TABLE OF CONTENTS

RE	PORT	C AUTHO	DRS	ii
AC	KNOV	NLEDG	EMENTS	ii
FΟ	REW	ORD		iii
LIS	ST OF	TABLES	3	хi
1 16	T OF	FIGURE	-e	vIII
LIS	oi Ur	FIGURE	:5	xiii
EX	ECUT	IVE SU	MMARY	1
ΟV	ERVIE	EW OF	HEALTH COVER MARKET	11
	HC.1	L Overal	l health cover market value (2024)	11
	HC.2	2 Overal	l health cover market value (1995–2024)	12
	HC.3	3 Marke	t highlights	13
1.	PRIV	/ATE ME	EDICAL COVER	19
	1.1	Key hi	ghlights	19
	1.2	Overvi	ew of private medical cover	19
	1.3	Volum	e of demand	20
		1.3.1	Volumes: Historical trends (1975–2023)	21
		1.3.2	Volume drivers: Company-paid vs individual/employee-paid	26
		1.3.3	Volume drivers: SME vs larger corporate share of company-paid schemes	29
		1.3.4	Volume drivers: Insured vs self-insured	30
		1.3.5	Volumes drivers: Individual-paid subscribers	31
	1.4	New b	usiness and lapse rates	33
	1.5	Marke	t penetration	35
		1.5.1	Market penetration: Total people covered by private medical cover	35
		1.5.2	Market penetration: Private medical cover by region	37
		1.5.3	Market penetration: Private medical cover by age	37
	1.6	Marke	t value	38
		1.6.1	Market value: Historical trends (1995–2024)	40
		1.6.2	Market value: Segmenting the market:	41
			1.6.2.1 Market segmentation: Company-paid vs individual/employee-paid (1995–2024)	41
			1.6.2.2 Market segmentation: Company-paid (large corporate vs SME) (1995–2024)	43
		1.6.3	Market value trends: Associations with GDP, employment levels and household-spending	45
		1.6.4	Private medical cover: Spending by region and age	47
	1.7	Price t		49
	1.8		and gross margins (loss ratios)	52
			Claims incurred	52
		1.8.2	Gross margins (loss ratio)	56
		1.8.3	Historical trends in claims paid, cost inflation and gross margins	58

		1.8.4	Claims: Proportion by hea	althcare service area	58
2.	HEA	LTH CAS	H PLANS		61
	2.1	Key hi	hlights		61
	2.2	Overvi	w of health cash plans		61
	2.3	Volum	of demand		62
	2.4	Marke	segmentation		63
		2.4.1	Volume drivers: Company	-paid health cash plans	65
		2.4.2	Volume drivers: Individual	l-paid health cash plans	66
	2.5	New b	siness and lapse rates		67
	2.6	Marke	value and average prices		71
		2.6.1	Market value trends: Com	npany-paid health cash plans	72
		2.6.2	Market value trends: Indiv	vidual/employee-paid health cash plans	73
		2.6.3	Average prices of health o	cash plans by funding source	74
	2.7	Claims	and gross margins (loss ra	atios)	76
		2.7.1	Claims incurred		76
		2.7.2	Gross margins (loss ratios	s)	76
	2.8	Cash b	enefits breakdown of heal	th cash plan benefits	79
		2.8.1	Cash benefits: Specialist prescriptions	fees, diagnostic tests and screenings, and GP charges and	82
3.	DEN	TAL CO	ER		85
	3.1	Key hi	hlights		85
	3.2	Overvi	w of dental cover		85
		3.2.1	Market segments		85
			3.2.1.1 Dental plans (Se	ection 3.3)	85
			3.2.1.2 Dental Insurance	e (Section 3.4)	86
		3.2.2	Market penetration		86
		3.2.3	Market value		86
	3.3	Denta	capitation/maintenance p	plans	86
		3.3.1	Volume of demand		86
		3.3.2	New business and lapse r	rates	88
		3.3.3	Market value and average	e price	89
			3.3.3.1 Market value		89
			3.3.3.2 Average price		91
		3.3.4	Outlook: prospects for de	ntal capitation/maintenance plans	91
	3.4	Denta	insurance		92
		3.4.1	Volume of demand		92
		3.4.2	New business and lapse i	rates	94
			3.4.2.1 New business a	and lapse rates: Company-paid	94
				nd lapse rates: Individual/employee-paid	95
			3.4.3.1 Market value [re		95
			3.4.3.2 Average price		97

