

# HEALTH & PROTECTION

HOUSE OF LORDS ROUNDTABLE REPORT

October 2025  
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# INTRODUCING OUR PANEL



**Kristian Breeze,**  
healthcare director,  
Ascend Broking Group



**Chris Hughes,**  
founder,  
Healthwell



**Penny Jackson,**  
owner,  
The Insurance Boutique



**David Middleton,**  
executive chairman,  
Association of Medical Insurers  
and Intermediaries (AMII)



**Paul Nugent,**  
chief executive,  
Santé Group



**Marcia Reid,**  
non-executive director,  
Sherwood Healthcare



**Amy Wilson,**  
head of insurance,  
The Right Mortgage &  
Protection Network



## EDITOR'S COMMENT

Having gone through a major three-year growth spurt the individual private medical insurance (PMI) market eased its expansion in 2024.

The growth of 6.5% revealed in Health & Protection's Individual PMI 2025 report was still healthy compared to previous conditions, but it appears clear the post-Covid boom for the market is over.

This left the panel at our House of Lord's roundtable to break down the key reasons behind the slowing down and some of the more concerning factors in the market.

Soaring premiums seem to be the number one factor chastening consumer appetite and triggering lapses, especially for older members, but related issues such as value for money of cover and the wider economy are also having an impact.

There are some greener shoots from some locations and new populations taking up PMI, meaning there is still positivity in the market.

However, there was a real sense from the assembled industry leaders that the growth in this market needs to become sustainable and that there remain issues blocking that.

They urged insurers to take a firmer line with hospitals and medical facilities on fees, citing personal experiences of where this has worked for them.

And there were also severe concerns about the sale of moratorium underwritten plans – particularly from direct sales forces, with fears poor explanation of terms could lead to mis-selling.

Addressing these issues is critical for a sector that has done much to enhance its reputation over the last few years as supporting the health of the nation is set to be a long-term project.

**Owain Thomas, editor of Health & Protection**

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# HOST OF REASONS BEHIND SLOWING GROWTH BUT HOPE FROM UNEXPECTED AREAS

Increasing premiums, declined claims and long waits are slowing PMI market growth with lapses rising, but mortgage brokers and young people provide positivity, hears **Abigail Montrose**

**T**he individual private medical insurance (PMI) market continues to expand its membership although the rate of growth is much slower than it has been since Covid.

Increased premiums are generally cited as the main reason but other factors are causing people to rethink their cover, according to industry leaders attending Health & Protection's House of Lords roundtable.

In 2024 the rate of growth was around 6.5%, compared with double-figure increases of 11.5%, 13% and 12.1% respectively over the previous three years.

A sharp rise in claims and medical inflation have resulted in providers increasing premiums and this has had a knock-on effect on customer demand.

While membership is still growing, many people are finding they cannot afford the higher premiums and the increased demand is starting to also hit waiting lists for private treatment.

## SQUEEZED BUDGETS

"I suspect the slowdown in net growth is partly due to lapses where people of a certain age have decided it's just not affordable," said Marcia Reid, non-executive director at Sherwood Healthcare.

"There are also those who are making buying decisions and are finding their budgets are already squeezed so they have less disposable income.

"There is a lack of confidence in the economy in general. So people might be quite nervous of making that investment."

People are also being put off buying cover because they are not always convinced it's worth it, said Chris Hughes,

founder of Healthwell.

"We're hearing it's basically down to value for money. People just don't believe the product is worth the money.

"At the moment the waiting times on private facilities are long, if not longer than the NHS. So people are asking 'what's the point?'"

While PMI products may be beyond the reach of some and not an attractive proposition to others, that does not mean these people are foregoing paying for private treatment if they need it, said David Middleton, executive chairman of the Association of Medical Insurers and intermediaries (AMII).

"There are a lot of people who are self-insuring. I have friends who are saying 'PMI is too expensive. I'm going to put some money aside and self-insure'.

"This is particularly the case when it comes to diagnostics," he added.

## GEOGRAPHICAL COMMONALITIES

While NHS healthcare is often a postcode lottery, where provision is good, some people are choosing to let their PMI policies lapse, the panel heard.

"We're definitely seeing a correlation between geography and lapses," noted Kristian Breeze, healthcare director at Ascend Broking Group.

"In certain areas, typically more affluent areas, people may have better access to the NHS.

