

## **March 2010**

### ***Pick of the month***

This month we review two income protection plans, a dental plan and an international health plan.

Aetna has added benefits to appeal to parents on its IHP, while Bupa has enhanced its existing dental plan and DG Mutual offers a low cost alternative IP plan.

Our product of the month though is L&G's IP, which has had a number of enhancements to add to its appeal and to simplify it too.

### **Aetna Global Benefits International Health Plan**

**Aetna Global Benefits (AGB)** is the new name for international medical insurance specialist *Goodhealth Worldwide* and it has introduced a number of changes to its International Health Plan (IHP) product suite. These are:

- New Born Care. This pays up to \$100,000, with a 90 day hospital stay limit for in-patient treatment of an acute medical condition.
- Congenital anomalies. Where this manifests itself in a new born baby, up to \$100,000 of benefit is available. Pre-existing conditions are excluded where symptoms exist or advice has been sought prior to the plan's start date.

AGB has also made changes to the 'congenital anomaly' and 'hereditary' policy definitions.

The IHP product itself offers four cover options, from the low cost Major Medical plan, through Foundation and Lifestyle to Lifestyle Plus. The top of the range Lifestyle Plus plan includes maximum annual benefits of:

- Maximum annual aggregate limit \$1.6m.
- Full cover for in-patient, day case and out-patient treatment and for oncology, reconstructive surgery and CT/MRI scans.
- Psychiatric cover included up to 30 days a year or \$5,000 as an out-patient.
- Hospital cash benefit \$125 a night up to 20 nights.
- Up to 120 days rehabilitation.
- New born cover and accommodation.
- Parent accommodation with child.
- Complications of pregnancy covered and up to \$10,000 (20% co-insurance) for other pregnancy/childbirth. This is subject to an initial waiting period.
- Accidental damage to teeth covered and up to \$1,500 (with 25% co-insurance but no excess) for other dental treatment.
- Organ transplants covered.
- Ancillary charges (e.g. wheelchairs) covered up to \$1,000 per medical condition.
- Chronic conditions covered up to \$15,000.
- AIDS/HIV covered up to \$10,000.
- Home nursing up to 28 weeks.
- Ambulance cover, by the most appropriate form of transport.
- Up to ten sessions in aggregate for various alternative therapies.
- Up to \$30 per session for traditional Chinese medicine.

- HRT is covered up to 18 months.
- Evacuation cover, including of mortal remains.

The standard policy excess is \$100, but optionally this can be changed to nil, \$50 or \$250. Other options allow customers to choose a provider network (including direct settlement), have a semi-private room, removal of some restrictions and medical history disregarded underwriting. The plan can be Sterling, US Dollar or Euro denominated and the plan is available to individuals or groups.

**Plus points:** *AGB's changes will not affect all clients, but will be welcomed by those with or planning a family. IHP offers a range of plans and options to suit most clients, and the Aetna name is known worldwide. The top of the range Lifestyle Plus plan will mostly appeal to those with families or to those who simply want the highest levels of cover.*

**Not so plus points:** *The top of the range plans include a number of benefits that only those with children could benefit from, but for which everyone pays. Some limits on some benefits and overall.*

**Contact:** 0870 442 2676 or [www.goodhealthworldwide.com](http://www.goodhealthworldwide.com).

**Rating (max 5).** Innovation: 3.5. Overall: 3.75.

## Bupa Dental Plan

**Bupa** is updating its group Dental Plan benefits from 1 April, although new quotes can be obtained immediately.

In essence the changes include enhanced cover, added benefits and increased limits. The plan now offers five rather than three cover levels. These are Core, and Levels 1, 2, 3 and 4.

Core offers 100% reimbursement for NHS treatment only, plus up to £1,500 a year for oral cancer and £50 a night for a hospital stay (up to 20 night a year).

The top of the range Level 4 plan includes all the Core benefits but adds cover for private treatment too. The plan's annual limits for routine dental treatment are:

- Examinations £55
- X-rays £50
- Scale and polish £80
- Fillings including root canal treatment £350
- Extractions £200
- Crowns, bridgework, dentures £2,000
- Anaesthetist fees £80

The plan also covers emergency dental treatment (up to £1,000 a year) and dental injury treatment (up to £5,000).

There are some other treatment limits e.g. a maximum of two treatments a year for examinations and scale and polish, and only 80% of the treatment costs for crown, bridgework and dentures are covered.

Cosmetic dentistry, including orthodontics, surgical implants and physical contact sports injuries are not covered. Customers with Bupa health insurance enjoy a 10% discount on premiums, although this discount is not guaranteed after the first 12 months.

Pre-existing conditions are covered and members do not need to register with a new dentist. Cover is worldwide. Bupa also offers another dental plan, Dental Choice, which offers more extensive preventative cover.

Premium rates are not shown online, but employers can phone Bupa to get a quote.

