

Q

Are you buying

private medical insurance?



A

Take a look at this guide

before you decide

This independent guide
is published by the
Association of British Insurers



? Inside your guide

- 1 About this guide
- 2 What is private medical insurance?
- 3 How do I buy private medical insurance?
- 4 How do I choose the right cover?
- 5 What am I covered for? What does my cover not include?
- 6 What will affect my premiums?
- 7 Will I need to provide details of my health?
- 8 Will my cover be affected if I am disabled?
- 9 How do I make a claim?
- 10 How is private medical insurance controlled?
- 11 What if I want to change to a new insurance company?
- 12 Your checklist
- 13 Useful addresses

1 About this guide

We have designed this guide to help you understand more about how private medical insurance works, so that you can make an informed choice before you buy a policy.



We are publishing this guide on behalf of all insurance companies who offer this type of cover, whether they are members of the Association of British Insurers or not. We are the recognised trade organisation for insurance companies operating in the United Kingdom. Over 400 insurance companies are currently members and between them they account for more than 96% of the UK's insurance business.

As well as this guide, the literature you receive from companies providing private medical insurance should contain an outline of the products which you are considering buying. These outlines are meant to help you compare the benefits offered by different products. They give you a brief overview of what is, and is not, covered.

We hope you find this guide useful. If you have any questions, your sales person or insurance company will be able to answer them.

2 What is private medical insurance?

Private medical insurance is designed to cover the costs of private medical treatment for curable short-term illness or injury (commonly known as acute conditions).

