

# May 2011

## Pick of the month

Most of the products reviewed this month are back to basics or simple products.

AA has launched a guaranteed acceptance over 50s life plan, while Holloway Friendly offers a simple pure protection IP plan and WPA has updated its Providential plan, adding an NHS top-up prefix too.

Our top scoring plans are both IPMI products and, good as IMG Europe's new GlobalFusion plan is, our product of the month goes to Morgan Price International for its innovative solution to the problem of people cancelling cover because they cannot afford it.

### AA 50 Plus Life Insurance

**Automobile Association Insurance Services Ltd** has launched a guaranteed acceptance whole of life plan for those 50 or over, underwritten by **Friends Provident Life Assurance**. The plan is available to UK residents aged 50-80 and premiums and acceptance are guaranteed (no medical questions or medicals). Premiums are payable until the life insured reaches age 90.

In the event of death in the first two years of the policy, the plan pays back 1.5 times the premiums paid only. After that, the full sum insured is payable on death. Minimum premium is £4.99 a month; maximum £49.99.

A male aged 60 paying £29.99 a month would get a sum insured of £6,209, a male aged 70 would get £3,419, and a male aged 80 would get £1,362. Premiums paid would exceed the sum insured payable after seventeen years three months, nine and a half years and four years nine months respectively.

As an incentive, customers get a £30 **Boots** voucher if they take out a policy (£40 if they are an AA member).

**Plus points:** *Low cost life cover with guaranteed acceptance. Premiums stop at age 90. The 150% return on death in the first two years can make this an attractive small savings account for those with a terminal illness—but perhaps not if they live significantly longer than that.*

**Not so plus points:** *As with all plans of this type, someone in good health may expect to live longer than the time by which premiums paid exceed the sum insured—if they then stop paying, the policy lapses without value. No trust option. Online quotes are all based on premiums that end in 99p.*

**Contact:** 0800 107 6641 or [www.theaa.com/insurance](http://www.theaa.com/insurance).

**Rating (max 5):** Innovation: 2.5. Overall: 2.5.

### Holloway Friendly Purely IP

**Hollow Friendly** (the UK's first Holloway society) has launched its Purely IP product as a simple long term income protection (IP) plan, with no investment element (unlike its Holloway style plans, which build up a cash value available at retirement).

The plan is available to UK residents aged 18-54 at outset and has a minimum term of ten years. Selected retirement age can be between ages 50 and 65. Key features of the plan include:

Maximum benefit is the lower of £26,000 a year or 50% of income.

Deferred periods of 4, 8, 13, 26 or 52 weeks.

An own occupation disability definition is used for the first 104 weeks of claim. After that it changes to an own or reasonably suited definition.

Escalation is linked to RPI (Retail Prices Index) to a maximum of 10% a year.

Premiums are guaranteed but increase on 1 January each year in line with age. Premium rates do not change with occupation, gender or for smoking.

Career break and terminal illness benefits (six months benefit, which must be claimed within one month of diagnosis. On payment of this benefit the plan terminates). Medical expenses benefit (this is a lump sum, paid at the company's discretion, that can be used towards the costs of a specified medical operation or treatment where that might lead to a shorter claim period).

Exclusions are fairly standard.

Commission is 140% initial for online applications (125% for paper) with 3% renewal

commission and a commission clawback period of 36 months.

**Plus points:** *Simple low start pure protection cover. No ratings for gender, occupation or smoking.*

**Not so plus points:** *Premiums are not level, but increase each January. Relatively low maximum benefits. A claimant who claims the terminal illness benefit could be worse off if they do not die within six months—this looks to be asking them to play Russian roulette with their benefits...*

**Contact:** 01452 526238 or [www.holloway.co.uk](http://www.holloway.co.uk).

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

## IMG Europe GlobalFusion International Medical Insurance

IMG Europe's latest international PMI (private medical insurance) plan is aimed at expatriate and eligible local individuals and families. Key features of the new plan include:

Full UK FSA regulation.

Four sub-plans to tailor cover—Silver, Gold, Gold Plus and Platinum.

Optional cover can be added: Global Personal Accident Plan; Hospital Income Plan; Maternity; Terrorism, and Sports.

Two cover areas: Area 2 (worldwide excluding USA; Canada; China; Hong Kong; Macau; Japan; Singapore and Taiwan) or Area 3 (worldwide).

Family premium covers first two children aged between 14 days to age ten at no additional cost in year one and 50% discount in year two.

Can be denominated in GB £s, Euros or US \$ and with monthly, quarterly or annual premiums.

IMG Europe says premiums are significantly cheaper than the majority of the market.

Single annual excess applies.