		3.4.4	Claims a	and gross margins (loss ratios)	98
			3.4.4.1	Claims incurred	98
		3.4.5	Outlook:	prospects for dental insurance	100
4.	INTE	RMEDI	ARIES AN	ID DISTRIBUTION	103
	4.1	The ro	le of inter	mediaries	103
	4.2	Interm	ediary sa	le volumes: Private medical cover	103
	4.3	Interm	ediary sa	le volumes: Health cash plans	105
	4.4	Interm	ediary sa	le volumes: Dental insurance	107
	4.5	Digital	distributi	ion	108
5.	PRO	VIDERS	AND MA	RKET SHARE	111
	5.1	Private	e medical	cover: Insurers and third-party administrators	111
		5.1.1	Market o	overview	111
			5.1.2.1	Providers	112
			5.1.2.2	Market share	113
			5.1.2.3	Market structure	116
			5.1.2.4	Barriers to entry	117
			5.1.2.5	Consolidation	118
			5.1.2.6	Market entries and exits, and relevant major transactions	118
		5.1.3	Key mar	ket drivers	120
			5.1.3.1	Demand growth: By market segment	120
			5.1.3.2	Cost pressures: Key factors	122
			5.1.3.3	Growth sustainability: Identified threats	125
			5.1.3.4	Rising claims: The impact on premiums	127
			5.1.3.5	Meeting customer demand: Primary Care and Mental Health	128
	5.2	Health	129		
		5.2.1	129		
			5.2.1.1	Providers	129
			5.2.1.2	Market share	131
			5.2.1.3	Barriers to entry	133
			5.2.1.4	Consolidation	134
			5.2.1.5	Entries and exits	134
		5.2.2	Key mar	ket drivers	136
			5.2.2.1	Demand growth: By market segment	136
			5.2.2.2	Cost pressures: Key factors	138
			5.2.2.3	Growth sustainability: Identified threats	140
			5.2.2.4	Rising claims: The impact on price	142
	5.3	Denta	capitatio	on and insurance plan providers	142
		5.3.1	Market o	overview	142
			5.3.1.1	Providers: dental capitation	143
			5.3.1.2	Providers: dental insurance	143
			5.3.1.3	Market share: dental cover	144

			5.3.1.4 Barriers to entry	145
			5.3.1.5 Consolidation	146
		5.3.2	Key market drivers	147
			5.3.2.1 Supply of public-pay dentistry	147
			5.3.2.2 Demand growth	148
			5.3.2.3 Consolidation in the dental sector	150
	5.4	Cost n	nanagement	150
		5.4.1	Drivers: Cost management	150
		5.4.2	Managing costs: Claims administration processes	151
		5.4.3	Managing costs: Pre-clinical authorisation	152
		5.4.4	Managing costs: Outcome measurement	153
		5.4.5	Managing costs: Use of Al	153
		5.4.6	Managing costs: Provider and clinician networks	154
		5.4.8	Managing costs: Directing the customer journey	154
		5.4.9	Managing costs: Case management	155
		5.4.10	O Managing costs: Lifestyle management & wellness	156
	5.5	Comp	etition: Indirect and emerging competitors	156
		5.5.1	'PMI-like' Cover Providers	157
		5.5.2	Niche specialist providers	158
			5.5.2.1 Fertifa/Juniper	159
			5.5.2.2 Cignpost	159
		5.5.3	Global providers	160
		5.5.4	Self pay	160
8	НΕΔ	LTHCOI	DF.	163
Ο.			ghlights	163
	6.2	-		163
	0.2		Healthcode: Role within the health cover ecosystem	163
			Understanding Healthcode's market view	163
			Comparing LaingBuisson and Healthcode data	164
	6.3		of activity – National	164
			Value of activity, UK (2022–2025)	164
			Value of activity – Segmented by hospital and non-hospital setting, UK	165
	6.4		e of activity - National	167
		6.4.1	Volume of activity, UK (2022–2025)	167
		6.4.2	Volume of activity - Segmented by hospital and non-hospital settings, UK	168
		6.4.3	Volume of activity – Segmented by admitted and outpatient, UK (2022–2025)	168
	6.5	Volum	e of activity - Regional	169
		6.5.1	Volume of activity – Segmented by region (August 2024 – July 2025)	169
			Year-on-year volume change – Segmented by region	170
			Volume of activity – Segmented by region (2022–2025)	172
	6.6	Volum	e of activity - Top 10 hospital specialty	172