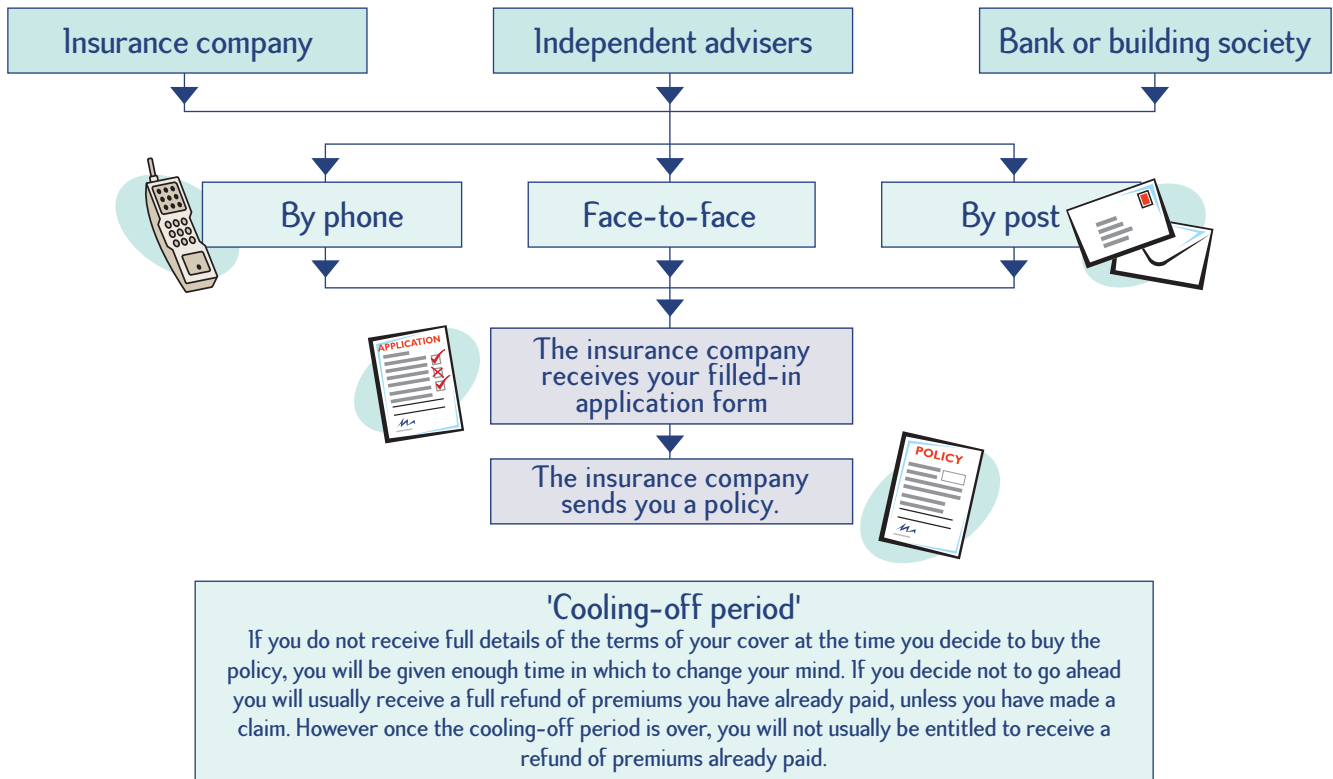


Most people buy this type of insurance to gain the reassurance of knowing that treatment is available promptly, if they become ill or are injured.

As a private patient you can often choose when treatment will take place, the specialist who treats you and the hospital. You will usually have the privacy of an en-suite room, complete with TV and other home comforts.

Some illnesses and treatments will not be covered by a private medical insurance policy and these are common to most schemes (see Section 5 of this guide). It is also important to remember that this insurance is not designed to replace all the services offered by the NHS. Some, such as accident and emergency, are beyond the scope of most private hospitals.

3 How do I buy private medical insurance?



Most insurance companies will arrange private medical insurance cover over the phone. However, this cover may only be provisional until they receive your fully filled-in application form.

4 How do I choose the right cover?

When looking at cover, it is useful to know that treatment is categorised in the following way.

In-patient

This is when you go into hospital for private treatment or investigations and stay for one or more nights.

Day-patient

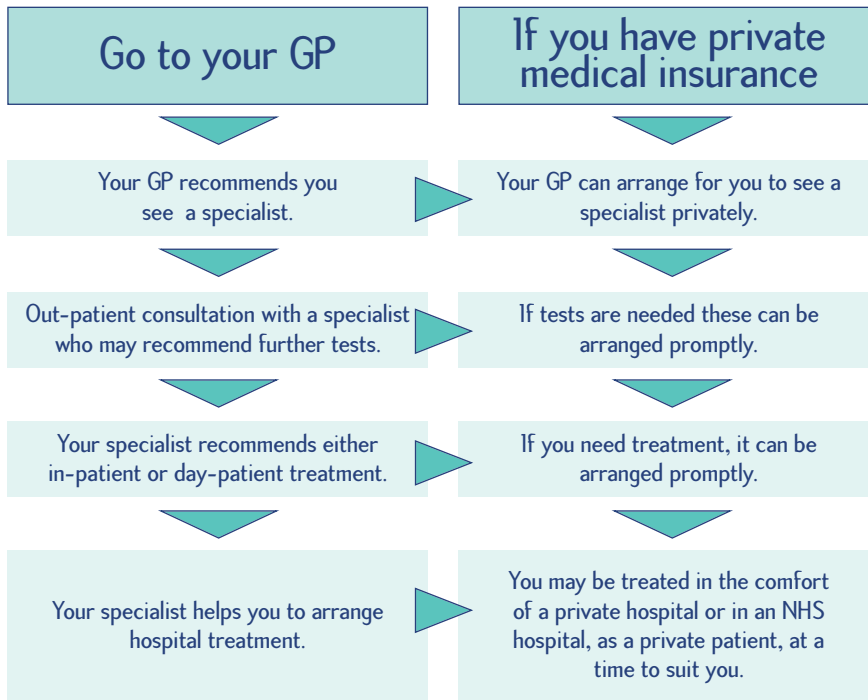
This is sometimes referred to as day-care, or day-case. It is when you go into hospital for private treatment or investigations but do not need to stay in hospital overnight.

Out-patient

This is when you receive treatment or investigations or consultations which do not need you to stay in hospital either as an in-patient or day-patient.

There is a large variety of schemes available - from low-cost schemes, offering limited cover, to those which offer wide-ranging cover and benefits. Most schemes offer cover for in-patient and day-patient care, but not always out-patient.

