

Renewal Report

Rowan Preparatory School

Pupils Private Medical Insurance Scheme

19 March 2024



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- **IMPORTANT** - This report must always be read in conjunction with the supporting literature and links provided.
- Our recommendation of any product is in accordance with MMB's Terms and Conditions of Business. We do not accept any liability or responsibility to any third party in respect of this report.

Background

The Pupils' Private Medical Insurance Scheme is a pooled arrangement underpinned by a corporate flat rate pricing mechanism, which is open to all Independent Schools wishing to insure the Health and Wellbeing requirements of their pupils. The Pupils' Private Medical Insurance Scheme allows insured risk to be absorbed by a larger collective population creating increased protection should your group policy suffer a negative claiming year or high claims cost.

The policy covers the costs of a child's eligible treatment in the UK by AXA Health recognised consultants, therapists, and practitioners.

AXA Health are the insurer and the provider of this Group Plan. The members of your Group Plan should contact AXA Health directly when making a claim, on the number provided in their Membership Handbook. Any claims or reimbursements owed to members in relation to a claim will be paid by AXA Health.

PHC is part of the AXA Health Group, AXA Health delegate parts of the administration of your Group Plan to PHC. The main activities PHC is responsible for are: policy administration, including sending out Group Plan literature and registering, changing and confirming Group Plan member details.

Scope of Advice

MMB and AXA Health have created a bespoke product specifically for clients of MMB and therefore this report presents the renewal outcomes following consultations with your incumbent insurer only.

We recommend that you read the policy literature and familiarise yourself with the full terms and conditions so you know exactly what the policy will, and will not, cover. Please let us know if you have any questions

It should be noted that if any of the information detailed within the report is inconsistent or circumstances may have changed since our last correspondence, please let us know straight away to allow us time to adapt to the change in circumstances.

- You can read further details on how we are remunerated in [Appendix B – Important Information](#)

Healthcare

Private Medical Insurance

Below is our understanding of your current benefit basis.

Private Medical Insurance	
Underwriting method	Medical History Disregarded (MHD)
In-patient and Day-patient benefit	You require a comprehensive policy that provides full cover for eligible in-patient & day-patient treatment, with no annual monetary limits applied (claims paid up to insurer's fee maximum guidelines for specialists, surgeons, anaesthetists, and therapists)
Out-patient benefit	You require comprehensive policy that provides full cover for eligible out-patient, with no annual monetary limits applied (Claims paid up to insurer's fee maximum guidelines for specialists, surgeons, anaesthetics and therapists)
Excess	In the event of a claim there is no excess applied
Hospital access	You require access to national UK hospitals, including Central London.
Cancer cover	You require a comprehensive level of cancer cover.
Mental health cover	You require cover for eligible in-patient, day-patient and out-patient mental health treatment.

Therapies cover		You require a policy that provides you with cover for therapies and/or complementary practitioner charges such as physiotherapy and chiropractic treatment (you can reference any cap on these if preferred)
Fee assurance		There is the potential to insure against high charging eligible consultants/surgeons and/or anaesthetists and you have confirmed that this cover is required (this option reduces the risk of shortfalls in the event of a claim)
NHS 6-week rule		You do not wish to include an NHS 6-week rule as part of the policy. (Not all providers offer this option, and we will highlight those that cannot meet this requirement in any subsequent review)
Other requirements	Diagnostic tests	Yes
	Complementary medicines	Yes
	Dental & Optical	No
	2-year fixed price	No
	Other	No

Renewal Results

We are pleased to summarise this year's renewal terms below. For further information and to read the insurer's Terms & Conditions, please refer to the Group Administrators Guide attached to the correspondence along with this report.

The termly premium effective from 1st September 2024 is £150.00 per pupil reflecting an annual premium of £450.00.

How premiums are calculated:

There are **three main components** that make up annual premium increases:



Medical Inflation

Medical inflation has consistently increased Private Medical Insurance costs by 6% to 12% over the past decade, based on our client portfolio analysis.



Age Profile

As people age, the risk of ill health and the likelihood of claims costs increases. Most providers increase individual premiums either as single year age bands, or as they pass through key age thresholds.



Claims Performance

If claims exceed the insurers' target loss ratio (the claims paid against premium paid), then an increase may be applied. If the scheme has performed well, there may be a discount from the standard increase.

Please note: some insurers and legacy policies do not take individual group's claims performance into account when setting renewal terms, but these are now rare.