		6.6.1	Volume of activity – Segmented by hospital specialty (Q3 2024 – Q2 2025)	172
		6.6.2	Volume of activity by hospital specialty – Segmented by admitted and outpatient (Aug 2024 – July 2025)	173
7.	MAF	RKET OU	ITLOOK	177
	7.1	Marke	t outlook highlights	177
	7.2		t Outlook projections	178
	7.3		t segment trends	179
		7.3.1	Private medical cover	179
			7.3.1.1 Company paid private medical cover	179
			7.3.1.2 Individual/Employee paid private medical cover	180
		7.3.2	Health Cash Plans	180
			7.3.2.1 Individual/employee-paid cash plans	180
			7.3.2.2 Company-paid cash plans	181
		7.3.3	Dental capitation	181
		7.3.4	Dental insurance	182
	7.4	Future	market trends	182
		7.4.1	Access challenges in the NHS remains the major driver of volume demand	182
		7.4.2	Companies rather than individuals remain the future of health cover growth	183
		7.4.3	Insurance Premium Tax changes or VAT on private healthcare services would be expected to dampen market growth outlook but mitigated by continuing access challenges in public pay healthcare	183
		7.4.4	Premium rises expected to continue – acting as a growth limiter and a driver for customer switching – with providers managing retention through coverage option downgrades	184
		7.4.5	Health cover market share threatened by growth in individuals paying out-of-pocket for care when they need it	184
		7.4.6	Al becoming an increasingly prominent part of customer support and driving efficiencies, but critical questions remain over its potential application in underwriting	185
		7.4.7	Innovation in product design helping to capture demand against a backdrop of increasing premiums	186
		7.4.8	Competitive threats to health cover may continue to grow as the UK private healthcare sector matures	187
ΑP	PEND	DIX 1. D	EFINITIONS	189
ΑP	PEND	DIX 2. D	ATA REVISIONS	191
ΑP	PEND	OIX 3. H	EALTHCODE	193
ΑP	APPENDIX 4. MAJOR PROVIDER PROFILES 19			
ΑP	APPENDIX 5. FINANCIAL APPENDIX 21			217

LIST OF TABLES

Table 1.1	Private medical cover subscribers and enrolees, UK, 1995–2024	22
Table 1.2	Company-paid and individual paid health cover subscribers/enrolees, UK, at year end 1995-2024	28
Table 1.3	SME company-paid and large corporate company-paid medical cover subscribers (insured and self-insured (Healthcare Trusts)), 2012–2024	29
Table 1.4	New business and lapse rates for private medical insurance by funding source, 2000–2024	34
Table 1.5	New business and lapses rates for corporate private medical cover, SME insurance, large corporate insurance and (large corporate) self-insured business, 2018–2024	35
Table 1.6	People covered by private medical cover by funding source, and penetration of UK population, UK, 1995–2024	36
Table 1.7	Revenue of private medical cover providers by type of cover (insured vs self-insured), and real spending index, UK, $1995-2024$	38
Table 1.8	Revenue of private medical cover providers by funding source (company-paid vs individual/employee-paid), and real spending index, UK, 1995–2024	42
Table 1.9	Company-paid revenue of private medical cover providers by company scale (SME and larger corporate), and real spending index, UK, 1995–2024	43
Table 1.10	Average household spending ¹ on 'medical insurance premiums' by region, 2015/16–2022/23	48
Table 1.11	UK household annual average spending on private medical insurance premiums by age group, $2010/11-2020/21$	49
Table 1.12	Average price paid for private medical cover (insured + self-insured) and real price index by source of funding, UK, 1996–2024	50
Table 1.13	Private medical cover claims incurred (insured and self-insured medical expenses schemes), UK, 1995–2024	54
Table 1.14	Cost inflation for insured and self-insured medical expenses schemes – claims incurred per subscriber/enrolee, UK, 1996–2024	55
Table 1.15	Loss ratios for private medical cover (insured + self-insured business), UK, 1996-2024	57
Table 1.16	Private medical cover (insured + self-insured business) claims incurred breakdown of top 4 largest providers, 2024	59
Table 2.1	Health cash plan contributors by funding source and persons covered, UK, 1995–2024	64
Table 2.2	Market value – health cash plan spending by source of funding and real terms index (1999=100), UK, 1995–2024	70
Table 2.3	Average prices paid for health cash plans and real terms average price index (2000 = 100) after deflation by CPI, by source of funding, UK, 1995–2024	75
Table 2.4	Claims paid by health cash plan funding source, UK, 1995–2024	77
Table 2.5	Breakdown of health cash plan benefits paid by value and number of claims in 2018, and 2020-2024	80

