

February 2010

Pick of the month

Two cash plans, a group income protection plan and two types of international cover make up this month's reviews.

Cigna has updated its corporate European travel plan (a product area that many brokers currently miss out on), while InterGlobal has launched an international medical plan specifically for Africa. And Medicash has updated its company paid Reward plan.

Our joint winners this month reflect two product approaches. Aviva has introduced more changes to its group IP plan, while Simplyhealth has torn up its existing cash plans and replaced them with a single new plan.

Aviva Group Income Protection

Aviva has introduced a raft of enhancements to its group risk products (including increases to the free cover limits under its Group Life plans).

Two key new options are now offered under its Group Income Protection plans:

- Lump sum option. This allows employers taking out a unit-rated plan to choose a 2, 3, 4 or 5 year limited benefit term followed by a lump sum payment of 1, 2, 3, 4 or 5 times salary or up to nine times annual income benefit, up to a maximum of £1m per life.
- Pay direct option. If an employee is unable to return to work as a result of a long term illness and is removed from the payroll, the employer can choose that benefits be paid direct to the employee (normally payments are made to the employer who then passes them on as salary. But, that can 'lock' the employee into staying on the payroll (which may not make sense for the employer and may limit pension options) or, if the employee's contract of employment is terminated, so their IP benefit will stop too. The new option can avoid all those issues.

The changes are on top of once-only underwriting, tele-interviews for full medical underwriting, a bereavement helpline and improved free cover and maximum benefit, which were all introduced in 2009.

Plus points: *Good practical improvements that build on last year's enhancements.*

Not so plus points: *Lump sum option is only available on unit rated plans. IP in all its forms continues to lag behind in sales. Perhaps what is needed is even greater innovation.*

Contact: 0845 300 4452 or www.aviva.co.uk/healthcarezone.

Rating (max 5): Innovation: 3.5. Overall: 4.

Cigna International Expatriates Benefits (CIEB) European Corporate Travel Plan

Glasgow based **Cigna International** operates in 28 countries and jurisdictions worldwide and services expatriates in more than 170 countries. This plan is provided through **Crispin Speers & Partners Ltd** and is underwritten at **Lloyd's**. The updated travel insurance plan covers staff for both short term business and leisure trips and the main changes are:

- Medical expenses cover increased from £5m to £10m per insured person.
- Personal liability cover raised from £1m to £2m per insured person.

- Baggage cover increased from £1,500 to £2,500 per insured person.
- Delayed departure benefit increased from £60 to £100 per insured person.
- Personal accident cover increased from a maximum £10,000 to a maximum of £15,000.
- Two new benefits have been added too:
- Hospital benefit. Pays £25 per complete 24 hour period, with a maximum payout of £1,000.
- Hi-Jack. This benefit pays £25 per complete 24 hour period, with a maximum payout of £1,000.

Cigna has also changed the policy wording from excluding pre-existing conditions to a 'fit to travel' wording to provide greater flexibility.

Other benefits are fairly standard and include £1,500 cover for business equipment, up to £25,000 for legal expenses, up to £1,000 for travel disruption/missed departure, £750 for catastrophes and the policy covers winter sports too (up to £750 for such as cancellation due to lack of snow).

The plan can be denominated in pounds Sterling, Euros or US Dollars. A typical annual premium for a single person would be £66.72 a year, rising up to £104.07 for family cover.

Plus points: *A lot of brokers miss out by not actively marketing such cover, which can be complementary to group health or protection insurance. A number of positive improvements have been made to the cover.*

Not so plus points: *Both the new hospital and the (curiously spelled) hi-jack cover offer low benefits, unlikely to prove attractive to many execs travelling abroad. Many brokers will be unfamiliar with this type of cover.*

Contact: 01737 235 264 or www.cigna.com.

Rating (max 5): Innovation: 3. Overall: 3.5.

InterGlobal Africa Plans

InterGlobal's Africa Plans offer international medical insurance to expatriates and international travellers in Africa.

The plan is available in three versions – Standard, Select with Maternity and Select with Enhanced Maternity cover. Maximum annual benefits for the Standard plan are:

- Overall benefit limit US \$100,000 (or €90,000).
- Full cover for in-patient and daycare treatment, including for chronic conditions.
- Organ transplants up to \$80,000.
- Nursing at home up to \$500.
- Repatriation of mortal remains up to \$10,000.
- To that, Select cover adds the following benefits:
- Higher annual limit of \$150,000 (€135,000).
- Out-patient treatment up to \$4,250, with scans and surgical operations covered in full and allergy treatment covered up to \$50.
- Wellness benefit, including vaccinations, to \$80.
- Maintenance, check-ups, drugs and dressings and palliative care up to \$4,250.
- Terminal illness benefit up to \$4,250.
- Lifetime limit of \$5,000 for HIV/AIDS treatment.
- Emergency evacuation and repatriation.

- Maternity care up to 90% of \$1,000 (i.e. with a 10% deductible). Birth defects covered up to \$5,000.
- Eye examinations, up to \$20.

Select cover with Enhanced Maternity offers similar benefits but the maternity cover is upped to 90% of \$2,550 and birth defects benefit is higher at up to \$10,000.

Psychiatric care is excluded as is post-hospitalisation out-patient treatment, out-patient dental treatment, hormone replacement therapy, compassionate emergency visits, hospital cash benefit and legal expenses.