Claims performance

The 'claims/loss ratio' defines whether claims outpace the premiums paid. If claims performance exceeds the insurers' target loss ratio, then additional premium increases may be applied.

Current claims loss ratio	114%	Rolling claims/loss ratio	92%
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Commentary on claims performance

The Claims Loss Ratio in the current year is 114% with a three-year average Claims Loss ratio of 92%. This means that claims in the current year have been higher than in previous years which is reflective of current market conditions as follows:

Continued high usage of private healthcare schemes

A number of factors will drive this, ranging from:

- Increased promotion of available services
- Virtual GP services enabling easier access
- Ongoing challenges with accessing the NHS

Prices continuing to rise

In our [Health Trends 2024 Report](#), core underlying average **UK healthcare inflation is predicted to be 11.7%**.

Adding New Pupils

An online application form will need to be completed for each pupil wishing to be included in the Scheme for the Winter Term. The final deadline for pupils to apply online is 30th September 2024. Prior to the start of spring and summer terms we will send you a declaration form requesting you delete the names of the members who are no longer to be covered. No pupils can join the scheme or be removed after the deadline.

Please note that any new pupil entering the School can join the Scheme from the term they join the School. However, if cover does not commence when the pupil joins the school it will only be possible for them to join from the start of the following Winter Term (September), not part way through the year.

Removing Pupils

If you need to remove a Pupil from your group policy, you should include this in the detail of the membership list you send to PHC each School Term.

Policy Documentation

Your policy schedule and wording for the forthcoming year effective from 1st September 2024 (Winter Term), is enclosed. At the beginning of each period of insurance you, as Group Policyholder, must provide the policy documentation - schedule, policy wording and Insurance Product Information document (where applicable) to all members of the group i.e. those persons eligible to claim under the policy. Appropriate ways to achieve this include via post, email or displaying the information on your website and providing the link to all members of the group. Whilst we have checked the documentation, we would ask you to also read carefully to ensure cover meets with your requirements and retain in a secure place for future reference. Please advise us immediately should any amendments be necessary.

Payment Terms

AXA Health invoices should be settled within 30 days of receipt to ensure cover can remain in place.

IMPORTANT INFORMATION – PLEASE READ

AXA Health have advised they will not accept any pupil adjustments after the cut of dates, these are shown in the policy schedule and wording. This means no pupils under any circumstance can be added or deleted after the cut of date. The next opportunity to make adjustments will be the following term. The cut-off date for Winter Term is 30th September 2024.

You will have received an email containing a pdf copy of the scheme leaflet effective from the forthcoming term. The leaflet contains the policy summary which includes details on key features as well as significant or unusual restrictions and exclusions. It is a requirement that parents are made aware of the cover, terms and conditions of the scheme and they must therefore be provided with a copy of the leaflet, or directed to where they can access it, for example, on the schools intranet/website. If you have not provided parents with the scheme leaflet, please advise us immediately. Please inform parents that they have a choice of how they receive information: paper copies/web or by electronic means.

MMB Scheme Leavers Service

We have a dedicated scheme leaver service to help pupils and their family transition to a personal private medical insurance policy. Our service is complimentary, with no obligation for parents to proceed with cover.

Where a pupil has a medical history, or on-going/planned or pending claims it can be difficult for them to secure health insurance to protect cover for pre-existing conditions. Our team of experienced consultants are on hand to discuss their requirements and parent's budget, helping them put a personal policy in place and giving them one less thing to worry about.

The option to continue the healthcare cover on the same medical underwriting terms lasts only for a limited time period once pupils leave your school, so make them aware of the private healthcare options before they leave.

Helping parents understand what happens to their child's private healthcare cover when they leave can help to ease their worries, bringing their time with you to a positive close. Our scheme leaver's service is available to those residing in the UK.



How to get in touch

If you have a parent we can help, they can contact the team today:

Phone: 0800 011 3136

Email: Online.Healthcare@Mercer.com

PDF: [More Information](#)

The Insurer

AXA Health's added value services can support your business and employees, while adding to your employee benefits package.

These services are non-contractual benefits provided through AXA Health and can be altered or withdrawn at any time.

**Click the icons for more information*

AXA Doctor at Hand

Is an App which gives you access to GP's and Nurse Practitioners; appointments are 20 mins long, and usually the same day. If required you can be referred to a specialist, a diagnostic test or have a prescription delivered.



