



# Healthguard

Intelligent Healthcare





We've been thinking about  
Private Medical Insurance...

## What if....

**You decided** how your cover is spent

**You want** premiums that don't increase just because you claim

**You want** to choose the level of cover that suits you

**You want** to mix and match NHS and private treatments

# Why is this intelligent healthcare?

**It's simple - we've designed a unique product to suit you**

Private Medical Insurance gives you all the benefits of convenience, choice, hygienic surroundings and privacy. However the needs of our customers are changing so Private Medical Insurance needs to change too.

Healthguard is a different and intelligent type of Private Medical Insurance that challenges the high monthly premiums, restrictions over what you can claim and the amount of cover you actually need.

## The problems with traditional cover

- **Yearly premium increases** - each year your premiums are reviewed based on your current age and health, so they're likely to increase
- **You pay for other people's claims** - premiums also rise to subsidise everyone else's claims, so even if you haven't made a claim you may be paying more. We won't do this for at least five years
- **Limits on certain claims** - you may only be covered up to a certain amount each year for some conditions / treatments
- **More cover than you need** - some minimum levels of annual cover are sometimes just unnecessarily too high, which increases premiums
- **No claims discounts** - they always sound good, but if you claim even a small amount you lose your no claims discount and premiums can increase by up to 50%
- **Reducing premiums may mean reducing cover** - reducing the cost of premiums usually means limiting the number of benefits you can claim for
- **Compromise over how quickly you can get cover** - some less expensive policies only allow you to go privately if you have to wait weeks for NHS treatment
- **Rejection on renewal** - if your health has deteriorated, it's possible that your cover won't be renewed for the following year.

## Healthguard makes all the difference

The challenges on your monthly income, as well as simply wanting to make sure you are paying for cover that you really need, is important to everyone. That's why Healthguard was developed – it's Private Medical Insurance with common sense!

### Unique Healthguard benefits

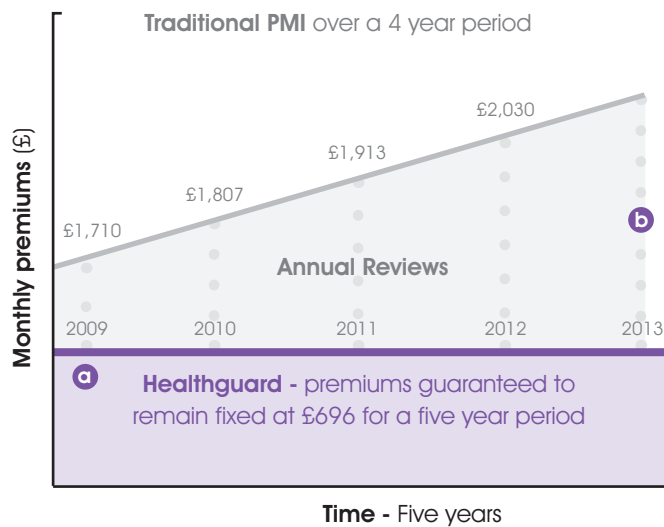
<b>Affordable premiums which stay affordable</b>	<ul style="list-style-type: none"> <li>● Premiums start from just £20 a month and are fixed for at least five years. They won't increase just because you've claimed</li> </ul>
<b>Choice of cover options gives you flexibility</b>	<ul style="list-style-type: none"> <li>● Three levels of cover, £20,000, £30,000 or £40,000 means you can choose a plan which suits your circumstances</li> <li>● Term of cover to choose from - either 10 or 20 years</li> <li>● Option to include partners and children</li> </ul>
<b>You're in control of how the cover is spent</b>	<ul style="list-style-type: none"> <li>● You choose how much of your cover you want to use for your treatments (providing they are in our list of benefits on page 8) – so you simply use money from the level of cover you choose</li> </ul>
<b>Comprehensive cover</b>	<ul style="list-style-type: none"> <li>● You can claim for the same conditions at every level of cover</li> </ul>
<b>Policy renewal is guaranteed</b>	<ul style="list-style-type: none"> <li>● When your chosen term finishes you are guaranteed to be renewed based on your age and health at the time</li> </ul>
<b>Access to both private and NHS treatment</b>	<ul style="list-style-type: none"> <li>● You can mix and match NHS and private treatment as it suits your condition</li> </ul>

# Huge premium savings to be made

Traditional Private Medical Insurance (PMI) will increase each year based on your age increasing and your health potentially deteriorating, even if you don't claim. This chart shows you how with Healthguard your premiums are fixed for at least 5 years.

