

Product Oversight and Governance Report – Fair Value Assessment



Product Name: Private Health Insurance (Corporate)

Product Type: PHI

Date of review: July 2023

- This guide is for distributor reference only
- It does not contain the full terms and conditions of the contract of insurance
- The information provided within this document should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed

Assessment

Most recent review	July 2022
Status	Open and actively marketed.
Manufacturer / Co-manufacturer	Manufacturer – Westfield Health
Target Market Who is this product designed for?	<p>This is a Private Health Insurance corporate plan. Available to any company meeting the below criteria with no medical required to be accepted for cover.</p> <p>Minimum number of 5 people in the plan.</p> <p>The product can be purchased standalone or with a cash plan, Surgery Choices 1 cover MUST be purchased for all employees or, subject to certain restrictions, a designated group of employees.</p> <p>Selection of employees is permitted on the basis of for example:</p>

	<ul style="list-style-type: none"> - Employees who have passed their probation; certain grades of employment e.g. managers; length of service (but not when this is unreasonable and would only include older employees). <p>A group of employees cannot ever be selected on the basis of health; age; gender.</p> <p>There is no age limit applied to individuals.</p> <p>Policyholders must reside in the United Kingdom (England, Scotland, Wales and Northern Ireland) Isle of Man or Channel Islands for a minimum of 6 months each year.</p> <p>Distributors: Please inform us where you identify that you have consistently distributed our products to customers outside of the intended target market.</p>
Negative Target Market Who is this product NOT designed for?	<p>Minimum number of 5 people in the plan.</p> <p>There are some significant exclusions regarding treatment that arises as a result of dangerous and hazardous sporting activities for all policyholders.</p> <p>All policy exclusions are clearly outlined in the product plan guide issued to all customers.</p> <p>Distributors: Please inform us where you identify that you have consistently distributed our products to customers outside of the intended target market.</p>
Westfield Health will consider	Detail
The type of customers to whom the product is targeted	Customers that meet the above criteria.
Identifying and dealing with vulnerable customers	<p>Westfield Health have introduced a Vulnerable Customer Policy to support identifying and interacting with vulnerable customers, to ensure that 'fair customer outcomes' are delivered.</p> <p>A 'fair customer outcome' does not just relate to the avoidance of financial detriment, it could also include instances which cause, or could cause, distress and inconvenience.</p>

	<p>The over-riding principle that must be adhered to in dealings with vulnerable customers is that fair outcomes are achieved throughout the customer journey, and any barriers are removed to access and utilise our products and services. It is therefore essential that we take a flexible approach as our failures can lead customers to suffer financial and non-financial impacts.</p> <p>Vulnerable Customer training has been provided to all staff within the IDD Group, and specific vulnerable customer insight training has been provided by an external provider (Age UK) to some members of the Connect Team.</p>
<p>Knowledge and experience of and within the target market</p>	<p>Westfield Health is an FCA/PRA regulated company that has been established for over 100 years.</p> <p>Westfield Health have dedicated teams including Propositions and Sales working predominantly in the health insurance market.</p> <p>The product has been designed to take account of those who:</p> <ul style="list-style-type: none"> • have no insurance purchasing experience, interest, or knowledge • have some insurance purchasing experience, interest, or knowledge • have insurance purchasing experience, interest, and knowledge. <p>In dealing with the target audience and the evolving marketplace, Westfield Health seek to provide access to relevant insurance products, and will provide appropriate information concerning the policy type, details of the relevant product features, and the likely outcomes from the product, so that prospective customers can select the products they require based on an informed judgement. Westfield Health will not provide advice nor recommend a product.</p>
<p>How the product meets the needs of the customer and provides benefits</p>	<p>Corporate Private Health Insurance provides individuals with immediate cover for new conditions and fast access to fixed price private treatment packages for a range of conditions (excluding heart and cancer).</p> <ul style="list-style-type: none"> ✓ Fixed treatment package for majority of non –urgent, elective procedures either Private or NHS. ✓ Budget PMI – can be competitive against some PMI options. ✓ Can be sold stand alone or with a Health Cash Plan. ✓ Dedicated team internally to source appropriate treatment package. ✓ There are forty-five policy exclusions, these generally follow what usually appears in PMI policies. These are detailed in the plan guide and include amongst other things emergency procedures, fertility treatment, cosmetic treatment, treatment for weight loss.

