

Standard Life Healthcare Business Healthcare

Contact 0845 602 3461 or www.adviserzone.com

The company:

Since acquiring FirstAssist's private medical insurance (PMI) book last year, Standard Life Healthcare has increased its market share and is now beginning to bring new product offerings to the market too.

The product:

Aimed at SMEs, Business Healthcare is a modular plan, allowing firms to choose which PMI and health and wellbeing products they wish to have. It is available for one-person businesses up to those employing 249 people. Each category of employee can have a different benefits package built around one or more of four main modules:

- **Core Healthcare:** inpatient and day-patient cover, plus larger cost outpatient scans, cancer treatment, private ambulance and NHS cashback plus the Health and Wellbeing online assessments and information service.
- **Dental Cover:** covers regular maintenance, treatment and A&E dentistry. Three levels of cover are available.
- **Health Cash Options:** covers typical cash plan benefits. Again, three levels are available. There is a one month waiting period for most benefits.
- **Travel Cover:** worldwide cover up to 30 or 120 days, the latter including winter sports too. £50 excess on most benefits.

Customers can also add:

- Core Enhancement: parental accommodation and pregnancy complications
- Outpatient treatment: three levels are available
- Psychiatric treatment and additional (alternative) therapies
- GP consultation and nurse helplines
- Health screening
- Employee assistance programmes

Employers can also choose to extend the preventative benefits to cover all employees and can also choose two levels of occupational health (OH). Existing Company Primecare/Plus and Values for Business customers will be moved onto the new plan later this year. Underwriting is moratorium, full medical underwriting, medical history disregarded or switching.

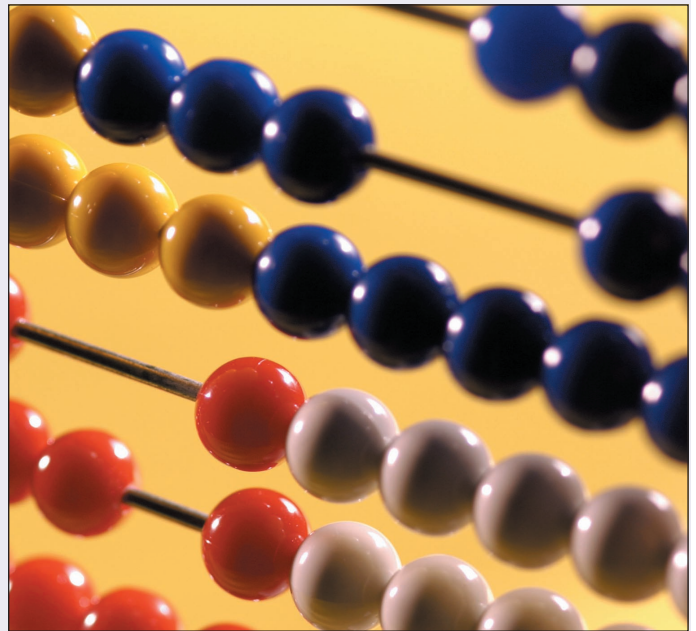
Pros

- **Very flexible – both at outset and ongoing**
- **Offers both PMI and OH and a good reputation for service**
- **Targeted at over 4m businesses**

Cons

- **Difficult to compare prices due to the myriad of options**
- **Can become expensive if all options are chosen**
- **Can be complex to understand and explain all cover permutations**

Health Insurance rating: 9 out of 10



Competitiveness and price:

Cost will depend on the solution chosen plus who is covered.

Literature:

Literature including a sales aid is available from the website. The main A4 brochure runs to 36 pages.

Commission:

From January 2008, standard commission is 10% initial/renewal. Before then, brokers earn 15% initial commission in 2007. From 2008, basic commission can be increased up to 20% depending on sales volumes.

What they say:

Chief executive Mike Hall said: "Our research with small business owners identified that today's small and growing businesses are looking for a flexible approach to providing healthcare support for their employees. Fifty seven per cent of those questioned were specifically looking for packages where modules can be tailored to suit their company."

What we say:

Of the 4.3m businesses in the UK in 2005 (the latest figures), all but 33,000 employed less than 50 employees and 3.2m were one person businesses. Many of them are highly successful and almost all would find PMI useful. Despite that, health insurers often focus on small firms with at least two or even ten or more employees. SLH's new plan – the first since taking over FirstAssist's PMI book – is available to all small businesses, even one person businesses.

The plan itself is highly flexible at outset and firms can change benefits (up and down) in future as needs and budgets dictate. Moreover, the plan includes a wide range of OH and other benefits, not just PMI, so it could appeal to many firms who have previously dismissed "insurance". It will take time to get to know the full range of benefits available and how to tailor benefits to needs – but it is definitely one to consider for SMEs.