It was forecast in 2008, that the average yearly traditional PMI premium of £1,621 will rise to £2,030 by 2012<sup>1</sup>. With Healthguard a 50 year old man will pay just £696 each year for cover worth £30,000 over ten years. And in 2012, he'll still be paying the same.

<sup>1</sup> Datamonitor – UK PMI 2007



## The Benefits of Healthguard:

- a Benefit from lower premiums from the start
- b With the premiums increasing each year, across a 4 year period, this example saves **£4,676**

This explanation is for illustrative purposes only as it is difficult to compare like with like on PMI policies, but using this simple comparison does show the savings which can be on offer.

## Premiums that won't increase every year

Your monthly premium is fixed for at least five years. As you can see in the graph above, compared to traditional PMI this can provide substantial savings. After a five year period your premium will be reviewed only if we deem necessary, for example if, claims are higher than anticipated will we increase your premiums. They will never increase just because you have made a claim.



# Treatments cost less than you think

If you've never had private medical treatment before, it's difficult to know how much you can expect to pay for different treatments. So you may question with Healthguard how much cover you need and will it be enough? However, looking at the figures below you can see just how much treatments can cost. Prices do vary between hospitals and will depend on the complexity of the treatment, but this gives you a general guide<sup>1</sup>.

Treatment	From	To
Breast lump removal	£1,200	£2,000
Cataract removal	£1,800	£2,900
Colposcopy	£350	£850
Coronary angioplasty	£6,500	£8,100
Gastroscopy	£650	£1,300
Hernia surgery	£1,300	£2,450
Hip replacement	£5,900	£8,900
Knee joint arthroscopy	£1,500	£2,850
Prostate surgery	£3,650	£4,650
Varicose vein treatment (one leg)	£1,500	£2,100

**The question you should be asking is, with traditional Private Medical Insurance are you being over insured unnecessarily?**

## Healthguard guarantees your policy will be renewed

At the end of your 10 or 20 year cover, we will guarantee to insure you again, based on how old you are at the time and the options you choose when you're reinsured. However, we are not able to cover you above the age of 80, so if you are over 60 you will only be able to take out ten year cover.

### For example:

Rachel is 54, and has a policy with a typical private medical insurer. She has been paying a premium for the past eight years. She hadn't made any major claims but her premium went up each year. In her eighth year she had a cancer related operation and needed significant care. When she came to renew her policy, her provider wouldn't provide her further health cover with them.

With Healthguard not only would her premiums remain the same every year for a minimum of five years, but at the end of her policy we will guarantee to renew her policy at the rate applicable to her age and based on her health at the time.

### Did you know?

- You can wait up to 18 weeks for treatment on the NHS<sup>2</sup>
- You can now mix private and NHS treatment without penalty<sup>3</sup>
- MRSA and C Difficile still cause thousands of deaths each year<sup>4</sup>

<sup>1</sup> <http://www.privatehealth.co.uk/hospitaltreatment/whatdoesitcost/breast-lump-removal/>

<sup>2</sup> <http://www.dh.gov.uk/en/Publicationsandstatistics/Statistics/Perfomedataandstatistics/18WeeksReferraltoTreatmentstatistics/index.htm>

<sup>3</sup> <http://www.independent.co.uk/life-style/health-and-wellbeing/health-news/nhs-medicine-top-up-scheme-confirmed-991563.html>

<sup>4</sup> <http://news.bbc.co.uk/1/hi/health/7177090.stm>

# Because we're all different

Healthguard is designed to give you choice and flexibility to ensure your policy is exactly right for your needs. Below is an explanation of the options available, helping you consider what you want to have included and excluded when calculating your premium. To apply for Healthguard, you must be a UK citizen.

