There is no upper age limit.

The plan is also available to individuals, costing from £2.69 a week at ages 1-40 for Level 1 benefits, up to £26.92 a week for Level 3 benefits at age 71-79.

**Plus points:** *Cheaper alternative to PMI that pays for consultations, therapy and scans and provides hospital cash benefits too. Fixed annual cost. Company funded employees not required to declare pre-existing conditions or to be underwritten.*

**Not so plus points:** *Will not fund private hospital stays. Some treatment may cost more than the plan's limit.*

**Contact:** 0500 000125 or [www.bupa.co.uk](http://www.bupa.co.uk).

**Rating (max 5):** Innovation: 3.5. Overall: 3.5.

## **Bupa International Gold Superior**

**Bupa International** has significantly enhanced its existing plan, adding a new top level called Gold Superior, together with a new range of dental benefit options. The new top level plan provides maximum annual benefits of:

- Annual max benefit of £5m (or \$10m or €7.5m).
- Full in-patient/day-patient cover.
- Full out-patient cover.
- Full cancer cover.
- Up to 30 days in-patient rehabilitation.
- Maternity cover up to £8,000 or £14,000 for prescribed caesareans and £75,000 for new born care.
- Up to £1,000 for health screens.
- £400 for accident-related dental treatment.
- £500 for vaccinations.
- One eye test per year and £50 for glasses/lenses (optional cover).
- £20,000 for hospice and palliative care.
- £10,000 for long term prescriptions including for HIV/AIDS drug therapy.
- Transplant services.
- Local road ambulance.
- £5,000 for local air ambulance.

USA and evacuation & repatriation cover are optional.

**Plus points:** *Bupa has been in this market since 1971 and the new top level plan offers some of the most extensive levels of cover available.*

**Not so plus points:** *Some competitors may offer more benefits in certain areas or lower premiums.*

**Contact:** 01273 718 306 or [www.bupa-intl.com](http://www.bupa-intl.com).

**Rating (max 5):** Innovation: 3. Overall: 4.

## Cigna SmarterHealth

**Cigna HealthCare UK's** SmarterHealth is a new experience rated medical plan designed for employers with from 150 to 400 employees. The plan is based on a core level of cover with options to flex cover up or down. There are two flex up options:

- Four levels (Pearl Plan; Diamond Plan; Oral Health Plus, or Oral Health Optimum) of dental benefit.
- Travel insurance for business and leisure travel that includes winter sports cover.

And two flex down options:

- Psychiatric cover can be removed.
- The stress helpline can be removed.

There is also a choice of four underwriting options:

- Medical history disregarded.
- Full medical underwriting—which is standard for virgin (previously not insured) schemes.
- Continued previous medical exclusions. Offered where the membership certificates are available when switching from another insurer.
- Moratorium. This is available on both new and switch schemes.

The core plan pays for hospital charges; parent accommodation with child up to age 12; surgeons', anaesthetists' and physicians' fees; full out-patient benefits; up to £250 a year for chiropractic/osteopathy (full refund if a referral from the patient's specialist); alternative therapies; home nursing (up to 180 days a year); surgical appliances; psychiatric care (up to £10,000); private ambulance; NHS cash benefit of £100 a night (up to 50 nights), and optical cash benefit of 75% of costs up to £100 a year. Where psychiatric cover is included, the maximum annual benefit is £10,000. The stress helpline includes up to six face-to-face counselling sessions.

Excess and co-insurance options are offered. Cigna manages costs through its nurse-led approach to managed care. It says this approach to micro-managing claims improves clinical outcomes, controls costs and ensures the highest levels of customer satisfaction.

**Plus points:** *What Cigna adds to experience rated PMI plans especially is its managed care approach. This can cut costs and improve outcomes (and patient feedback). Some flexibility to increase or decrease cover, a choice of underwriting options and a high level of core cover – including an optical cash benefit (more usually the kind of benefit that is included in health cash plans).*

**Not so plus points:** *Critics of managed care see it as an unnecessary restriction on patients' right to choose. Some competitors may offer more options.*

**Contact:** 01475 788779 or [www.cigna.com](http://www.cigna.com).

**Rating (max 5):** Innovation: 3. Overall: 4.

## Cuna Mutual FamilyLIFE+

**Cuna Mutual Group Europe** is part of a global group providing financial services to over 10,000 mutual partners worldwide, including eight building societies in the UK.