	<p>On Surgery Choices 2 each surgical procedure is classified into one of twelve bands according to its medical complexity. Band 1 is the least complicated procedures and Band 10 the most. It covers all surgical procedures, we define these as:</p> <ul style="list-style-type: none"> • Medical procedures requiring a general anaesthetic. • Medical procedures requiring a regional or local anaesthetic in conjunction with an incision involving a surgical knife. • Endoscopic fibre optic procedures. • Heart and cancer procedures are excluded. <p>We will provide cover when cancer is suspected but has not been confirmed e.g. biopsies.</p> <p>The Surgery Choices 1 plan covers sixty-three named operations. Each surgical procedure is classified into one of four bands according to its medical complexity.</p> <p>Due to the increasing wait times on the NHS for non-urgent treatments, made even higher due to the pandemic. Private Health Insurance provides customers with fast access to elective treatment.</p>
<p>How the product provides fair value to the customer and whether it will continue to do so for a reasonably foreseeable period (including following renewal)</p> <p>We must not market the product or permit the product to be distributed (whether directly or through another person), unless appropriate changes are made so that fair value will be provided</p>	<p>The product provides several options to meet the needs of companies.</p> <p>The product has a 80% claim acceptance rate which meets the set business threshold for customers.</p> <p>The summary of fair value included a review of the following MI:</p> <ul style="list-style-type: none"> • Loss ratio • Policy cancellations • Claims acceptance rate • Number of complaints • Complaints as a percentage of policyholders • Redress inc. Gestures of goodwill payments made
<p>What are the end user product Service Level Agreements (SLAs) and are these being met?</p>	<p>Our current SLAs are outlined below, these are reviewed regularly with a monthly meeting to discuss in greater detail. We meet the set SLA target 99% of the time.</p> <p>There is a dedicated Private Health Insurance team who have a 2-day SLA for all queries.</p>

	<p>Claims are generally paid in advance of procedure where possible and if invoice is provided post-operation there is a 2 day SLA.</p>
<p>The distribution strategy for this product (does the distribution arrangement mean that customers may be at a greater risk of not receiving fair value from the insurance product?)</p>	<p>Predominantly sold direct or as an addition to corporate cash plan business.</p> <p>The price is fixed, transparent and reviewed at product level and therefore demonstrates fair value for all customers.</p> <p>Commission is paid where applicable based on the underwriting terms chosen by the group.</p> <ul style="list-style-type: none"> • Medical History Disregarded (MHD) paid at 10%. • Moratorium paid at 20%.
<p>The main features and characteristics of the product</p>	<p>Private Health Insurance corporate plan in summary:</p> <ul style="list-style-type: none"> ➤ Each surgical procedure is classified into one of twelve bands on Surgery Choices 2 and three bands on Surgery Choices 1, this is according to its medical complexity. ➤ Only certain medical procedures are covered. ➤ Pricing is fixed at application and then at each renewal. ➤ Pre-existing conditions are not covered.
<p>The risk of harm/customer detriment associated with the product</p>	<p>There is minimal risk or harm/customer detriment associated with the Private Health Insurance product.</p> <p>The product Terms and Conditions (T&Cs) state that any treatment received via a practitioner must be provided by an accredited / professional organisation as standard and in an appropriate medical facility.</p>
<p>Any circumstances which may cause a conflict of interest to the detriment of the policy holder</p>	<p>Limited conflicts of interest have been identified.</p> <p>Except; If receiving treatment; the GP must not be you, your partner or a member of your family (as stated in the T&Cs).</p>
<p>Is the product considered to be complex?</p>	<p>The private health insurance product can be provided by an employer or selected by an individual. The product provides immediate cover for new conditions and fast access to fixed price private treatment packages for a range of conditions (excluding heart and cancer). Where pre-existing conditions aren't covered these are clearly outlined in the product T&Cs.</p>