Plans may be US\$ or Euro denominated and there are two geographic pricings – Area 5 (Africa, Europe, Middle East, Indian sub-continent and Philippines only) and Area 7 (Africa and Jordan only).

A client aged 30-34 would pay \$954.58 a year for Standard cover in Area 5 or \$859.12 in Area 7. For Select with Enhanced Maternity those premiums go up to \$1,568.94 and \$1,410.65 a year respectively.

Plus points: *Having international medical cover to meet the specific needs of clients in Africa is a positive move, especially as HIV/AIDS can be covered without the normal four year waiting period (except on the Standard plan).*

Not so plus points: *Overall limits and some benefit limits are low (reflecting generally lower costs). Some benefits are not covered. Those wanting the highest benefits will have to have maternity cover, even if it is of no value to them.*

Contact: 01252 745 910 or www.interglobalpmi.com.

Rating (max 5): Innovation: 3.5. Overall: 3.5.

Medicash Reward

Medicash Reward is a company paid health cash plan which has been updated to make it more appropriate to firms' and employees' needs.

The plan offers five levels of cover and has maximum annual benefits for the three middle levels (the other levels are a lower cost Core level and a top of the range Premium level) of:

Benefit	Level 1	Level 2	Level 3
Dental	£130	£160	£190
Optical	£110	£140	£170
Worksite health screening	Yes		Yes Yes
Specialist consultations	£500	£750	£1,000
Diagnostic tests	£200	£300	£400
Complementary therapies – sports massage, osteopathy and chiropractic	£300	£400	£500
Alternative therapies – acupuncture; allergy testing; homeopathy; Chinese medicines; reflexology; reiki and Indian head massage			£150 £200
	£250		
Best Doctors helpline	Yes	Yes	Yes
Face-to-face counselling		6 sessions	6 sessions 6 sessions
Health club membership		Privileged rates for all levels	

All benefits pay 100% of costs, up to the annual maxima. One valuable feature is that benefits can also be used to pay private medical insurance excesses. Dental and optical

cover is worldwide. Dental cover can be used against schemes such as **Denplan**.

Healthcare screening is provided through a three yearly voucher provided through **Roadtohealth** and covers only specified providers and healthscreens. Health club membership is similarly discounted only with certain providers. The consultancy benefit includes necessary diagnostic tests. The **Best Doctors** helpline offers a second opinion service.

Waiting periods—from 3-12 months—apply to some benefits for partners. Laser eye surgery has a 12 month waiting period for all members.

There is no age restriction on joining the plan, provided that the member is an employee.

Exclusions are professional sports, hazardous pursuits and self-inflicted injury.

Monthly premiums for levels 1, 2 and 3 are £10, £12.50 and £15 a month respectively according to the Medicash website.

Plus points: *Benefits can be used to fund PMI excesses, which will have the effect of lower ultimate PMI premiums. The high level of 'alternative' therapy cover includes sports massage, which should appeal especially to younger employees. And the third party Roadtohealth and Best Doctors benefits are also valuable.*

Not so plus points: *Longer waiting periods for employees' partners. Hazardous pursuits are excluded. Although valuable, health cash plans are not a substitute for full PMI.*

Contact: 0151 702 0265 or www.medicash.org.

Rating (max 5): Innovation: 4. Overall: 3.75.

Simplyhealth Simply Cash Plan – company paid

Simplyhealth's Simply Cash Plan reflects a new approach for the group (previously **HSA, BCWA, LHF, HealthSure** and **Totally Active**) – bringing its main products together under a series of single sub-brands for each of the main market areas.

Bespoke health cash plans can still be put together, but Simply Cash Plan offers individuals a choice of four main benefit levels. There is also an employer paid plan (reviewed here) which can provide benefits from just £1 a week per employee. This version offers the following maximum annual benefits. The format is a (core) basic plan, to which up to four additional benefits can be added:

Plan	Max benefit pa
Basic plan (£1 a week per employee).	
Dental	£60
Optical	£60
Health screening	£100
Physiotherapy; osteopathy; chiropody/podiatry; chiropractic; acupuncture; homeopathy	£150
Consultation and scans	£500
24/7 helplines	

Paying £2 rather than £1 a week doubles the above benefits, while £3 a week trebles them.

Choice 1 – Employee Assistance Plan (15p a week per employee).

- 6 sessions of face to face counselling.
- 24/7 employee legal helpline.
- Freephone HR/manager support helpline.

Choice 2 – Hospital & Accident (30p a week per employee). Gives £20 a night/day up to 20 days a year for each day/night spent in hospital.

Choice 3 – New Child Payment (20p a week per employee). Gives £200 for each birth/adoption after a six month initial qualifying period.

Choice 4 – Managing Absence (50p a week per employee). Gives absence management and a pre-employment screening service.

Plus points: *Simplyhealth has undergone a major transformation, amalgamating its brands under a single brand to now rival larger groups such as **Bupa**. Employers can use the new £1 a week plan to meet their duty of care responsibilities, while also providing valuable and valued benefits to employees too. Options to add cover should appeal to employees and to help manage sickness absence.*

Not so plus points: *Especially in the individual/personal market, some rivals offer higher benefits, although not necessarily at the same price point. Less choice than before.*

Contact: 0800 197 6999 or www.simplyhealth.co.uk.

Rating (max 5): Innovation: 3.5. Overall: 4.