Freedom to choose any healthcare provider but with access to two extensive provider networks.

Medical concierge programme within the USA.

Online customer portal that gives access to documents, claims status, obtaining pre-certification and details of over 17,000 healthcare providers worldwide.

Easy to understand EU-style policy wording.

At extra cost, some pre-existing conditions can be covered if treatment free in the first two years of the policy. There is an overall lifetime limit per insured person.

A male age 44 and a female 39 with children aged 5 and 8, with a £138 (\$250) annual excess would pay £1,276 a year for Area 2 Gold cover or £1,725 a year for Area 3 Gold cover. IMG Europe says the Gold level of cover is 'exceptionally competitive' and ideally suited to short-mid term expatriates. Under this version, cover is reduced after three years.

**Plus points:** *Comprehensive cover for short-mid term expats, offering a range of options.*

*Competitively priced. Good online support and help.*

**Not so plus points:** *Lifetime and other benefit limits. Benefits under some versions reduced after three years. Some treatment has to be pre-certified. The number of options can make choosing the right level of cover quite complex. Cover ceases at age 75.*

**Contact:** 01444 46 55 50 or [www.imgeurope.co.uk](http://www.imgeurope.co.uk).

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

## Morgan Price International Healthcare EssentialCare

Morgan Price International Healthcare has launched its EssentialCare expatriate health insurance plan as a simple and cost effective plan, especially for people who would otherwise opt out of having cover on cost grounds.

The plan offers a choice of three options, with all options having a single worldwide premium rate and cover:

Level 1. An annually underwritten product with no automatic renewal or continuation of cover, with consequent lower pricing (the insurer can refuse to renew if say claims have been made, unlike under a conventional PMI plan where renewal is virtually automatic). A 30 year old could have Level 1 worldwide cover for an annual premium of £552. For a 50 year old the same cover would cost £1,212 for a year. Benefits are limited to £50,000 per person covered lifetime and per year.

Levels 2 and 3 are more conventional products that are not re-underwritten at renewal, but both have lifetime benefit limits. Benefits are limited to £150,000 (Level 2) or £300,000 (Level 3) per person.

Residents of China, Hong Kong, Japan, USA and Canada have compulsory annual in-patient excesses, with two age points. In addition to the basic cover, customers can add on accidental death and dismemberment (including temporary total disability) cover; accidental death only cover, or evacuation and repatriation. Plans can be denominated in GB £s, Euros or US Dollars.

Most in-patient treatments are full refund, with most out-patient treatments individually limited. Emergency dental treatment is covered on Level 2 and 3 plans only, as is maternity and psychiatric (both the latter being subject to a 12 month initial waiting period).

**Plus points:** *Much lower cost than traditional IPMI, especially for Level 1 plans. A reasonable level of benefits, given the plan's positioning. Can be used to save a situation where otherwise a customer may choose not to have any IPMI cover at all when working abroad. For people looking to work no more than a year more outside the UK the plan could be ideal. A very innovative solution to the real problem of people cancelling cover when some good quality low cost cover would be much better than no cover at all.*

**Not so plus points:** *Intermediaries must take great care to ensure that customers understand the plan's limitations, and should explore other options before looking at this plan. Benefits are limited in a range of ways and Level 1 cover could mean being unable to get insurance in future if the customer has had to claim (depending on the type and number of claims).*

**Contact:** 01379 652794 or [www.morgan-price.com](http://www.morgan-price.com).

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

## WPA Providential

**WPA** has updated benefits on its Providential dental insurance policy, which has now gained an 'NHS top-up' prefix and is available both to individuals and to groups. For individuals, the plan offers two levels of cover:

Level one (NHS only). Pays 100% of NHS treatment costs plus up to £500 for NHS or private dental emergencies, £10,000 for dental injuries or £10,000 for oral cancer treatment.

Level two. This pays 75% of treatment costs, up to £250, plus up to £1,000 for NHS or private dental emergencies, £20,000 for dental injuries and £10,000 for oral cancer treatment.

There is an initial one month qualifying period for check-ups, hygienist and general treatment and three months for restorative treatments. Claims for dental injuries and oral cancer treatments must be made within 72 hours of the injury/diagnosis.

Both levels also pay £200 per day/night (max £2,000) for hospitalisation due to dental injuries or oral cancer, and both offer worldwide cover (for trips up to 35 days a year). The plan has a dental schedule setting out maxima for benefits e.g. the reimbursement limit for a single filling is £45 up to £95 for multiple fillings.

For ages 18-49 Level one cover costs £9.50 a month or £13.50 for Level two. In both cases, the first month's cover is free. A £1.50 surcharge applies if premiums are paid by credit card. Maximum age at entry is 64.

