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# A Guide To Private Health Insurance



# What is Health Insurance?

PMI is an insurance product designed to provide fast and effective medical treatment outside of the NHS. When you take out a policy, you and the insurer agree that should you fall ill or suffer an injury, the PMI policy will attempt to return you to the same level of health you had when you took out the policy.

PMI has many benefits – the best known being that you get immediate private treatment for covered conditions, rather than waiting weeks or months on the NHS. PMI doesn't pay out a lump sum – instead it pays directly for diagnostics and treatment at a private hospital.

## Purchasing private medical insurance

There are **three main ways** to buy private health insurance:



### Option 1

Go direct to an insurer like Bupa or Aviva.



### Option 2

Through a broker or intermediary like us



### Option 3

Though an independent financial adviser (IFA)

The main benefit of buying from an intermediary is the ability to compare lots of different companies and policies to find the best one to suit your requirements. People often get confused between a broker and an intermediary. The simplest way to explain the difference is that brokers charge clients for their services, while intermediaries are paid a commission by the insurer.

Intermediaries don't charge for their services – their advice and expertise are provided free of charge – so if you choose to buy PMI through an intermediary, your premiums will be the same as if you go direct to the insurer.

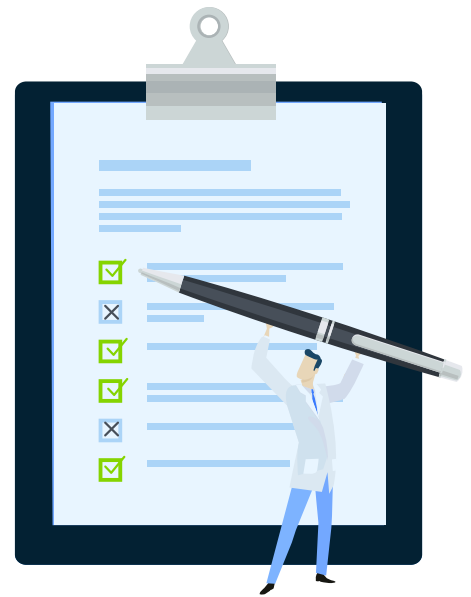
# What makes up a PMI policy?

Private medical insurance (PMI) policies consist of two main elements:

**Cover** – The core is the basics of a policy like hospital lists and Excess.

**Add-ons** – These are the extras that cost more, but will enhance your cover with things like dental and travel.

Although a policy consists of two main elements you can adapt both core and add-ons to meet the cover requirements you set at the best price.



## Core cover includes:

### In-patient cover:

Cover for when you're admitted to hospital and stay overnight. Cover includes hospital accommodation charges, specialist fees such as consultants, surgeons and anaesthetists, diagnostic tests and scans such as CT, PET or MRI, plus X-rays or physiological tests. Some insurers also offer additional benefits, such as physiotherapy, as part of their in-patient cover.

### Day-patient cover:

Covers you when you're admitted to hospital and discharged the same day. Covers the same things as in-patient cover.

### **Out-patient cover:**

Covers you when you visit a hospital and return home the same day without being admitted – in other words, you're not given a hospital bed. Out-patient cover includes the cost of consultations, diagnostic scans/tests and some minor surgical procedures. Some insurers also include physiotherapy in their out-patient cover. If, after a two-year consecutive period, you meet certain criteria (usually this includes remaining symptom, treatment, medication or advice free from that condition), then it will become eligible for cover.

## **Core cover options:**

### **Hospital lists:**

All insurers have a list of approved hospitals you can choose to attend for treatment. You may be able to reduce your premium by excluding certain prestigious or city centre hospitals.

### **Six-week option:**

The six-week option is a great way to reduce your premiums. If you choose the six-week option, and your treatment is available on the NHS within six weeks, you must use the NHS. If NHS treatment isn't available within six weeks, your policy will cover you for immediate private treatment.

### **No-claims discount (NCD):**

Your level of NCD will vary according to whether you currently have PMI or not. If you have, the insurer will take your claims history into account when calculating your premium. If you claim on your policy, your NCD may reduce – the amount it will reduce by varies according to your insurer. If you don't claim on your policy for a full year, your NCD will increase.

### **Excess:**

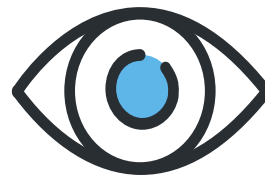
If you choose to add a voluntary excess to your policy you will be responsible for the first part of any claim you make, to a specified amount, ranging from £100 to £5,000. Most excesses are offered per person per year, though some insurers offer an excess for each claim, which is another way to reduce your premium.

## **Optional add-on modules**



### **Dental:**

Get cover for general dental treatments – crowns, fillings, accidental damage and dental emergencies. Alternatively, you can opt for a more general level of cover, which will pay for some general dental costs.