24/7 Health Support Line

Available to both members and their loved ones. Members can call one of their experienced teams of healthcare professionals, including registered nurses, pharmacists, midwives or counsellors, any time by calling AXA Health.



Cancer & Heart Care

Provides access to the latest in proven treatment, drugs, agreed clinical trials, support and care. It also provides a dedicated nurse telephone helpline.



Support for muscle, bones & joints

An online assessment from a specialist (HBSUK) who will direct members to the most appropriate clinical expert for their online appointment.



Wellbeing incentives

40% off monthly individual memberships for the member and anyone covered on an AXA Health private healthcare scheme/plan at Nuffield Health Fitness and Wellbeing Centres.

Next Steps

In order to renew the plan with AXA Health we require confirmation by return email prior to the renewal date 01 September 2024. If we do not hear from you by 01 September 2024 we will automatically renew the policy on the current membership to ensure claims consistency for currently insured pupils.

What we need from you

Confirm your acceptance of terms by email

Confirm the data provided is accurate as at the renewal date

Appendix A

Why Mercer Marsh Benefits?

We know that you need to ensure that the benefits you offer your people meet their specific needs, at a competitive, sustainable cost.



Market-leader with a personal service

Whilst we belong to a global business, we value and nurture long-term relationships with clients meaning you get the connection and market insight of a local partner. We become an extension of your team, adding to your resource, with consultants who get into the roots of your company culture and values.



MMB is your advocate

We engage with you to become a partner that understands you, your people and your business. Your dedicated MMB team works closely together to achieve suitable outcomes for you, allowing your consultant more time to focus on your needs. Whatever your company size, your business matters. MMB ensures you are matched with the right provider at the right price, and you benefit from agreed service levels and dedicated insurer teams, so things get done efficiently. We collaborate with any insurer in the market without compromise on quality requirements.



We'll find the balance that's right for you

Adjust, simplify and upgrade your plans to fit your objectives with flexible design options backed by data-led insights that help you make decisions with impact. By partnering with MMB, you get access to a benefits broking and consulting service tailored to your individual circumstances, from the most complex bespoke solutions right through to smaller employers looking for an off-the-shelf, straightforward product at a great price.

Appendix B

Important information

How we are remunerated

In most cases we are paid by commission from the insurer but in some circumstances, we may charge you a fee instead of commission or a combination of both. We may also receive an additional commission on certain policy placements, which will be retained by Mercer Limited (trading as Mercer Marsh Benefits). We receive payments from insurers for providing consulting, data analytics and other services. These services are designed to improve the range of products we can offer to our clients; help insurers to identify new opportunities; and to make insurers more efficient. The scope and nature of these services vary.

Further details can be found at <https://www.mercer.com/en-gb/solutions/health-and-benefits/benefits-for-small-businesses/>

If you make a change or cancel your policy mid-term which results in a return of premium, we will retain any commission and/or fee amount to cover our administration and advisory costs. If you would like details of how much commission we earn for arranging your policy, please let us know. If you have any questions, issues, or concerns regarding how we are paid, then please contact a member of your service team. Alternatively, you may send an email to: commission.disclosure@mercermarshbenefits.com

Further details on our remuneration are set out in clauses 2.1 to 2.6 of our Terms and Conditions.

Accuracy of Data & the Duty of Fair Presentation

We are obliged to confirm that errors in the data or information which you have provided could invalidate the insurance or mean that a claim is not paid. It is therefore important that you ensure that the information provided is accurate and complete.

Furthermore, Policyholders are under a duty to make a fair presentation of the risk to insurers when taking out insurance (including renewals and variations). A fair presentation of the risk is one that meets the following criteria:

- Disclosure of every material circumstance which the insured knows or ought to know, or failing that, disclosure which gives the insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances.
- Disclosure in a manner which would be reasonably clear and accessible to a prudent insurer.
- Every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

Your Right to Cancel

Detailed in your policy documents are your rights to cancel your insurance under what is commonly known as a 'cooling off' period. Depending on the type of policy you have purchased, you may be entitled to cancel within 14 or 30 days of either conclusion of the contract or receiving your policy documentation, whichever occurs later. Please check your policy Terms and Conditions for full details of your cancellation rights under the policy.

AXA Health has a cooling off period of 14 days.

Benefit in Kind (BIK)

The tax treatment of employee benefit arrangements varies and has a relationship with whether premiums are paid by the employer, the employee or a combination of both. In the case of premiums paid by employees there is also a relationship with whether the premium is taken from net pay or via salary sacrifice. Tax for employees may include P11D and in the case of Life Assurance benefits, inheritance tax (IHT). As set out in our terms and conditions, we are not tax advisors and so we recommend that you seek independent tax advice in relation to any tax implications.

