

**SYNOPSIS OF THE SESSION PRESENTED BY THE PMI DATA SUB-GROUP AT  
THE 1999 HEALTH CARE CONFERENCE  
8-10 SEPTEMBER 1999**

The PMI Data Sub-Group consisted of Dave Alexander, Shaffique Bhunnoo and Peter McGurk.

The session was intended as a brief update and consisted of two sections.

**1. INDUSTRY DATA (PRESENTER: PETER MCGURK)**

Some specific proposals for cross-industry claims investigation conducted under the auspices of the CMI Bureau had been developed by the previous year's Data Sub-Group. These had been circulated to potential contributors and some key insurers had referred the matter to the ABI's PMI Committee. As reported at the 1998 Conference, the proposal had been rejected by that Committee and little feedback had been received as to the reasons. A letter had since been sent from the Chairman of the Health & Care Committee to the ABI requesting a meeting between one or two members of the Data Sub-Group and one or two members of the ABI's PMI Committee. This would give the opportunity to discuss specific objections and modify the

proposals to overcome them. It also stressed the benefits of an independent survey, particularly PR benefits.

No reply had been received and it seemed from verbal chase-ups that one was unlikely to be forthcoming. Prospects for an investigation looked bleak.

The discussion mentioned that a high-level meeting between the Faculty & Institute and the ABI was scheduled for November and this appeared to offer the best opportunity of pursuing the matter.

## **2. NHS INFLATION DATA (PRESENTER: DAVE ALEXANDER)**

Increases in PMI premiums had led to criticism of PMI insurers from the press and, in particular, the OFT. Could the profession contribute to the debate? The presentation described the testing of the following hypothesis using NHS inflation data.

‘The rate of increase in costs per capita of NHS in the UK has been similar to the rate of increase in PMI premiums over an extended period’.

The research compared total NHS expenditure per capita and total NHS hospital costs per capita with total PMI claims costs per person covered over the period 1965-96.

The period was divided into six five-year periods and all but one of the periods shows a strong correlation between PMI and NHS costs. There were many influences on the relative inflation patterns e.g. different age distributions and socio-economic groups, product changes etc. The Sub-Group would like to look at the influences on the PMI data of such as claims frequency, hospital unit costs etc. but there was no published data on which to base this.

