

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Conditions are tough in the UK private health insurance market, with affordability putting pressure on customer numbers and Brexit creating a more cautious corporate climate. Providers are rightly focussed on customer retention and controlling costs in order to maintain profitability.”

– Sarah Hitchcock, Senior Finance Analyst

This report looks at the following areas:

- PMI – the problem of affordability
- HCPs – raise awareness of additional health benefits

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market

The health insurance market is mature and stable

Static premium income

Figure 1: Medical expenses insurance gross written premiums, 2016-19

Health insurers' margins squeezed by rising medical inflation

NHS feeling the strain

Average PMI premiums boosted by IPT rises

Companies and brands

A heavily consolidated market

Figure 2: Top six providers' estimated share of medical expenses insurance GWP (UK only), 2017

Technology drives new innovation

Insurers give greater focus to mental health

The consumer

Although much cheaper, cash plans have a lower take-up rate than PMI

Figure 3: Ownership of health insurance, health cash plans and related products, August 2018

Claims experience

Both the PMI and HCP markets enjoy fairly high levels of customer loyalty

Figure 4: Intentions to renew, switch or cancel health policy at next renewal, by cover type, August 2018

Good levels of interest in health cover products...

Figure 5: Interest in health insurance products by the non-insured, August 2018

...but lack of affordability remains a key barrier to increasing take-up

Figure 6: Amount can afford to pay in monthly premiums, by type of product interested in, August 2018

Key selling points of PMI

Figure 7: Most appealing health insurance benefits, August 2018

Key selling points of a cash plan

Figure 8: Most appealing HCP benefits, August 2018

Level of public concern about the NHS

Figure 9: Level of concern regarding various health-related issues, August 2018

What we think

Issues and Insights

PMI – the problem of affordability

The facts

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The implications

HCPs – raise awareness of additional health benefits

The facts

The implications

The Market – What You Need to Know

The health insurance market is mature and stable

The market will remain flat in 2018-19

Profit margins squeezed by rising cost pressures

NHS under strain

Product affordability compounded by IPT rises

Market Size

Number of policies in force

Figure 10: Number of PMI policies and health cash plans in force, 2018

Personal PMI sector in steady decline due to affordability constraints

Premium income to stabilise, at least over the short term

Figure 11: Medical expenses insurance gross written premiums, 2016-19

Claims Incurred and Underwriting Result

The value of net claims incurred was up 10% in 2017...

Figure 12: Medical expenses insurance – claims incurred and other outgoings (ABI members only), 2016-17

...impacting on profitability

Figure 13: Medical expenses insurance – Claims and underwriting ratios (ABI members only), 2016-17

Market Drivers

Brexit uncertainty is bad for business

Figure 14: Key economic indicators, August 2018

Brexit may increase demand for international PMI

More patients in the UK are waiting over 18 weeks for treatment

NHS England managing to meet the 6-week wait deadline for diagnostic tests despite higher demand levels

Figure 15: Number of NHS patients waiting for diagnostic tests and procedures, and proportion who are waiting over six weeks (monthly basis) – England, June 2008 to June 2018

NHS England continues to fall short of cancer waiting list targets

Extra NHS funding is not enough

Figure 16: NHS England – Total departmental expenditure limits in real terms, 2013/14-2020/21

GP numbers decline while demand rises

Health cash plans compete with vision- and dental-only plans

Most adults pay towards their dental care

Figure 17: Cost of NHS dental treatment in England, 2010/11-2018/19

70% of UK adults wear prescription eyewear

Regulatory and Legislative Changes

IDD deadline approaches

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

IPT increase pushes up cost of health insurance

Figure 18: Changes to the standard rate of IPT, 2011-17

Companies and Brands – What You Need to Know

The UK health insurance market is heavily consolidated

Strong competition between providers

Technology leveraged to offer new services and benefits

Insurers turn their attention to mental health

Vitality ups the ante by boosting adspend

Market Share

Bupa and AXA PPP are the big heavyweights

Figure 19: Providers' medical expenses insurance GWP (UK only), 2016-17

Top performers in 2017

Significant others

Competitive Strategies

Market movements

M&A activity continues

Westfield Health acquires UK Healthcare

Cash plan providers move into occupational health and digital healthcare services

