

## Member of the public 8

17 September 2013

Dear Mr Whitcomb

### PMI PRELIMINARY REPORT

I have written previously to the Commission ([redacted]) about my concerns as an end-user of PMI and am very disappointed at the preliminary report published recently. It reads like a description of a boxing match between the big business interests of PMI providers and PMI hospital groups, with the Competition Commission trying to act as referee in an ill-tempered fight.

I appreciate that your terms of reference may have been to effect a resolution of the sparring between these groups; and that, ultimately, this may improve the lot of the hapless, piggy-in-the-middle client/patient. However, I am not convinced that there is much in it for the individual consumer at the present.

I have had PMI since [redacted] ([redacted]) and have to say that I have noticed a decline in the service/benefits offered by my insurer. I accept that with costly advances in medicine and a static market as regards those taking out PMI, clients will suffer, but the tricks employed by my insurer are becoming rather too much.

#### **1 ONE-SIDED CONTRACT: Changes to contracts mid-term & Fee-Capping.**

With no other type of insurance do I find that conditions can be changed **mid policy year**, and without the client being specifically made aware. [redacted] is able to change the level of benefits via fee-capping a consultant at any point in one's contract. This means that someone with whom one has built up a relationship may suddenly become unaffordable, and one is forced to haggle in the marketplace for another consultant or else pay top up fees. Certain tests may also be refused even if they have been paid for in the past. This happens even when one is on an alleged "top" policy.

#### **2 DISCRIMINATION AGAINST LONDON CLIENTS: Premium Calculation & Schedule of Procedures & Fees.**

[redacted] charges premiums based on where one lives so, as a London-based client, I pay higher premiums than someone in the provinces because London costs are higher. However, provincial clients can be treated anywhere in the country ("even in Harley Street" as I was told) so my premiums are subsidising them. In addition, as [redacted]'s single schedule of procedures and fees applies nationwide, there is clear bias **against** London clients. We are charged a higher annual premium than those in the provinces precisely because London costs are higher, but can claim no more than someone in the provinces. This is unfair discrimination.

#### **3 CONTRACT LOCK-IN & LACK OF PORTABILITY**

In theory, contracts are renewable annually, but in practice, once you have made a claim, you are effectively tied to the existing insurer, as no other insurer would cover the condition for which you made the claim. You would be classed as having a pre-existing condition which would be excluded or only covered in a very limited way. The decision is: stay with the existing insurer or give up PMI altogether and throw yourself on the mercy of any under-resourced, under-funded, overly-bureaucratic NHS. It is thoroughly shameful that there is no genuine portability of cover in this country in the same way that there is in Australia. People in the UK are encouraged to change car and home insurance each year to obtain better deals but there is nothing like this in PMI.

My insurer has always made a hefty profit out of me, yet the few claims that I have ever made have fallen victim to countless administrative errors, been subject to delay and were conducted with minimal and very poor quality communication. If the Competition Commission really does want to live up to its name, then will it please improve the deal for the end-user by making contracts fair to both parties, and by introducing true portability of insurance? If I could tell my insurer where to put its deal, and move elsewhere without my pre-existing condition counting against me that would certainly improve competition! I dare say no-one will listen, but I have tried my best for all of us who are very disgruntled with the terms of insurance, yet are left with no real alternative except to cease insurance entirely.