Table 3.1	Dental capitation plan subscriber numbers, persons covered and population penetration, UK, 2007–2024	87
Table 3.2	Dental capitation plan market value, average price and real terms index (2000=1.00), UK, 2007–2024	90
Table 3.3	Dental insurance subscriber numbers, persons covered and population penetration, UK, 2007–2023	93
Table 3.4	Dental insurance premium income, UK, 2007-2024	96
Table 3.5	Dental insurance average annual premium paid per subscriber, UK, 2013-2024	98
Table 3.6	Dental insurance claims incurred, UK, 2013-2024	99
Table 4.1	Breakdown of 'new business' private medical insurance sales (number of new subscribers) by distribution channel, UK, 2018 and 2020–2024	104
Table 4.2	Breakdown of 'new business' health cash plan sales (number of new subscribers) by distribution channel, UK, 2020–2024	106
Table 4.3	Breakdown of 'new business' dental insurance sales (number of new subscribers) by distribution channel, UK, 2020–2023	107
Table 5.1	Private medical cover (insured + self-insured business) market share by value, £ million, UK, 2017 and 2020–2024	114
Table 5.2	Private medical insurance (PMI) market share by premium income, UK, 1997, 2007, 2011, 2015–2017 and 2021–2024	115
Table 5.3	Private medical cover - Market entries and exits, and relevant major transactions	119
Table 5.4	Health cash plan market share by contribution income earned, £ million, UK, 2005–2024	132
Table 5.5	Health cash plans - Market entries and exits, and relevant major transactions	135
Table 5.6	Dental capitation plans and dental insurance market shares, UK, 2024	145
Table 5.7	Dental cover - market entries and exits, and relevant major transactions	146
Table 7.1	Health cover market value and projections, £ million, 2023-2025	178

LIST OF FIGURES

Figure ES1	Private medical cover subscribers in UK and NHS England waiting list median wait time, index (Dec $2007 = 100$), $2007 - 2024$	2
Figure ES2	Private health cover market value, £ million, UK, 2024	3
Figure ES3	Private health cover market value by segment, £ million, UK, 1995–2024	6
Figure ES4	Health cover market value and projections - scenario 1, 2024-2027	9
Figure ES5	Health cover market value and projections - scenario 2, 2024-2027	9
Figure HC1	Private health cover market value, £ million, UK, 2024	11
Figure HC2	Private health cover market value by segment, £ million, UK, $1995-2024$	12
Figure HC3	Number of people on NHS waiting lists1 for specialist treatment and median RTT2 waiting times, England, August 2007 to July 2025	14
Figure HC4	Public satisfaction and dissatisfaction 'with the way in which the NHS runs nowadays', 1983–2024	14
Figure HC5	Private medical cover subscribers/enrolees, UK, 1975-2024	15
Figure HC6	Number of health cash plan contributors by funding source, UK, 1975–2024	15
Figure HC7	PHIN's private healthcare admissions comparison, Q1 2019 - Q1 2025	16
Figure HC8	Private medical cover market shares of leading providers by value (PMI + self-insured business combined), UK, 2024	16
Figure HC9	Health cash plan market shares of leading providers by value, UK, 2024	17
Figure 1.1	Private medical cover subscribers/enrolees and persons covered, UK, 1975-2024	22
Figure 1.2	Private medical cover subscribers/enrolees and people in full-time employment, UK, 1995-2024	26
Figure 1.3	Year-on-year growth and contraction in private medical cover subscribers by sector, UK, 1996–2024	32
Figure 1.4	New business and lapse rates for private medical insurance, UK, 2000-2024	33
Figure 1.5	Real terms price inflation for company-paid and individual/employee-paid private medical cover, UK, 1997–2024	40
Figure 1.6	Year-on-year correlation between real growth/contraction in company-paid private medical cover spending and GDP, UK, 1996–2024	45
Figure 1.7	Year-on-year correlation between real growth and contraction in individual-paid private medical cover spending and household spending, UK, 1996–2024	46
Figure 1.8	Private medical cover real terms average price index (1995 = 1.00) by funding source (employer-paid and individual/employee-paid), UK, 1995–2024	52
Figure 1.9	Gross margins for private medical cover (insured + self-insured business), UK, 1996–2024	57
Figure 2.1	Number of health cash plan contributors by funding source, UK, 1995–2024	63
Figure 2.2	New business and lapse rates for company-paid health cash plans, UK, 2018-2024	69