**Plus points:** *A range of improvements have been introduced and customers can now choose between five cover levels. Realistic maximum benefits. Allows employers to cover employees' dental costs at various levels, including the useful NHS only Core plan.*

**Not so plus points:** *Only covers 80% of cost of crowns. Does not cover or contribute to cosmetic treatments and dental implants. The 10% discount for Bupa PMI customers is not guaranteed after the first year.*

**Contact:** 08457 66 11 15 or [www.bupa.co.uk](http://www.bupa.co.uk).

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

## DG Mutual Classic Double Share Scheme

DG Mutual is the trading name of **The Dentists' & General Mutual Benefit Society Ltd.** The Birmingham based friendly society has specialised solely in income protection (IP) insurance since 1927.

This new plan is aimed at those who are employed, self-employed or currently not in employment and is a low cost budget Holloway type plan.

Available to people aged 16 to 55 at outset, it offers a choice of two retirement ages—60 or 65. Three benefit levels are available—50 double shares buys an income protection benefit of £30 a week, 70 double shares buys £42 a week and 100 double shares buys £60 a week of benefit.

Full benefit is payable for the first 26 weeks off work, after which benefit reduces to 50% of the initial benefit. Then after a further 26 weeks off work, the benefit reduces to 30% of the original level and that continues until retirement, recovery or death.

So, someone on the top level of cover would get a benefit of just £18 a week after being unable to work for more than a year. Although this is low, it should probably be compared with the State Employment & Support Allowance, which could pay just £95.15 a week to a single person in the Support group—in other words, boosting that benefit by almost a fifth (18.9%).

The plan also pays a cash lump sum at the end of the policy term along Holloway plan principles. The amount is not guaranteed but essentially works in a similar way to a with profits fund.

The disability definition is being unable to perform the essential duties of your own occupation and being medically certified as such by your doctor. There is a long list of exclusions including intemperance, intoxication and disorderly conduct.

Cost depends on age at outset, based on age at 31 December next e.g. if a customer is aged 30 now and their birthday is in September, their age for this plan is taken as 31 not 30. Someone aged 16-40 would pay £10 a month for 50 double shares, £14 for 70 and £20 for 100.

**Plus points:** *Simple plan that has a savings as well as protection element. Choice of three benefit levels and day one benefit. Low cost.*

**Not so plus points:** *Low maximum benefit (just over £3,000 a year). Benefit reduces after six months then again after the first year of claim. Investment element means being subject to tougher FSA regulations. Long list of exclusions.*

**Contact:** 0121 452 1066 or [www.dengen.co.uk](http://www.dengen.co.uk).

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

## Legal & General Income Protection

**Legal & General (L&G)** has updated its income protection plan with the following changes:

- An own occupation definition now available to all employed customers. For occupation classes 3 and 4, the definition changes to 'houseperson' after 12 months claim.
- Expiry age increased from 65 to 70.
- All exclusions except drugs and alcohol abuse have now been removed.
- Tele-underwriting has been introduced. This is fully integrated with L&G's OLP Connect online platform.
- Overall maximum benefit has been increased from £120,000 to £200,000 a year. Maximum benefit is 60% of gross annual earnings below £30Kpa plus 50% of gross annual earnings over £30K (35% if self-employed for less than a year).
- Housepersons, those on a career break and part-time workers' maximum cover is increased from £12,000 to £20,000 a year.
- New guaranteed insurability option events. Cover can now be increased on promotion/change of job, mortgage increase or on every third policy anniversary.
- Premiums are discounted if an IP is purchased with another L&G protection plan.
- Repriced to be more competitive.

The plan now gets **Defaqto's** 5 Star rating.

Other benefits of the plan include the following:

- Waiver of premium during claim.
- Death benefit equal to 12 months' premiums.
- Hospitalisation benefit after being in hospital for more than seven consecutive nights.
- Career break cover.
- Proportionate benefit.
- Linked claims benefit.
- Cost can be minimised by choosing a five year payment cap.
- Permanent and total incapacity benefit if a claim lasts more than 24 months.
- Indexation linked to RPI (Retail Prices Index) with premiums going up by 150% of RPI.
- Choice of 4, 13, 26 or 52 weeks deferred periods.
- Guaranteed premium rates.

**Plus points:** *L&G's enhancements benefit consumers and simplify the cover. Moving to own occupation incapacity definitions for employed applicants is a very positive step. We like L&G's literature, especially its factual IP vs. MPPI comparator. Well done L&G for revealing its IP claims stats – in 2008 it paid out on 90.4% of its IP claims. 5 Star Defaqto rating.*

**Not so plus points:** *L&G uses its own claims teams to help claimants rather than using third party suppliers – who may be perceived to be more independent. There is no option to include unemployment cover (although that could be taken out separately) and maximum cover for a new self-employed person is low.*

**Contact:** 0845 273 0010 or [www.legalandgeneral.com](http://www.legalandgeneral.com).

**Rating (max 5):** Innovation: 4. Overall: 4.25.