

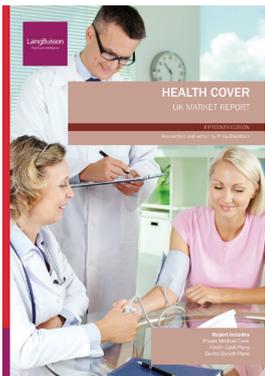
Challenging times ahead as PMI remains flat for a second year

Demand for private medical cover was static in 2017 – the second consecutive year of flat growth – with the number of UK policies in issue remaining at 4 million. This confirms that the increase in demand seen in 2015, as a handful of large corporates extended their schemes to more employees, was a brief fillip in an otherwise flat market.

This unique report shows the four largest providers - Bupa, AXA PPP, Aviva and VitalityHealth - continue to dominate the market with a policy share of over 90%.

In 2017, the number of company-paid policies increased by just 0.5% to 3.1 million while the number of individual policies dipped 1% to 910,000. The number of lives covered by individual policies remained relatively stable in 2017, in part reflecting a trend towards family coverage on policies. Despite subdued market demand, insurers have continued to seek reductions in claims costs to reduce the price of medical cover.

Step increases in Insurance Premium Tax (IPT) in 2016 and 2017 mean that providers continue to face high numbers of lapses. Insurers have responded by focusing on attracting new business by offering joiner discounts and incentives and by leading on the long NHS waiting lists and rationing for some NHS treatments.



Elsewhere, a small rise has been seen in company-paid schemes and there could be a pipeline of new business created by significant changes in employers' approaches to employee support which is starting to feed through to many insurers repositioning themselves as health and wellbeing providers - an evolution which is generating interesting and exciting partnerships with technology providers.

While the corporate landscape still has the uncertainty of Brexit to deal with, the rising momentum to improve employee health provides favourable dynamics for increased spend on healthcare benefits by companies.

Who is the report for

- All professionals working in or with medical insurance providers and health cash plan providers
- C-suite professionals working in hospitals and clinics
- Specialist care providers including physiotherapists, wellness services
- Private dentistry groups
- Risk managers
- Investors and Private Equity
- Banks
- Central Government
- Think Tanks
- Lawyers
- Management Consultants

What the report covers

Market structures of:

- Private medical cover
- Private medical insurance
- Health cash plans
- Dental benefit plans
- Private primary medical (GP) cover

Market demand volumes

Market income and values

Historic trends

Future outlooks

Prices

Claims paid & margins

Health cover product innovation

Distribution

Definitions

Glossary

Financial Appendix

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