## Setting up your policy

### You choose

#### How much cover you want

This is the amount of money you will have available to you during the term of your policy. Each claim you make reduces the amount of cover you have left.

£20,000

£30,000

£40,000

#### How long you want your cover to last

Most traditional private medical insurance is reviewed each year, so having a ten or twenty year policy gives you peace of mind knowing that cover is in place for the long term.

10 years

20 years

#### Who you want to be covered

1) **Just you** - All adults must be over 16 and under 70 on joining.

2) **You and your children** - You can include up to five children if you are an individual aged between 16 and 70.

3) **You and your partner** - You can take out a policy with your partner providing you are both between 16 and 70.

4) **You, your partner and children** - You can include your partner and up to five children if you are an individual aged between 16 and 70.

#### Cheaper premiums

**a For example** - If you had an excess of £500 and needed a course of physiotherapy costing £350, then as this is below your excess, you pay this bill yourself. Three months later, you need more physiotherapy costing £250. You have already paid a bill of £350, so this time, you only need to pay £150 towards your treatment (£350+£150=£500) and we pay the rest.

**a Pay an excess** - You can choose to pay the first £100, £500 or £1,000 of your private medical bills and this will reduce your monthly premium. You will only pay your excess once in any 12 month period, so if you need to claim repeatedly over the course of a few months you won't pay an excess each time you claim.

**Pay premiums for 10 years as a lump sum** - If you expect to keep your policy for at least ten years, you can choose to pay all your monthly premiums as a lump sum up front. You'll receive a significant discount and your premium won't be reviewed or changed over the ten years, unless you decide to make changes to your cover. If you change your cover, you will need to pay a new lump sum. Once you have paid your lump sum premium, you will not be able to recoup any of the money if you die, give up your policy or you use up all your cover.

