



Spotlight on...

Private Medical Insurance (PMI)



EXCELLECT[®]
EVERYONE BENEFITS

W www.excellect.co.uk **T** 0117 370 0352 **E** info@excellect.co.uk

Spotlight on Private Medical Insurance (PMI)

Private Medical Insurance (PMI) is intended to cover the cost of private medical investigations and/or treatment for acute conditions. The aim of PMI is to restore a person to good health as quickly as possible and is intended to work alongside the invaluable services offered by the NHS.

PMI benefits include:

- Prompt access to healthcare, offering an alternative to the sometimes long NHS waiting lists for certain conditions.
- Timely referrals to, and choice of consultants/specialists who then assist with the ongoing care of the individual. Hugely important consistency/continuity of someone understanding and taking responsibility for patient.
- Quick admission to hospital at the most convenient time and place for the individual.
- Expanded choice of healthcare, including advanced treatment options not available on the NHS e.g. specialist cancer drugs.
- High quality private clinic and hospital accommodation, offering own privacy and providing increased levels of comfort and cleanliness.

An unfortunate, but staggering statistic is that approximately, 300,000 patients a year in England are affected by a healthcare-associated infection (HCAI) as a result of care within the NHS (Source NHS 2018).

How does it work

Policies can vary; many require a referral from the individual's GP for a claim to be approved. Eligibility to claim for the condition can be confirmed at the outset by the insurer. Pre-existing medical conditions are usually excluded. Pre-existing medical conditions are anything the individual has had medication for, treatment, diagnostic tests, or suffered symptoms of – usually in the last five years. Commonly those conditions will be excluded for a period of two years after start of cover.

There are three main options offered at joining by PMI companies:

- Full medical underwriting (FMU) – the individual is required to give details of their medical history. Sometimes it may be necessary to request further information from their GP before acceptance is given.
- Moratorium underwriting – the individual is not required to disclose their medical history. Instead, the insurer does not cover treatment for any pre-existing medical condition that occurred in the past few years before the policy started. (This can vary between insurers)
- Continued Previous Medical Exclusions (CPME) – applies to individuals who currently have PMI in place when switching to a new provider. This allows them to continue any underwriting terms from their existing provider.

Medical bills are often settled directly between the insurer and the hospital/specialist, with any outstanding excess to be paid by the individual. Please note – PMI is viewed as a P11d Benefit in Kind and is taxed as such. Employer paid PMI is a tax-deductible business expense (sing current tax legislation as a guide).

Why do businesses need Private Medical Insurance?

It's a constant challenge to find benefits appealing equally to Generation's X, Y, Z and Baby Boomers. However, it's often said that "good health is everything" – a belief that unites every generation. All employees appreciate some form of private medical provision and so most effective benefits strategies include a health element. It's a popular benefit and in fact, over half (53%) of the UK population admitted they would pay for private healthcare treatment.*

There can be many reasons why businesses decide to put PMI in place. Business owners themselves, simply cannot afford to be "out of the business" for any length of time. Cost of cover is far outweighed by the potentially disastrous consequences of not being able to work, and the potential loss of income and customers.

Similarly, for the senior team of a business, an employer wants them to be fit and healthy, and able to contribute. Ill health can cause loss of both business income and profit, so PMI offers the reassurance that should an employee suffer an injury or illness, the chances of a speedy return are greatly increased, thus minimizing business disruption.

Competition is currently fierce for good quality candidates, and job seekers can afford to pick and choose their opportunities. Employees no longer look for salary alone when reviewing their job options. So, those who provide meaningful employee benefits, flexible working, career progression etc, will offer wider appeal. Quality employee benefits not only tick the box when it comes to presenting attractive reward, but also help demonstrate a caring and benevolent company culture.

*Source: Finder.com July 2019

To request an indicative quote for your clients please contact Ann Barker:

T 0117 370 0352 M 07398 838074 E enquiries@excellect.co.uk



EXCELLECT®
EVERYONE BENEFITS

W www.excellect.co.uk T 0117 370 0352 E info@excellect.co.uk