

Private Medical Insurance - UK - November 2014

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“If PMI providers can respond to all the factors affecting the rapidly changing healthcare market, it is likely that a much larger and more current private medical insurance market will emerge, and the challenges of the recent past will begin to fade into memory.”

– Jessica Morley, Financial Services Research Analyst

This report looks at the following areas:

- The traditional PMI business model is challenged by changes to the NHS
- The proliferation of health information is causing confusion for young consumers
- Increasing prevalence of long-term conditions puts pressure on carers
- Exposing consumers to private healthcare through cheaper alternative products first can encourage PMI sales later on

The private medical insurance market experienced significant difficulties in the aftermath of the financial crisis. As both businesses and consumers cut back on non-essential spending, the already high costs of premiums coupled with consumers' difficulty in identifying the added value of private medical insurance meant that interest in the product declined and the market contracted.

In 2014, economic growth is strong, although consumers still face low wage growth and are increasingly likely to turn to self-employment. At the same time, the NHS is under pressure from rising demand, and interest in healthcare amongst young and health-invested consumers is booming. The healthcare needs of consumers are also shifting, as demand for 24/7, technologically-enabled care increases, especially in relation to routine services, and demand for private non-routine services decreases.

This report examines the broader trends affecting the private healthcare market, and examines the way in which this has affected the value and volume of policy sales. This is supplemented by in-depth independently commissioned consumer research examining ownership of PMI, use of a range of healthcare services, and attitudes towards private healthcare.

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

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