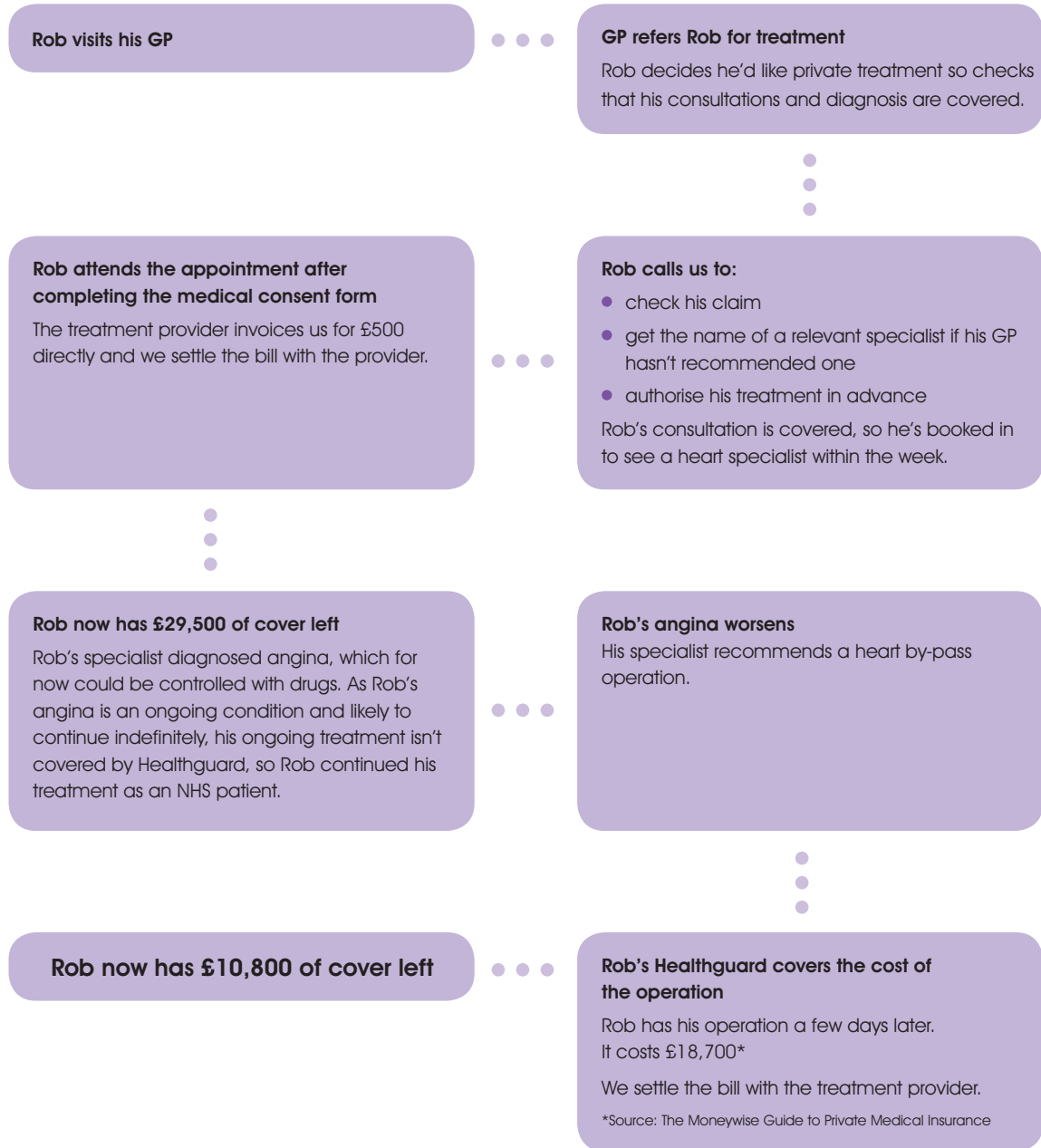
#### Help combat inflation

**b For example** - So, if you've chosen £20,000 of cover and you're paying £20 per month, after five years you'll be paying £22.52 a month, but your available cover will have risen to £22,510 (assuming you've not made any claims).

**b Increase your premium automatically by 3% each year** and your cover will increase by a similar amount - if you want to make sure that your level of cover keeps up with inflation and the escalating cost of medical care, you can choose to increase your monthly premiums each year by 3%.

## Making a claim – an example

Rob has a Healthguard policy providing £30,000 of cover over 20 years. He started to get pains in his chest that were beginning to worry him, so he went to see his GP.



### Policies with children

Children will stay on your policy until they reach 21. They'll then be offered their own individual policy. At this stage, if there are no other children on your policy, we'll move you on to either an individual or a couple policy. If you are planning to include children on your policy, please note that few private hospitals have the facilities to treat children under three.

# Comprehensive cover

With Healthguard, you don't have to compromise cover for cost. Whether you choose £20,000, £30,000 or £40,000 of cover for you and your family, you'll be able to claim for the same conditions.

## A brief summary of what we cover

Inpatient care	£20,000, £30,000, £40,000 cover over 10 or 20 years
Hospital charges	Claims paid in full*
Consultant fees	Claims paid in full*
Diagnostic tests	Claims paid in full*
Radiotherapy and chemotherapy	Claims paid in full*
Cancer treatment	Claims paid in full*
Heart surgery	Claims paid in full*
Other surgery (including minor and oral)	Claims paid in full*
Psychiatric treatment (acute)	Claims paid in full*
Outpatient care	
Specialist consultations	Claims paid in full*
MRI, CT PET scans	Claims paid in full*
Other diagnostic tests	Claims paid in full*
Physiotherapy	Claims paid in full*
Chiropody/Podiatry	Claims paid in full*
Chiropractic/Osteopathic	Claims paid in full*
Radiotherapy and chemotherapy	Claims paid in full*
Psychiatric treatment (acute)	Claims paid in full*
Other benefits	
Alternative therapies	Claims paid in full*
Nursing at home	Claims paid in full*
Private ambulance	Claims paid in full*

\*Up to your claim benefit level

What we don't cover	
Any condition you had before you joined, unless we knew about it when you joined and agreed to cover it OR you opted for moratorium cover and have had no symptoms for at least two years during the policy	GP charges
Costs in relation to childbirth or fertility treatment	HIV or AIDS related conditions
Cosmetic treatments	Long-term or chronic conditions
Dental or optical treatments other than surgery	Out-patient drugs and dressings
Dental check ups	Overseas treatment
Eye tests	Surgical or medical appliances

Please see pages 9 - 11 of the 'Your policy explained' document for full details.