Figure 2.3	New business and lapse rates for employee-paid health cash plans, 2018-2024	69
Figure 2.4	New business and lapse rates for individual-paid health cash plans, UK, 2018-2024	70
Figure 2.5	Real terms market value and price indices (2000 = 1.00) for company-paid health cash plans, UK, 2000–2024	73
Figure 2.6	Real terms market value and price indices (2000 = 1.00) for individual/employee-paid health cash plans, UK, 2000–2024	74
Figure 2.7	Gross margins of health cash plan providers, 1995-2024	78
Figure 2.8	Provider A: Health screenings and Specialist fees and diagnostics, claims by value, 2024	83
Figure 2.9	Provider B: Health screenings and Specialist fees and diagnostics, claims by value, 2024	83
Figure 2.10	Provider C: Health screenings and Specialist fees and diagnostics, claims by value, 2024	83
Figure 2.11	Provider D: Health screenings and Specialist fees and diagnostics, claims by value, 2024	84
Figure 3.1	Dental capitation plan subscriber numbers, persons covered and population penetration, UK, 2007–2024	88
Figure 3.2	New business and lapse rates for dental capitation/maintenance plans, UK, 2018-2024	89
Figure 3.3	Dental insurance subscribers and persons covered by funding source and population penetration by persons covered, UK, 2007–2024	92
Figure 3.4	New business and lapse rates for company-paid dental insurance, UK, 2018-2024	94
Figure 3.5	New business and lapse rates for individual/employee-paid dental insurance, UK, 2018-2024	95
Figure 3.6	Gross margins of dental insurance providers, 2013-2024	100
Figure 5.1	Private medical cover insurers and third-party administrators in the UK, 2025	112
Figure 5.2	Private medical cover (insured + self-insured business) market share by value, UK, 2024	113
Figure 5.3	Insurance premium tax during the period, UK, 2014–2025	127
Figure 5.4	Health cash plan providers, UK, 2024	130
Figure 5.5	Health cash plan market share by contribution income earned, UK, 2024	131
Figure 5.6	Number of health cash plan contributors by funding source, UK, 2000–2024	137
Figure 5.7	Total PMI claims incurred, UK, 2019-2024	139
Figure 5.8	Dental benefit plan providers, UK, 2024	143
Figure 5.9	Dental capitation plans and dental insurance market shares, UK, 2024	144
Figure 5.10	Volume of persons covered: Benenden Health compared to the rest of PMI market, UK, 2024	158
Figure 5.11	PMI: Market share with the inclusion of Benenden Health, UK, 2024	158
Figure 5.12	PHIN's private healthcare admissions comparison, Q1 2019 - Q1 2025	161
Figure 6.1	Invoiced values month by month, 2022-2025	165
Figure 6.2	Invoiced values hospital and non-hospital, 2022-2024 and 2025 full year projection	166

Figure 6.3	Total volumes month by month, 2022-2025	167
Figure 6.4	Total volume – hospital/non-hospital, August 2024–July 2025	168
Figure 6.5	Total volume – admitted/outpatient, August 2024–July 2025	168
Figure 6.6	Invoiced activity volumes by UK region, August 2024 – July 2025	170
Figure 6.7	Percentage change in invoiced activity volumes by UK region, August 2023 – July 2024 to August 2024 – July 2025	171
Figure 6.8	Total annual volume by specialty, 2024-2025	173
Figure 6.9	Admitted versus outpatient appointments for orthopaedics, August 2024–July 2025	174
Figure 6.10	Admitted versus outpatient radiology appointments, August 2024–July 2025	174
Figure 6.11	Admitted versus outpatient physiotherapy appointments, August 2024–July 2025	174
Figure 6.12	Admitted versus outpatients general surgery, August 2024–July 2025	174
Figure 6.13	Admitted versus outpatient pathology haematology appointments, August 2024–July 2025	174
Figure 6.14	Admitted versus outpatient obstetrics and gynaecology appointments, August 2024–July 2025	174
Figure 6.15	Admitted versus outpatient oncology appointments, August 2024–July 2025	175
Figure 6.16	Admitted versus outpatient gastroenterology, August 2024–July 2025	175
Figure 6.17	Admitted versus outpatient urology appointments, August 2024–July 2025	175
Figure 6.18	Admitted versus outpatient cardiology appointments, August 2024–July 2025	175
Figure 7.1	Health cover market value and projections - scenario 1, 2024-2027	179
Figure 7.2	Health cover market value and projections - scenario 2, 2024-2027	179