"Interestingly, these affluent areas were typically the ones that had lots of people with PMI. Well, some of the older people in these areas are now lapsing," he observed.

There are also newcomers entering the PMI market who come from these more affluent areas though, says Breeze.

"We're seeing younger people,

scaffolders and bricklayers who have done well for themselves, taking out PMI. It feels like the market is shifting," he added.

But this is not everyone's experience with younger people.

"I'm seeing fewer younger age profiles," said Penny Jackson, owner of The Insurance Boutique.

"Post-Covid I was getting a lot of younger clients coming through where their employers weren't offering the benefits. They're not that interested in PMI now because the noise has died down a bit post-Covid in this area," she said.



## REJECTED CLAIMS

People who have had a claim turned down are also more likely to lapse, added Jackson.

"There's a big issue with people understanding what they've bought especially around moratorium products.

"If people put in a claim and its then rejected, they cancel their policy; that's where people are losing faith in understanding what they've bought and how it works," she said.

In the Health & Protection Individual PMI Report 2025, three of the four providers who reported their claims decline rates, said these had risen in the last year. Pre-existing conditions and moratoriums were key reasons for claims being turned down.

While the rate of expansion in the individual PMI market may be slowing, it is still growing.

One potential area of growth is among people who lose their PMI cover when they change employment, pointed out Paul Nugent, chief executive at Sante Group.

"Where the market is growing is among people who've had PMI as an employee, and they leave their employment to go and do their own thing," he said.

"That's where they value it, because they know their employer paid for it and

Paul  
Nugent



they wouldn't be without it. That's a big part of the 6.5% growth we've seen in the market," he said.

## IS SUSTAINABLE GROWTH POSSIBLE?

Attracting younger people into the PMI market is essential if growth is to be sustainable, pointed out Reid.

"What makes the market sustainable is getting more younger, fitter people joining," she said.

"Just having more members doesn't make the market more sustainable because then you'll just have people who are claiming at the high rate.

"We want people to get on their member journey young and then we're getting them on the preventative healthcare and the mental health support journey.

"Young people get used to paying for PMI by allowing for it in their expenditure and then the risk of the whole book goes down and everybody benefits," she said.

Interest in PMI is also coming from mortgage advisers, pointed out Amy Wilson, head of insurance at The Right Mortgage & Protection Network.

"Just thinking about this from a different perspective, we're seeing interest in PMI being generated from mortgage advisers. We've had more enquiries this year than we've ever had," she said.

Although buying a home is stressful, with the right training, mortgage advisers are in a position to identify a client who might benefit from PMI, said Wilson.

The panel agreed that educating people on the benefits of PMI is a key way to support the market.

Helping people understand where PMI fits in with NHS provision can help people choose the right provision and keep costs

down, said Jackson.

"You don't have to end your relationship with the NHS when you take out PMI," she continued.

"I say to my clients, especially the older ones, that insurance works alongside NHS provision very nicely. So if you want PMI for bigger health needs, take a bigger excess.

"If you're likely to have back pain or need a hip replacement, consider diagnostics cover. Maybe use the NHS for cancer treatment or if you have a heart attack, but use your PMI cover tactically.

"When you're thinking of making a PMI claim, be a bit strategic. Think about what you might claim for or if you can get this on the NHS instead," she added.

## PREVENTATIVE SERVICES ENCOURAGE RENEWALS

Many PMI contracts offer attractive services which customers may not be taking full advantage of and which can add real value to a policy, the panel highlighted.

Preventative services to help with mental health, free health checks and wellbeing can also all help add value.

These benefits are similar to the cash plan model where the provider wants you to use the services, pointed out Reid.

"With the cash plan model, they want you to claim so you're more likely to renew," she said.

"We should encourage younger people to join and encourage them to use these preventative services so we can say, this is what you're going to get for your money. If they use the GP line, or the mental health helpline or use the healthcare app, they're more likely to stay," Reid concluded. ■

Amy  
Wilson



# ACTION NEEDED TO ADDRESS HOSPITAL FEES AND DIRECT SALES

Unchecked hospital fees, cost transparency and potential direct sales mis-selling are major concerns for advisers, hears **Abigail Montrose**

**M**edical inflation has always been a factor in rising premiums, but it has been taken to a new level in recent years and intermediaries now expect premiums to rise by a minimum of 10% per year.

