



Guide to Private Medical Insurance

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What is it?

Private Medical Insurance (PMI) cover provides you with the option of private medical care in addition to the care provided by the National Health Service.

You (or your employers) pay monthly or annual premiums, the cost of which is determined by your personal circumstances (e.g. sex, age, previous medical history) and the type of cover you choose. Premiums are reviewed each year.

Note that private medical care does not offer the same range of treatments that the NHS does. It does not provide emergency treatment, or care for a long term condition. Its aim is to provide care for straightforward, treatable conditions.

You can change PMI provider as you wish, but bear in mind that you will need to complete a medical questionnaire each time, and possibly attend a medical examination.

If your employer is paying your premiums, note that this is counted as a benefit in kind (P11D), and you will be taxed on the value of this benefit at your highest marginal rate.

What different types are there?

There are many different policies to choose from but they roughly fall into three categories:

- Standard: this type of policy gives the most comprehensive cover. There are a variety of sub-divisions within this category
- Budget: in return for cheaper premiums, you will get reduced cover under this sort of policy. For example, the company may:
 - o Pay out up to a given amount per year for a treatment, regardless of whether your treatment costs more
 - o Limit the types of treatment that are covered
 - o Only start if the NHS cannot begin to treat your condition within 6 weeks
- Over 60s: specifically designed for people in the 60 to 75 year age range

In addition, policies vary in demanding to know in detail your previous medical history. Very few policies will agree to cover pre-existing conditions, but you can opt for a 'moratorium' type policy, which means that if you remain free of symptoms for two years then a pre-existing condition can be added to the policy after that time.

Some policies also offer an excess, so that by paying the first £100 (for example) of any claim, your premiums are reduced.

What should I think about when choosing a policy?

You need to consider the type of cover required and how much you are willing to pay for this cover. You should also be aware of the insurer's terms and conditions and claims procedure.

If your employer gives you private medical care check what it covers. If your family is not included, or you are not satisfied with the level of cover, you could offer to upgrade to a higher scale and pay the difference in the premiums yourself.

More information on standard policies for Private Medical Care

Standard policies offer a wide range of variables in their cover. Look out for the following in the terms of the policy:

- Treatments offered and excluded: most standard treatments will be covered but psychiatric and dental treatments are often excluded.
- How long the cover lasts for: some policies will specify that treatment must be completed in a given time, others offer unlimited time for treatment
- Hospitals to be used: hospitals are generally broken down into three categories – London teaching hospitals, national hospitals and provincial hospitals. Check that you can use a hospital outside your immediate area, if you want family living elsewhere in the country to be able to use a hospital local to you – or you want one close to them
- Accommodation: cover ranges from a private room in a private hospital to a shared room in the private wing of an NHS hospital
- How to arrange a claim: you will usually need to have the permission of the company to start treatment. Check the simplicity of the process for doing this.
- How quickly claims are settled

The general rule of thumb is the higher the premium you pay, the higher the range of cover offered. Additional cover may include hospice care, transport to and from home or between hospitals, alternative medical treatments and home nursing.

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