# Interested? – it's simple to apply

## No medical details necessary – it's up to you

There are three different ways to apply for Healthguard.

### 1) Simple Application

Name	Medical details required?	Suitable for	How does it work?
<b>Simple application</b> Moratorium Form	No	People who are generally well and have no past or current medical conditions – these are called pre-existing conditions.	You don't need to give any details of your medical history but if you have had signs of, or experienced any symptoms in the past five years (whether or not diagnosed), the condition they relate to will not be covered for at least the first two years of your policy.

#### For example:

Take Helen. She has had a painful knee joint on and off and she decides to complete the simple application to take out a Healthguard policy.

If she later claims for treatment for her knee, we will ask her doctor for the date when the problem began. If this was within five years before starting her Healthguard policy, Helen's knee condition won't be covered during the first two years of joining. And if the problem returns during this time, there will need to be another two year symptom-free period before she can claim for her knee condition.

### 2) Full Application

Name	Medical details required?	Suitable for	How does it work?
<b>Full application</b> Medical History Declaration	Yes	People who want to be sure from the start whether they are covered for any pre-existing conditions.	You provide us with your full medical history and we'll review your details and decide how we can cover you.

#### Let's look at Helen's case again.

If Helen decides to apply for Healthguard using a full application, she will include details about her knee problem on her application form.

We will consider how severe the problem is and perhaps take expert advice. We may be able to include it on her cover, but if it seems likely that the problem will come back, we may have to tell Helen that we can't cover any problems relating to her knee joint, until we are sure that the problems are unlikely to return.

### 3) Switch Providers

#### It's easy to switch providers - just answer no to 4 simple questions

It is possible to transfer your cover from another provider to us. You won't need to complete a full application; we just need to ask you and anyone else within your policy to answer 'yes' or 'no' to these four simple questions instead:

- 1) Have you/they received out-patient, day patient, or in-patient treatment in the last three years for cancer or heart related conditions?
- 2) Have you/they made any single medical insurance claim that has exceeded £5,000 in the last two years?
- 3) Are you or they receiving any dental or medical treatment as a result of a visit to a consultant?
- 4) Do you or they have any dental or medical treatment planned as a result of a visit to a consultant?

We'll also need to see a healthcare certificate from your current insurer. We'll let you know if there is any condition we will not cover when you join us. Conditions already excluded by your current insurer will also be excluded by us. If you are unable to answer 'no' to all four questions, we will advise you of the next steps available.

# Don't delay – it could cost you

With Healthguard, the younger you are when you take out your cover, the cheaper your premium. So, if you delay taking cover, it could cost you more.

## For example:

David is 45 and has been quoted £64.07 a month for individual cover of £30,000 for 20 years. If he delays taking cover until he is 50, it will cost him an extra £28.12 each month. Taking out cover now will save him £6,748.80 over the next 20 years.

## Next Steps

- 1) Choose your level of cover
- 2) Choose how long you want your cover to last
- 3) Consider any of the other options
- 4) Complete your preferred application form

If you have any questions, please:

**call us on**

**0800 389 7723**

(9am-7pm weekdays).

**or Speak to your Healthguard adviser**

## You choose where you want to be treated

With Healthguard, you're not limited to a specific network of hospitals; you can choose any UK private hospital or treatment location, including NHS facilities.

This means you're never very far from a treatment centre. Take a look at our list of hospitals enclosed for details.

## Healthguard - Private Medical Insurance that puts you in control

- Comprehensive cover at all levels
- Premiums fixed for at least five years
- Unrestricted choice of UK treatment centres
- Guaranteed renewals
- We pay your claims direct



INVESTOR IN PEOPLE

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