Advisers want to see more action taken by insurers to reduce charges by medical facilities and a focus on improving communication and transparency explaining large hikes.

And intermediaries at Health & Protection's House of Lords roundtable also warned about the impact of moratorium underwriting for clients, particularly when poorly explained by insurers' direct sales forces.

The cost of medical inflation led some significant concerns from the panel.

"I recently went with someone for a consultation and what used to cost £100

was £300, but everything is at least double the cost now," said Paul Nugent, chief executive of the Sante Group.

It is not just the private sector that is affected by medical inflation, commented Marcia Reid, non-executive director at Sherwood Healthcare.

"Medical inflation is an issue in the NHS too, let's not forget this," she said. "Medical inflation isn't just driven by private medical insurance. It's driven by the NHS and medical inflation is going up," she said.

The cost of drugs is a major factor in pushing up medical inflation with estimations that around 70% of medical costs are for medication and these have been a significant source of increases.

## BATTLING WITH FACILITIES

But for Healthwell founder Chris Hughes the area of most concern is the private health facilities. He highlighted that while insurers negotiate standard pricing for treatments and practitioners, there is no standardisation of pricing with the private facility providers.

"Insurers focus on negotiating with the doctors and the anaesthetists and tell them how much they're going to pay them," Hughes said.

"But the facilities are owned by other providers and there is no control on what they charge.

"A family member went in for a 20-minute surgery recently at a private hospital. The surgeon's fees were reasonable at £300 but the private facility charged £6,000 for the room.

"I went in and argued about the price and they dropped it to £3,000 immediately."



Chris Hughes

These have become regular battles for Hughes as he negotiates with hospitals about the rates they are charging his clients.

"The thing is insurers are not negotiating with the facilities, they're only dictating to the doctor that they can be on their list if they charge so much, that's all they do," he said.

## TRANSPARENCY AND FAIRER PRICING

While it's possible to sometimes negotiate over charges or premiums, explaining this to clients can be tricky.

"Average increases in premiums for some of my clients have been 20% to 30%," said



Marcia Reid



Penny Jackson, owner of The Insurance Boutique.

"How do you explain that to someone who's not claimed on their policy and they've got a 30% standard increase?"

"I've gone back to the insurer to complain about this and they then give me a 15% discount. Why don't they just give me that in the first place which would save us all a lot of time?" she said.

While the Financial Conduct Authority (FCA) is trying to encourage fairer pricing in the industry, this does not always work and can cause confusion and extra costs for insurers, according to Amy Wilson, head of insurance at The Right Mortgage & Protection Network.

"When the FCA brought out general insurance fair pricing they said everything needs to be fair and equal for customers, you need to be able to see what you're paying for. And there are areas of the market that definitely needed that."

But the panel noted that while well intentioned it had not always been smooth sailing during implementation and extra regulatory demands can also lead to higher premiums, pointed out.

"Adding more layers of consumer duty, while important, also means adding more bureaucracy," said Kristian Breeze, healthcare director at Ascend Broking Group.

"This is only ever going to trickle down to premiums, so costs will go up and



David  
Middleton

customers are going to pay for this," he added.

David Middleton, executive chairman of the Association of Medical Insurers and Intermediaries (AMII) agreed.

"There's not enough explanation in terms of fair value from the insurers about why these increases have happened," he said.

To try and get some clarity AMII is bringing together PMI insurers to understand what information they give to advisers.

"There are so many advisers coming to me and saying we're not getting enough information to be able to give to our clients," Middleton continued.

"They want to know why their premiums have gone up 30%. They know inflation is pushing up premiums but they want to know more," he said.

## MARKET FORCES

Advisers also detailed situations where premiums are artificially lower where an insurer is looking to increase its market share.

While this may seem attractive in the short term it can provide issues further down the line at renewal where policyholders may see huge premium increases.

This is where intermediaries can help, explained Reid.

"We have one insurer that wants to increase its number of registrations at present. Another year we'll know they're more concerned with their profitability," she said.

"So we're at their mercy when it comes



Kristian  
Breeze

to premiums, but at the same time, that's what we're here for.

"We can say to a client, this insurer is giving really good deals, we will do everything we can to mitigate the increase next year, but this is the best deal now," she said.

## SMALL CLAIMS, BIG PROBLEMS

Surprisingly small claims can also trigger sharp increases if it flags up a health issue.

