

PRIVATE MEDICAL INSURANCE MODULE

Robert H Plumb
Warwick 2001

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- 3 Authors
- David Alexander, Neil Hilary and Shrootin Shah
- Actuaries in UK PMI jobs with reinsurers, now elsewhere

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- Written for the UK market
- UK PMI contract largely supplementary to NHS
- UK PMI market has not been an area of significant actuarial penetration

Background

- Origins of PMI
 - Private insurance supplementary to NHS
- UK developments
 - Hospital cash
 - Sales growth has been poor until recently

Product Design

- Product type
 - Comprehensive
 - Preferred provider

Pricing Issues

- Data
 - population data
 - experience data
 - adjustments
- Morbidity trends
- Guarantees

Underwriting & Claims

- [Dialogue with actuary]
- Underwriting
 - moratorium
 - full underwriting
- Claims
 - service
 - meeting definitions
 - declinature rates

Other Chapters

- Taxation & Legislation
- Accounting
- Professional Guidance
- Reinsurance
 - type
 - specific and aggregate stop loss

Future Developments

- Product Design
 - Full US style contracts?
 - Structured benefits
- Medical environment
- Government initiatives or lack of money in NHS

Conclusions

- PMI is a specialist product line
- Presents different issues to mortality risks and other health insurance contracts
- Relates to NHS, social & medical environment

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