In the voluntary corporate sector, the plan is available to firms with 50 or more employees, from £8.55 per month per employee.

**Plus points:** *Relatively low cost, enabling choice of dentist and cover level. True insurance rather than a capitation plan (which can get more expensive if you need more treatment). Available to individuals or groups.*

**Not so plus points:** *Level two only pays a maximum of 75% of costs and limits are relatively low (except for dental emergencies and oral cancer treatment). Injury/cancer claims must be made within just three days.*

**Contact:** 0800 783 0 784 or [www.wpa.org.uk](http://www.wpa.org.uk).

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

# June 2011

# Pick of the month

We review some interesting new products this month—mostly aimed at specific markets.

Bright Grey has added a number of new and improved definitions to its critical illness cover (as indeed has its sister company Scottish Provident, whose plan we have not reviewed), while Simplyhealth has opened up its company Simply Cash Plan to SMEs with 3-9 members.

BIBA has got together with Jelf and AXA PPP to launch a portfolio of PMI solutions—mainly aimed at non-PMI specialist broker members.

But our Pick of the month is a very specialised product aimed at a market with its own special needs—ALC Health's Medmedia, which offers IPMI to those in the music industry, media and performing arts.

## ALC Health Medmedia

**ALC Health's** new standalone international medical insurance plan is aimed at people working in the music industry, media and the performing arts. This plan is underwritten by **Allianz Worldwide Care**.

The plan has an overall annual limit of £2m and includes as standard hospital accommodation; specialist care; family doctor services and nursing; dental treatment; chronic illness care; health screening; optical care and emergency medical evacuation cover.

The plan is available to expats and local nationals (including those living in the UK) who want comprehensive cover at home and overseas ALC says.

Also included is free membership of the **Blood Care Foundation**, which provides screened blood for emergencies worldwide. There is also free membership of ALC World, ALC's online information and contact details resource for customers.

Most benefits are full refund, although psychiatric care is limited to 30 days a year and there are also limits on chronic care, organ transplants, and post-operative cover. Some out-patient treatments, such as physiotherapy and alternative therapies are also limited, as is dental treatment. However, HIV is covered as are hazardous pursuits and treatment necessary as a result of being a bystander.

Evacuation and repatriation is included but pregnancy/childbirth is an optional add-on.

Customers can be treated at any public or private hospital or clinic (and by any doctor) worldwide.

ALC says it has over a decade of experience looking after the health of VIPs and celebrities and that its prices are affordable.

**Plus points:** *Experienced IPMI provider offering a plan tailor-made to artistes' needs. Good level of cover and complete choice of where to be treated. The only add-on is pregnancy and childbirth, which many artistes and media types will not want anyway. The plan may appeal not just to expats and overseas nationals but also to UK based performers who may (or indeed may not) also work outside the UK too.*

**Not so plus points:** *Some benefit restrictions. May be more expensive than other IPMI cover, given the nature of the risk. Pregnancy/childbirth cover costs extra.*

**Contact:** 01903 817970 or [www.alcmedmedia.co.uk](http://www.alcmedmedia.co.uk).

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

## BIBA MyWellbeing

This plan is provided by **Jelf Employee Benefits** to broking members of **BIBA (British Insurance Brokers' Association)** and is underwritten by **AXA PPP healthcare**. The launch of the plan has been controversial—but our review focuses on the plan itself.

Four versions of the plan are available—named MyWellbeing Plan One, Two, Three and Four respectively. In addition, each plan level is available in two cover levels, with cover level one giving more cover than level two. A Six Week Option also reduces costs, in return for excluding private treatment where the NHS can deliver that within six weeks.

Unusually, Plan Four offers the lowest level of cover—just in-patient treatment (excluding psychiatric), plus out-patient surgical procedures, radio/chemotherapy and scans. All plans include an NHS cash benefit of £50 a night/day (max £2,000 a year), parent accommodation with child (under 14), private ambulance and hospital-at-home.

Plan Three adds up to £500 a year for out-patient consultations, diagnostic tests and therapies. Plan Two increases that to £1,000 a year and also adds in-patient psychiatric treatment (if the psychiatric upgrade is chosen) and up to £1,500 a year for out-patient psychiatric treatment.

The top plan, Plan One, further adds up to 20 GP referred physio/alternative therapy sessions (ten on level two plans). It also covers out-patient management of specified chronic conditions.

Level one plans can also include experimental or unproven cancer treatment. Both levels also cover licensed chemotherapy drug treatments needed for a prolonged period of time (such as Herceptin) - up to 12 months for level one and 36 months for level two.