This plan is a simple whole life non-profit plan available to those aged 18-69 who are resident in the UK.

Four levels of cover are available—£2,000, £3,000, £4,000 and £6,000—enough to cover most funerals. Premium rates per mille start at £1.00 (ages 18-29) and rise to £6.50 for someone aged 65-69 at outset.

Premium rates are guaranteed and children under 18 included free of charge.

Unusually, the plan can cover up to 12 family members (e.g. someone could add parents, children and spouse/partner) and offers 48 hour claims settlement. There are no medical questions and cover is guaranteed for those aged under 70.

During the plan's first six months, benefit is only paid on accidental death. General exclusions include suicide, being involved in a criminal act and war etc.

**Plus points:** *Simple funeral plans with guaranteed premiums and acceptance; up to 12 family members can be covered; 48 hour payout.*

**Not so plus points:** *Some exclusions; can be expensive at older ages (at age 65-69 premiums paid exceed the sum assured after 12.8 years). Accidental death only covered in first six months.*

**Contact:** 0845 121 2416 or [www.familylifeplus.co.uk](http://www.familylifeplus.co.uk).

**Rating (max 5):** Innovation: 4. Overall: 3.

## IMG Europe GlobalSelect International Healthcare Cover

**IMG Europe** has enhanced its flagship product to include:

- A 15% introductory discount for all new applicants and a 15% no claims discount and a low claims discount.
- Extended annual wellness benefits, including an annual sight and hearing test and routine vaccinations.
- Political and security evacuation and repatriation.
- Identity theft benefit.
- Out of country criminal assault benefit.
- Natural disaster evacuation and accommodation.
- International access to a medical information service staffed by medically qualified staff.

IMG Europe says its premiums are 'exceptionally competitive' e.g. a 29 year old man could pay £44.20 a month for a HeadStart sub-plan with European Cover, while a 35 year old man and 32 year old woman with a six year old child could pay £536.35 a month for a top of the range Executive sub-plan (which includes dental and maternity cover) with worldwide, including USA, cover. The plan is underwritten by **Sirius International**.

There are four levels of cover available, and three geographic pricing areas. Maximum annual benefit ranges from £1m (HeadStart) to £5m (Executive). Standard excess range down from £100 to £25 (Executive).

**Plus points:** *High level benefits with cover choices. NCDs especially appeal to low claimers. Competitive pricing.*

**Not so plus points:** *Not as well known as Bupa.*

**Contact:** 01444 465555 or [www.imgeurope.co.uk](http://www.imgeurope.co.uk).

**Rating (max 5):** Innovation: 3.5. Overall: 4.

## **LV= Life Insurance**

**LV='s** new plan is a direct to consumer simple term assurance plan. Level or decreasing (to cover a capital and interest mortgage, based on a fixed mortgage rate, set at outset) cover is available and terms up to 45 years (depending on age) can be chosen.

Maximum sum assured is £500,000 (less from age 56) and minimum monthly premium is £5. Single and joint life (first death) cover is available.

The plan also pays out on terminal illness, when the sum insured is reduced—currently by 3%.

Quotes take less than two minutes online and the application process should take 15-20 minutes LV= says. We tested the quotes engine and a 30 year old non-smoking man could have £100,000 of level cover over 25 years for £6.95 a month. Helpfully, it automatically quoted for sums insured from £80,000 to £120,000 too.

LV='s literature says that the plan is: 'designed for people who don't drink a lot, don't smoke a lot and are generally healthy', so expect underwriting to be strict.

**Plus points:** *Good website. Cheap and easy to buy cover that includes terminal illness and decreasing cover.*

**Not so plus points:** *No trust facility (enquirers are instead referred to an IFA). Not an IFA product.*

**Contact:** 0800 756 8052 or [www.lv.com](http://www.lv.com).

**Rating (max 5):** Innovation: 4. Overall: 3.