Other recent acquisitions

APRIL UK withdraws from PMI market

Aviva pulls out of IPMI market

AXA sells its whole-of-market healthcare intermediary

New distribution partnerships

Bupa and Waitrose establish an exclusive partnership

British Friendly offers cash plan to income protection policyholders

Industry innovation

Targeting the fit and active

Simplyhealth launches Active Plan

AXA PPP publishes guide to promote fitness at work

Harnessing digital technology

The Exeter adopts a digital approach with launch of new PMI policy Health+

Greater focus on mental health

Other new products and services

Bupa launches prostate cancer checks and cancer self-referral service

National Friendly launches PMI plan to tackle long GP waiting times

Health Shield offers health screening to entire workforce

Advertising and Marketing Activity

Vitality boosts adspend in an effort to engage...

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 20: Above-the line, online display and direct mail advertising expenditure on health cover products by selected providers, 2015/16-2017/18

...and adopts an integrated approach

Benenden Health – a new name, a new campaign

Nielsen Ad Intel coverage

The Consumer – What You Need to Know

15% of UK adults have PMI, while 4% have a cash plan

Cancellation intentions among both PMI and HCP customers is very low

Expanding the market hampered by lack of affordability

Faster access to treatment is the top PMI selling point while money towards dental expenses is the most attractive benefit of a cash plan

Many people are concerned about the health of the NHS

Ownership of Medical Expenses Insurance

15% of UK adult internet users have private health insurance

Figure 21: Ownership of health insurance, cash plans and related products, August 2018

3% have a condition-specific policy

5% have IPMI

4% have a cash plan

Significant overlap between products

Figure 22: Ownership of health insurance, cash plans and related products – Cross-analysis, August 2018

Demographic profile of customers

PMI Policyholders – Claims Experience and Renewal Intentions

50% of customers have made a claim on their health insurance

Figure 23: Policyholder claims history, by cover type, August 2018

Three times as many policyholders are expecting to upgrade or extend existing cover as downgrade

Figure 24: Intentions to renew, switch or cancel health policy at next renewal, by cover type, August 2018

Only 1% are expecting to cancel cover at their next renewal

HCP holders – Claims Experience and Renewal Intentions

61% of HCP customers have made at least one claim within the past 12 months

Figure 25: HCP subscriber claims history, August 2018

8% are planning to switch and just 2% to cancel cover altogether

Figure 26: Intentions to renew, switch or cancel HCP at next renewal, August 2018

The Non-insured and Interest in Health Cover Products

Significant interest in health insurance products

5% are interested in getting a treatment-only policy...

...while 3% are keen on the concept of co-payment

Figure 27: Interest in health insurance products by the non-insured, August 2018

11% are keen on health cash plans

Just 4% of those interested in health cover products can afford to pay £50 in monthly premiums

Figure 28: Amount can afford to pay in monthly premiums, by type of product interested in, August 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumers and Health Insurance (PMI and HCPs) - UK - October 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Most Appealing Product Benefits

Faster access to treatment is the main selling point of PMI

Figure 29: Most appealing health insurance benefits, by those who have cover and those interested in getting it, August 2018

Preferences differ between the sexes and across the age range

72% of potential prospects find cash towards dental treatment appealing

Figure 30: Most appealing HCP benefits, by those who have a cash plan and those interested in getting one, August 2018

Concerns about the NHS, Health Costs and Getting Cover for a Pre-existing Condition

64% are worried about waiting times to see a specialist

Figure 31: Level of concern regarding various health-related issues, August 2018

54% are concerned about the cost of dental treatment

Appendix – Data Sources and Abbreviations

Abbreviations

Consumer research methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com