This is how the treatment process works









You will need to decide what sort of cover you want. There are a number of things you will have to consider, here are just two examples.

- Do you want your cover to include seeing a specialist as an out-patient?
- Do you want a choice of hospitals, or would you be satisfied to receive any treatment that you might need in a hospital available from a limited range chosen by your insurance company?

The answers you give to questions such as these could have a significant effect on the premium that you pay (please see Section 6).

5 What am I covered for? What does my cover not include?

Remember, private medical insurance is designed to cover treatment for curable, short-term illness or injury (commonly known as acute conditions). Some illnesses and treatments are never covered and these are common to most schemes.

Usually included	Sometimes included	Usually not included
<ul style="list-style-type: none"> • Cover for treatment of short-term (acute) medical conditions • In-patient tests • Surgery • Hospital accommodation and nursing  	<ul style="list-style-type: none"> • Out-patient tests • Out-patient consultations with a specialist • Overseas cover • Cash payment for treatment received as an NHS in-patient  	<ul style="list-style-type: none"> • Conditions you had before taking out the insurance (commonly known as pre-existing conditions - read Section 7) • GP services • Cover for long-term illnesses which cannot be cured (usually referred to as chronic conditions) • Accident and emergency admission  

As well as those listed above as 'Usually not covered', the following conditions or treatments are normally outside your cover:

drug abuse, self-inflicted injuries, out-patient drugs and dressings, HIV/AIDS, infertility, normal pregnancy, cosmetic surgery, gender reassignment (also known as sex change), preventive treatment, kidney dialysis, mobility aids, experimental treatment, experimental drugs, organ transplant, war risks, injuries arising from dangerous hobbies (often called 'hazardous pursuits').

6 What will affect my premiums?

Whichever scheme you choose, it is likely that your premiums will rise above the rate of general inflation. This is because of factors which affect how healthcare is provided in all western economies.



Each year more people claim on their insurance cover for private medical treatment. A hip replacement costs around £6,000 and is a common procedure, particularly for older patients.



The number and sophistication of treatments to improve quality of life is increasing steadily. Most private medical insurance policies aim to cover these treatments as they become established medical practice and available privately.

