

Personal healthcare from Standard Life

Your questions answered



Questions and answers.

About the plan

Q: When will your current individual product range, Primecare, EspritHealth and Choices no longer be available for new business?

A: Our new personal healthcare product replaces our current individual product range with effect from 1 June 2009. However, if you've already quoted for someone based on one of the above products and with a start date in June, then that quote will be honoured. Nevertheless, you may feel that, given its much greater flexibility, our personal healthcare plan might now be a better option for them, in which case you can always obtain a new quote.

Q: Can dependants have a different level of cover from the planholder?

A: Dependants can be on different underwriting terms but must have the same benefits as the planholder.

Q: Why have you developed example plans?

A: We recognise that with flexibility can also come complexity, so we have created four example plans as a start point for advisers from which they can build up or down if they feel this is easier than explaining the concept to a customer from scratch. It also allows us to provide prices as a quick reference point via rate books without an adviser having to phone in for a full quote. The example plans may also be helpful if, for instance, you want to target specific client groups in the future. An example plans leaflet can be downloaded from adviserzone.com or a printed copy can be ordered.

Q: When providing a plan for a self-employed person, should business or personal healthcare be offered?

A: The answer to this may become more obvious once you've assessed their demands and needs. For instance, if they're planning to expand their business and would want to be able to offer PMI to attract new employees, then business healthcare may well be the most appropriate product for them. If not, then personal healthcare with its no-claims discount and attractive discounts for couple and family cover may be more suitable.

Q: Can we sell Travel or Dental as stand-alone plans?

A: No, Travel and Dental are not available as stand-alone plans. We offer these options as stand-alone on our business and corporate healthcare products so that employers can provide different benefits to different employee categories if they want to. This is not the same position for individuals for whom we see travel and dental cover as an extension to private medical insurance. Also, by offering these benefits in tandem with PMI cover, we are able to keep the underwriting and pricing rules very simple. This would have to change if we were to offer these as stand-alone plans.

Q: Are there any changes to your underwriting questions?

A: We've re-arranged the questions on our full medical underwriting application form to aid clarity. Also, we now just have one individual switch application form (which includes two extra questions for those over age 55). There's also now space on the switch form to add a family member on a moratorium basis if they weren't included on the previous plan.

Personal healthcare Q&A

Q: Are you updating your stance on the provision of cancer treatment?

A: Yes, in line with our company plans we're taking this opportunity to provide much more information on the extent of our cancer cover within the new plan's terms and conditions.

Q: Is a Health Cash option available?

A: No, we're not offering a Health Cash option on personal healthcare. Unlike the SME and corporate sectors where a cash plan can be a useful benefit to offer to certain staff categories, our experience shows that individual buyers of PMI are generally not interested in cash plans. In the circumstances, therefore, we've decided not to offer this option with personal healthcare.

Keeping costs down

Q: How many excess options are there?

A: There are 15 excess options in total, starting from £50, and then in £50 increments up to £500, offering your clients a great way to keep their premiums down. There's also a £75 excess plus some high excess options, including £1,000, £2,500 and £5,000. They can even choose between an excess per claim and an excess per person, per plan year.

Q: Why do you offer two different ways of applying an excess?

A: This is yet another way of offering you and your clients flexibility. It means, for instance, that when they switch to us from an insurer that operates on an excess per policy year basis, we can offer them an excess on the same basis. In fact, with our wide range of options we can quote on a like for like basis most of the time, though it's worth remembering that an excess per claim offers significantly higher savings.

Q: What other ways are there to keep costs down?

A: One of the great advantages of our personal healthcare is that you can pick and choose benefits to suit your client's budget. So, for instance, a client may want to have out-patient cover but to limit this to £500 a year instead of choosing full cover. You can also reduce costs based on the hospital list. With our Guided Option, for instance, you can save 15% compared with our Countrywide list. Since this offers a limited range of hospitals, you will need to decide if this is appropriate for each client. There's also a 6 week wait option and even the way they pay their premiums could save them money.

Pricing

Q: What is the pricing structure, how does it work?

A: Firstly, with the exception of an 18 to 29 age band where there is little difference in risk across these ages, we've introduced single year age pricing for the PMI cover options. This helps smooth age related price increases. Otherwise, the pricing structure is essentially the same as business healthcare in that we've grouped options into three main types: private medical insurance, other health insurances (Travel/Dental) and then preventive options such as Member Assistance Programme, GP Consultation Line.

There is a base rate for each age on each of the PMI cover options, and then a range of factors that are applied to produce the end premium (eg. no-claims discount, hospital list, payment frequency). Some factors apply to all cover options (eg. payment frequency discount) while others just apply where relevant (eg. the hospital list loading only applies to the PMI options).

Q: On a like for like basis, how will the prices for personal healthcare compare with those of Primecare and EspritHealth?

A: Broadly the same, on average. However, these products are less easy to compare given the move from predominantly 5/10 year age bands to single year age pricing. The effect of this is that rates for ages at the extreme ends of a 10 year age band, for instance, may be quite different on personal healthcare due to the transition to single year age pricing. The no-claims discount scale is the same as that for our EspritHealth product but entry points (switch up to 65% and mori 50%) are different, and we've made multi-life plans (couples, families etc) more attractive by reducing the loading for these.

Q: What sort of discounts are available for taking an excess?

A: You'll find all of the excess discounts in our field guidelines that can be downloaded from www.adviserzone.com. There's a terrific range available but to give you some examples, the discounts for an excess per claim of £100, £200 and £300 are 10%, 20% and 27% respectively. It's worth noting that these discounts are significantly higher than for the equivalent excesses on a per policy year basis, and are well worth considering for helping to keep costs down. Remember too that, unlike some other insurers, once the excess has been paid on a benefit where there's a set limit, the full amount of that benefit can still be claimed (ie we don't reduce the benefit available by the amount of the excess).

Questions and answers, continued.

Your Existing Individual Customers

No doubt you are keen to know what will happen with those of your customers who have an individual Primecare, Esprithealth or Choices plan with us. We are pleased to say we will start moving these customers onto the new plan later this year. We will also be providing you with all of the information you need nearer the time. Meanwhile, here are a few questions and answers that we expect you want to know about right now:

Q: Now you've got this new product what's happening to existing customers on your individual products?

A: As with our business and corporate healthcare products, we will move customers onto personal healthcare from their renewal date. This process is likely to start in the third quarter of this year and we will provide you with all of the necessary information nearer the time.

Q: Why aren't you switching them sooner?

A: Personal healthcare has been built on our new system and our focus has been on building new business functionality so that we can provide you with a more flexible plan to help you win more business.

Q: How will you approach moving existing customers onto the new plan?

A: We have established a set of high-level principles which will apply to all existing customers moving onto the new plan. These are:

- We will make the transfer as seamless as possible by offering them identical benefits wherever possible. Because there are lots of options with personal healthcare we'll be able to closely match what most of them currently have.
- We will ensure there is minimal impact on their premium when this happens.
- We will always tell customers of any other changes to their cover.
- Other than a change of name, customers will see very little change to their cover

Q: Can my customers move onto this new plan before their renewal date?

A: As their contract is annual, we are unable to move them before their renewal date. As it is, your customers will be moving to benefits that closely match what they currently have with us. Little advantage would be gained by their moving before their renewal date, therefore.

Pensions
Mortgages
Savings
Investments
Healthcare
Insurance

Speak soon.

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