All plans have a mandatory £100 a year excess, which can be increased to £200 or £500 a year to reduce premiums further. There is also a no claims bonus. An initial level is set at outset and there are eight levels, from 0% to 50%. If a claim is made, the no claims discount falls by three levels.

Applicants can be fully underwritten, have continued medical exclusions or a 5/2/2 year rolling moratorium.

Applicants can also add travel insurance. A dedicated nurse is appointed for customers diagnosed with cancer and there is also a Health at Hand 24/7 phone based information service.

**Plus points:** *Three big names combine to offer a comprehensive PMI package that is presumably designed to appeal primarily to the non-PMI specialist broker. The plan includes various options to tailor cover to need and budget. The plan apparently took two years to develop. Jelf was selected by BIBA only after a tender process and provides all advice, including compliance issues, and back office administration. The plan has an 'aggressive pricing structure'.*

**Not so plus points:** *Some BIBA members will be concerned about having to effectively use a broker to place business rather than go direct to the insurer. The plan includes a lot of options which non-PMI specialists may struggle with. No claims discount schemes can be penal if regular claims are made (especially if the initial discount rate is high). As always, it pays to shop around.*

**Contact:** 01903 817970 or [www.alcmedmedia.co.uk](http://www.alcmedmedia.co.uk).

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

## Bright Grey Critical Illness

**Bright Grey** has introduced seven new conditions to its critical illness plans. Five pay the full sum insured on diagnosis. They are:

Pulmonary artery graft surgery, with surgery to divide the breastbone.

Encephalitis, resulting in permanent symptoms.

Intensive care, where continuous mechanical ventilation is required for ten or more consecutive days.

Multiple system atrophy, diagnosis resulting in permanent symptoms.

Pneumonectomy—undergoing surgery to remove an entire lung.

In addition, two new definitions pay 20% of the plan's sum insured on earlier diagnoses (up to a maximum of £15,000). They are:

Ductal carcinoma in situ (DCIS). This is the undergoing of a full or partial mastectomy, segmentectomy or lumpectomy operation for early forms of breast cancer.

Low grade prostate cancer. Tumours classified as having a Gleason score of between two and six inclusive.

In addition, the definition of stroke has been upgraded to ABI+ (i.e. better than the ABI's standard). Bright Grey now has a total of 43 critical illness definitions, nine of which are ABI+.

The plan itself offers a choice of level, increasing or decreasing lump sum benefits or a level or increasing monthly income. £20,000 children's cover per child is included free too.

**Plus points:** *Bright Grey describes these changes as 'a massive leap'. 43 conditions are now covered, two providing a partial benefit for less serious conditions that could worsen (triggering full payment of the sum insured later). The changes are on top of a well-established CI proposition.*

**Not so plus points:** *The only significant changes made have been to the conditions covered. Similar changes to conditions covered have now been introduced by fellow **Royal London** subsidiary **Scottish Provident** too (is that a plus point or a not so plus point—you decide!).*

**Contact:** 0845 6094 500 or [www.brightgrey.com](http://www.brightgrey.com).

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

## Simplyhealth Simply Cash

**Simplyhealth** has extended the range of its existing Simply Cash plan, making its group version now

available to SMEs, with just three to nine members.

The plan is available from just £1.25 a week (up from £1 a week for larger employers, reflecting the greater risk and smaller scale of such schemes). The basic plan covers 100% of dental (up to £60 a year); optical (also £60pa); selected therapies (£150); consultation fees and scans (£500); health screening (£100). Higher cover levels are also available.

In addition, clients may choose to add any one or more of four options:

Choice 1—Employee Assistance Programme. This provides up to six face-to-face counselling sessions a year and a 24/7 legal helpline for employees and freephone HR/manager support helpline. This option costs 15p a week to add on.

Choice 2—Hospital & Accident. Pays £20 a night/day if hospitalised (including parental stays). This costs 30p a week to add.

Choice 3—New Child Payment. Pays £200 on the birth or adoption of a child and costs 20p a week to add.

Choice 4—Managing Absence. This provides an absence management and pre-employment screening service and costs 50p a week.

**Plus points:** *Very low cost health cash plan, now available to all but the smallest SMEs too. Options to add on benefits, also at low cost. Valuable benefits that most employees will actually claim on regularly and which also help meet employers' duties of care towards their employees.*

**Not so plus points:** *The basic plan costs more than it would per employee on larger schemes (although the add-ons are priced the same). No substitute for (much more expensive) PMI. Not available to 1-2 employee SMEs.*

**Contact:** 0800 294 7303 or [www.simplyhealth.co.uk](http://www.simplyhealth.co.uk).

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