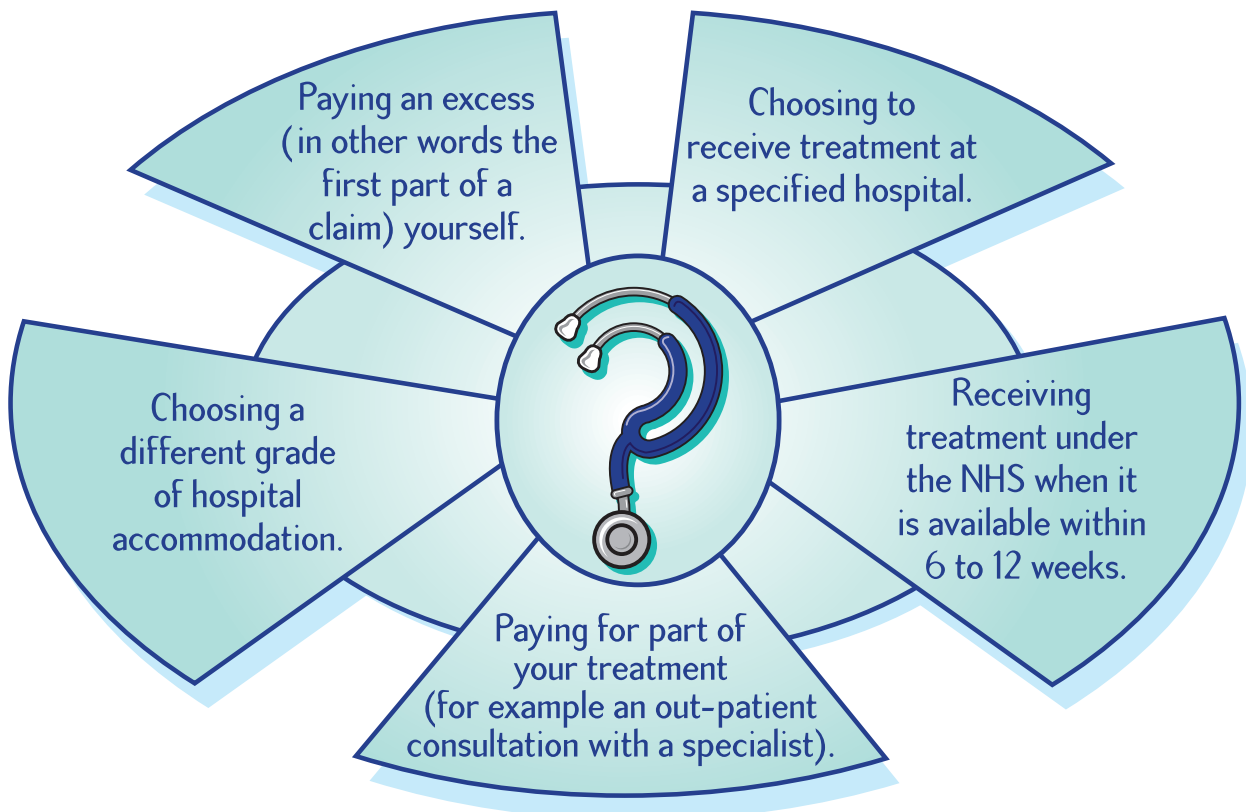


Likewise, the sophistication and complexity of tests used to diagnose illness and injury is also increasing. Such tests are becoming far more widely available in private hospitals - for example, Magnetic Resonance Imaging (MRI) scans which cost around £500 each.



As people get older they are more likely to need and receive medical treatment, which means that private medical insurance premiums will usually increase with age to reflect this.

Your choice of cover will affect what you pay



It is unlikely that you will find all these options in any one product, but a combination will probably be available.

Will I need to provide details of my health?

As described under Section 5, there are a number of medical conditions which you will not be able to get private medical insurance cover for. You won't normally be covered for an illness from which you are suffering, or have already had (commonly known as pre-existing conditions). Insurance companies may accept your application for cover in one of two ways.

Medical history declaration

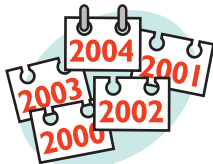


You are asked to fill in a form, giving details of your medical history.

If necessary, the insurance company may write to your doctor for more information. It is essential that you give all the information you are asked for. If you don't, you may find that your insurance company questions claims that you make in the future.

If you are not sure whether or not to mention something, it is best to do so. If you have a medical condition which is likely to come back, the insurance company will issue a policy, but that condition (and any related to it) will probably not be covered, either indefinitely, or for a set period of time.

Moratorium



This is when you are asked to fill in a form, but you are not asked to give details of your medical history. Instead, the insurance company does not cover any medical condition which existed in the last (usually) five years.

These conditions may automatically become eligible for cover, but only when you do not have symptoms, or receive treatment, medication, tests and advice (from your GP or a specialist) for that condition for a continuous period of (usually) two years, after your policy has started.

There are some conditions, for example chronic conditions, that will probably never be eligible for this delayed cover because you will always need regular or occasional treatment, medication, tests or advice for them.

You should not delay getting medical advice or treatment, simply to get cover.

If your insurance company offers a "moratorium", they will give you printed information explaining how their particular moratorium works. You may also want to ask the insurance company, or salesperson, to explain how it works.

Will my cover be affected if I am disabled?



Insurance companies will not refuse to cover you because you are disabled. As with other pre-existing conditions, your insurance company may exclude cover for treatment arising directly from your disability. However, it must be reasonable and fair for them to do this.

If you sign a 'medical history declaration', you must reveal all relevant information about your disability. If your policy automatically does not cover pre-existing conditions, then an existing medical condition causing disability, or arising from it, will not be covered. If you would like more information, call the Association of British Insurers on 020 7600 3333 and ask for the information sheet, 'Insurance for disabled people'.

How do I make a claim?

Apart from emergency admissions to NHS hospitals, all medical treatment has to start with a referral by your GP to an appropriate specialist.