	<p>There is a dedicated Private Health Insurance team who handle all queries and claims to support policyholders throughout the process and at their time of need.</p> <p>The pre- and post-sale documentation is designed to be clear and concise for customers ensuring we don't use jargon. Terms and Conditions are issued to all customers at the start of the plan or when any amendments that impact them are made, these explain the claims process and procedures that are covered under the plan.</p> <p>Underwriting options vary and the selected option impacts the cost of the plan. The options are clearly documented to ensure clarity for the customer at point of purchase and within the Terms and Conditions.</p> <p>Given there is no underlying investment and no life cover elements, the individual or employer pays a premium and then the customer is able to claim we do not consider the product complex.</p>
How much information about the product is publicly available?	Our website holds limited product information, and the sales team will provide all information upon request.
Testing	Detail
What product testing has taken place?	The product is regularly reviewed by a dedicated team internally assessing the performance of the plan.
What product monitoring occurs?	<p>The product oversight and governance are reviewed on an annual basis.</p> <p>In addition, the in-house Private Health Insurance team work with Propositions and Underwriting & Insight teams to review the products performance and shortfalls considering customer needs to ensure the product remains competitive in the market.</p> <p>Important MI feeds including complaints and customer feedback are regularly monitored to ensure the product is working as expected for our customers, including claims frequency and cancellations.</p>
Complaints data relating to this product	We monitor our complaints data closely and it is presented quarterly to the board with any actions required closely monitored to ensure any issues are addressed in a timely manner.

	<p>In Q2 2022/23 (July – September) we received 3 product related complaints relating to the plan, which weren’t upheld.</p> <p>In Q3 2022/23 (October – December) we received 0 complaints relating to the plan.</p> <p>In Q4 2022/23 (January – March) we received 1 product complaint relating to the plan, which wasn’t upheld.</p> <p>In Q1 2023/24 (April – June) we received 1 service and 1 product complaint relating to the plan, both were upheld.</p> <table border="1" data-bbox="518 584 1142 723"> <thead> <tr> <th colspan="3">July 2022 – June 2023</th> </tr> <tr> <th>Total Complaints</th> <th>Total Upheld</th> <th>Total Not Upheld</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>2</td> <td>4</td> </tr> </tbody> </table> <p>From July 2022 to June 2023 the number of complaints equated to 0.08% of the policyholders. There was £1,500 redress paid in this period.</p>	July 2022 – June 2023			Total Complaints	Total Upheld	Total Not Upheld	6	2	4
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<p>Is remedial action taken if necessary?</p>	<p>Yes. Where any changes in the product or service are required, we ensure these are investigated and prioritised as necessary.</p> <p>Propositions monitor our core competitors, market, customer, and sales insight. In response to this analysis, we review and make changes when required.</p>									
<p>Fair Value Findings Statement</p>										
<p>We have reviewed this product to ensure that it offers fair value in accordance with the FCA PROD rules.</p> <p>We would like to remind distributors that any fees charged (whether this relates to new business, renewals, mid-term adjustments, or cancellations) should not reduce nor negatively impact the intended product value and should always reflect the work and services provided by you for which the fees charged.</p> <p>The product is deemed suitable for the target market, with no issues raised in relation to distribution or service levels.</p> <p>The measures assessed are all within business appetite to ensure fair value for customers.</p> <p>We are therefore satisfied that this product offers fair value to its target market.</p>										

Product Governance report completed by:

Name:	Gareth Owen
Position:	Channel & Proposition Development Manager
Date:	24/07/2023
Date of next review:	July 2024

Product Governance report reviewed by Compliance Function to ensure it meets the requirements of the FCA Product Intervention and Product Governance (PROD) Sourcebook, our regulatory requirements in relation to fair value assessments and the consumer duty good outcomes for customers:

Name:	Sarah Ratcliffe
Position:	Compliance Manager
Date:	25 July 2023
Date of next review:	July 2024