### **Optical:**

Optical cover can help pay for eye tests, glasses or contact lenses (usually provided if there has been a change in prescription). Alternatively, you can opt for a general level of cover, which will pay for some general optical costs.



### **Travel:**

This includes standard travel insurance features, such as cover for missed or delayed flights, loss of travel money and passports, legal protection, and some winter sports. More importantly, you will be covered for any medical emergencies while abroad.



### **Psychiatric:**

This covers you for the diagnosis and treatment of most mental health issues. Cover varies from insurer to insurer, but usually includes access to in, day and out-patient treatments.



### **Therapies:**

This covers the cost of physiotherapy, osteopathy and chiropractic treatment. Some insurers include other holistic therapies.

## **What conditions does private health insurance cover?**

If you're fit and healthy, private medical insurance covers most acute medical conditions. Commonly covered conditions include:

- ✓ Cancer including palliative care, diagnosis, chemotherapy, radiotherapy, etc.
- ✓ Heart disease including aftercare cover
- ✓ Stroke aftercare
- ✓ Sports injuries unless you're a professional sports person
- ✓ Mental health issues including counselling and psychiatric care
- ✓ Complementary therapies such as physiotherapy and osteopathy
- ✓ Alternative therapies including acupuncture, chiropractic, homeopathy, etc.

# What are the exclusions?

All insurers have exclusions, which explicitly state what isn't covered by their health insurance policies. Generally, these exclusions include anything that will only ever be dealt with by the NHS – including:

- ✗ Accident and emergency
- ✗ Chronic conditions such as asthma and diabetes
- ✗ HIV & Aids
- ✗ War, riots and terrorism
- ✗ Dangerous sports such as base jumping, snowboarding, etc.

Each insurer has its own list of exclusions, and our expert advisers will happily talk you through what is and isn't included for any policy we sell.

## Cancer cover and treatment

When selecting what level of cancer cover you would like, each insurer has different options. These options are generally:

- Included in core cover: here your diagnosis will be covered by your out-patient limits and treatment will be covered by your in- and day-patient cover.
- Full cancer cover add-on: this will cover all diagnosis and treatments of cancer without limits.
- Advanced cancer drugs: this will give you access to expensive drugs not normally available via the NHS and in some cases, experimental trial drugs that have been shown effective in treatments. You will receive all diagnosis and other treatments via NHS.
- Nil: if you don't want any level of cancer cover.

Provided you have cancer cover in core or as an add-on, you would be able to have CT, PET, MRI scans and any specialist consultations. Once you've received a diagnosis you can then begin to receive treatment under your policy.

Your policy will cover all in- and day-patient treatment, chemotherapy, radiotherapy and out-patient consultants in full. This means that whether you need an operation, or the latest drugs and radiotherapy treatment, your insurer will cover these costs. The good news is that even if you've opted to reduce your out-patient cover, when it comes to cancer treatments your insurer will generally remove your limitations and cover you in full.

## Underwriting

There are two main types of underwriting for PMI policies: moratorium (sometimes called mori) and full medical underwriting (FMU).

### Full medical underwriting

Full medical underwriting (FMU) requires you to provide your complete medical history – and that of all policyholders – when you take out your policy. The information you provide may mean the insurer excludes certain conditions from cover for the lifetime of the policy.

### Moratorium underwriting

Moratorium underwriting doesn't require you to disclose your medical history. However, for the first two years of your policy you won't be covered for anything you've had symptoms, treatment, medication, diagnostic tests or advice on in the five years before your policy start date.

If, after a two-year consecutive period, you meet certain criteria (usually this includes remaining symptom, treatment, medication or advice free from that condition), then it will become eligible for cover.

Moratorium underwriting offers the potential for pre-existing conditions to be covered after a two-year period. Usay Compare can set up a moratorium policy over the phone to provide you with immediate cover.

# Renewal/switch

After 12 months, your policy will come up for renewal. You can renew with the same provider, or switch to another insurer. Usay Compare specialises in the switch process. We compare our panel of the UK's leading insurers to find you the best deal, even if you didn't take your original policy out with us.

If you already have private healthcare insurance, you may be able to switch your policy to a new provider to save money without compromising on cover. Each insurer has its own switch eligibility criteria, which generally include: no claims in the past 12 months, no ongoing symptoms, treatments, or diagnostics, and nothing planned or pending. Some insurers have other criteria, but we can guide you through the switching process.

Switching means any conditions covered by your existing policy may also be covered by your new policy, ensuring continuous cover.

## What about the NHS?

Private healthcare insurance is intended to complement the services provided by the NHS, not replace them. The NHS provides a good service for millions of people in the UK today – those who want a faster, more convenient level of treatment for themselves and their families choose private medical insurance.

Some things aren't covered by private health insurance, and are better taken care of by the NHS – including A&E and maternity services. The NHS handles these elements, while PMI takes the strain off the system by treating acute conditions quickly and effectively.





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