You	Your insurance company
Before you receive any treatment privately, you should call your insurance company to check that you are covered for the treatment that you will receive. In fact, some insurance companies insist that you do this.	Your insurance company will give you all the guidance you need, confirm what your cover includes and, if necessary, send you a claim form.
Your GP and your specialist will probably need to fill in and sign your claim form. Your GP may charge a small fee which will not be covered by your insurance.	Stay in contact with your insurance company, who will confirm that any treatment you plan to receive is within your cover.
Your specialist may recommend tests, admission to hospital as an in-patient, or day-case treatment.	Your insurance company will tell you how they pay claims. Remember, if you have chosen to pay an excess, you will still have to make that payment.
Most hospitals and some specialists have their bills paid directly by the insurance company. Others will send the bills to you.	

How is private medical insurance controlled?

An industry Code of Practice

Selling private medical insurance comes under our Code of Practice covering selling general insurance and other guidelines which cover private medical insurance. The code and other guidelines cover training, face-to-face and phone selling, as well as standards of documents and handling complaints.

Your application form

Your application form is a very important document. In fact, it forms the basis of your contract with your insurance company. Always fill it in fully and accurately. If you don't, your insurance company may refuse to pay your claim and could even cancel your policy.



Absolute confidentiality

By law all insurance companies have to treat personal information, especially medical details, with absolute confidentiality. Totally anonymous statistical information is sometimes given to outside organisations carrying out research.

A formal procedure for handling complaints



Most insurance companies have their own complaints procedures in place, so if you have a problem with any part of your cover, speak to your insurance company first. If you are not satisfied with the way in which your complaint is handled, you can contact either the Insurance Ombudsman Bureau, or the Personal Insurance Arbitration Service (depending on which one your insurance company uses). These services are free and you can find contact details at the back of this booklet.

What if I want to change to a new insurance company?

You may change insurance companies. However, it is important to remember that a new company may not cover any previous, or existing medical conditions, which your current insurance company may cover. You may also lose any premiums you have paid up front.

It is best to check with your new company as to how the change may affect your cover.

Your checklist



Before you buy private medical insurance, you need to understand the following.

- 1 You agree to give the insurance company all the information they need. ▶ *If you don't give accurate details, your insurance company can refuse to pay your claim or could cancel your policy.*

- 2 You agree to pay regular monthly or yearly premiums as long as you want cover. ▶ *If you don't pay premiums, your cover will stop. Your insurance company will only pay for costs you have paid, or agreed to pay up to the last date covered by your premiums.*

- 3 The cost of your premiums may increase once a year when you renew your cover. ▶ *Your individual premiums are not influenced by the number of claims you make (unless your cover includes a no-claims discount).*

- 4 If your insurance company plans on making changes and improvements to a scheme, all customers will be told before they renew. ▶ *This will not prevent you continuing your cover.*

- 5 If you change insurance companies, you may not be covered for conditions or treatments that your existing policy covers.

Once you have received your policy, read it carefully.

Read your policy document carefully, you must keep to its terms and conditions.

However, if you did not receive all the policy documents before you decided to buy the policy, you will be given a cooling-off period, of around two to four weeks, in which you can make sure the policy is right for you.

If you decide not to go ahead you will usually receive a full refund of premiums you have already paid, unless you have made a claim.

If you want to cancel your policy after the cooling-off period, your insurance company does not have to refund your premiums - even those you have paid up front.

Useful addresses

If your insurance company cannot sort out your complaint, the following organisations will tell you how to go about taking the matter further (your insurance company's literature will tell you which one to contact). Their decisions are binding on the insurance company, but do not affect your right to take legal action if you want to do so.

The Insurance Ombudsman Bureau
135 Park Street
London SE1 9EA
Phone: 0845 600 6666

The Personal Insurance Arbitration Service
24 Angel Gate
City Gate
London EC1V 2RS
Phone: 020 7837 4483

For general information on insurance and, more specifically private medical insurance, you can contact:

The Association of British Insurers
51 Gresham Street
London
EC2V 7HQ
Phone: 020 7600 3333