What's the difference between the PMI underwriting types?

In the community rated sector of the market, underwriting is used to ensure that the terms and conditions of membership are set at a level that accurately reflects the degree of risk posed.

There are three forms of underwriting; moratorium underwriting, full medical underwriting and medical history disregarded.

Moratorium underwriting requires no medical declaration at the point of application, but membership is on the basis that all pre-existing medical conditions experienced during the five years prior to joining the scheme are excluded for the first two years, with a requirement that members are free from all treatment, symptoms, medical advice, drugs and medicines or special diets relating to that condition for either one or two years, depending on the insurer selected.

All new conditions are covered from the date of joining subject to the rules of the scheme. A telephone helpline service is provided and will be available immediately to assist members at the point of claim and offer peace of mind before costs are incurred.

Full medical underwriting requires new joiners to the scheme to complete a health declaration for each person included on their registration. Pre-existing medical conditions will normally be excluded from all future treatment.

Medical History Disregarded requires no medical declaration and is not subject to a moratorium period. All eligible conditions will be covered from the date of joining subject to the rules of the scheme.

Your scheme is currently underwritten using Medical History Disregarded method.

You can find more information on medical underwriting types in our guide by selecting [here](#).

The Equality Act 2010

The Equality Act received Royal Assent on 8 April 2010 and most of its provisions came into effect from 1 October 2010. It brings together four decades of law introduced through a variety of statutes and regulations, aimed at prohibiting discrimination on various grounds, including disability, race and sex and introduced new measures aimed at strengthening the previous law to support progress on equality.

A review of the revised provisions of the Equality Act 2010 may be appropriate to ensure that you are familiar with its framework and its impact on the benefits you provide for your employees.

The provisions of the Act, apart from a few minor exceptions, only apply to Great Britain and will not change Equality Law in Northern Ireland.

If your scheme does not fall in line with the legislation detailed above, Mercer would recommend you seek legal advice regarding these issues.

The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and the Agency Worker Regulations 2010

The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and the Agency Worker Regulations 2010 (which came into force on 1 October 2011) prohibits discrimination against fixed-term employees and/or agency workers* in all terms and conditions. The right applies where the less favourable treatment is on the grounds that the employee is fixed term, or an agency worker, and is not justified on objective grounds.

Employers can justify different terms and conditions by either showing that there is an objective justification for such treatment or by showing that the value of the employee's total package of terms and conditions is at least equal to the value of the comparable permanent employee's total package of terms and conditions e.g., paying extra salary rather than providing a specific benefit.

*This applies when an Agency Worker completes a qualifying period of 12 weeks in a particular job.

Due to the nature of fixed-term employees and agency workers, the insurer will require certain conditions to be met before it can insure such an employee. If you wish for fixed-term employees or agency workers to be covered, please advise and we will confirm the insurer's requirements.

Appendix C

Terms and Conditions

Our Terms and Conditions set out the details of your agreement with us on how we will provide our Services to you. Your agreement with us is made up of this Engagement Pack which includes these Terms and Conditions and Data Processing Addendum (the “**Engagement**”).

These documents form the legal agreement between you and us and contain important information. You should keep all documents relating to this Engagement and any subsequent versions, for future reference.

In the event of any contradiction between the documents above, these Terms and Conditions will take precedence.

We will continue to provide the Services on an annual basis until either we or you terminate this Engagement in accordance with our respective termination rights set out in the Terms and Conditions (as may be amended and provided to you).

Please note that clause 5.3(a) of the Terms and Conditions provides that subject to clause 5.4 of the Terms and Conditions, our, our Affiliates’ and sub-contractors’ maximum aggregate liability to you as a MMB SME (International) Client in respect of all Losses arising in connection with the Services, shall not exceed **£2 million**.

Terms and Conditions



Please click [here](#) and ensure that you review this document carefully.

Data Processing Addendum

Please ensure that you review this document carefully.

We draw your attention to your obligations under clause 4.2(c)(i) to collect Personal Data in a manner compliant with Data Protection Laws, including by providing all notices and obtaining all consents as may be required under Data Protection Laws for Mercer to lawfully and fairly Process Personal Data (all capitalised terms as defined within the DPA).

Data Protection Addendum



Please click [here](#) and ensure that you review this document carefully.

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