While the claim may only be for a small amount, if the health issue means the policyholder is now a higher risk, this will push up their premiums.

This can be difficult to explain to clients, said Jackson, as she urged the industry to rethink the way some claims are paid.

"I have a client who claimed on an NHS cash benefit," she explained. ►



Penny  
Jackson (left)



► “She had an issue and was taken straight into an NHS hospital, she was happy with the treatment there and claimed £350 for it, but then her premiums went up £300.

“She couldn’t understand why this was so I had to explain it was because of the nature of her claim. It was a neurological claim and the insurer’s actuarial pricing on that claim made her a higher risk because she’d had an aneurysm.

“She said she was now absolutely fine, signed off and under the NHS and she was never going to claim for this treatment under her policy.

“But I told her, she had to look at the associated risks and the insurer will have data relevant to the nature of her claim. Unfortunately, that’s the way insurance works and this will have been priced into her renewal,” explained Jackson.

### CONFUSION OVER MORATORIUMS

After an apparent steady decline in claims in 2023, 2024 saw fresh post-Covid highs.

Part of this can be explained by there now being more policyholders but there is also more activity.

Unfortunately, declined claims rose at three out of the four providers who reported these figures for Health & Protection’s Individual PMI Report 2025, with the key reasons being pre-existing conditions and moratoriums.

The panel agreed that moratoriums are confusing for customers and it is the adviser’s job to explain these carefully to clients.

“It just comes down to education; advisers are the first line of defence and they’ve got to roll their sleeves up and explain to clients exactly how moratoriums work and the potential pitfalls,” said Breeze.

But the panel noted that it did not help that descriptions vary between insurers.

“The description of a moratorium is different for each underwriter, there is no consistent underwriting for moratorium,” Hughes said.

And this was not helped by some consultants brushing over the details.

### POTENTIAL MIS-SELLING

“There’s a lot of consultants that will tell somebody to go moratorium, knowing full well that there’s certain things in there that are not going to be claimable going



forward, but they don’t mention this because it’s an easy sell,” he added.

Jackson highlighted clients who do not realise they have bought a moratorium-based policy which will exclude pre-existing claims.

“There’s a big issue with people understanding what they’ve bought, particularly from larger call centre operations,” she said.

“I fear they are not explaining the moratorium and then people go to claim and get rejected.”

There were also serious concerns raised by several panellists about direct sales completed by insurers.

Both Jackson and Hughes cited examples where clients had received quotes from insurers believing it was for full coverage including chronic and pre-existing conditions, but instead it was for moratorium policies.

“That’s a real big problem, because no one’s really actually looking at the underwriting, they’re just checking the premium and their date of birth,” Jackson warned.

Claims on moratoriums may also be going up because people don’t fully explain their health niggles or see doctors for them.

“There are loads of people who are living with things they don’t see their GP about. They may have back pain but just take ibuprofen every day,” she continued.

“They haven’t sought advice for this or told their GP about their symptoms so there’s nothing on the GP report when they need treatment. So effectively they can go and claim on a moratorium, which is probably why claims are increasing,” she added.

### UNDERSTANDING PATHWAYS

Another reason for claims being declined is people not understanding what pathway or which specialists their policy covers them for.

“I had a case recently which goes back to pathway. The client said they did not realise they had to use particular GP or consultant or orthopaedic surgeon,” said Nugent.

Using PMI appropriately can help keep premiums down and the panel agreed it needs to be seen as an insurance policy to be used for serious events, not as a pre-paid healthcare plan.

Ultimately avoiding unnecessary treatments and asking if something really needs a diagnostic or a private doctor will help address this too. ■

# SERVICE LEVELS ON RIGHT TRACK BUT INNOVATION STALLING

Insurer service is solid but advisers want more innovation and mental health support, hears **Abigail Montrose**

**I**n general advisers rate insurer services well according to the Health & Protection UK Service Ratings Report published earlier this year.

While the overall picture is positive there is still some room for improvement however, with a need for greater product innovation cited.

Marcia Reid, non-executive director of Sherwood Healthcare, noted that service levels are one area where advisers can have a real impact on outcomes for their clients.

"It's up to us to demand good service, we can vote with our feet," she said.

"One insurer fell very badly during Covid in terms of their helpline levels, so we couldn't in all honesty recommend them for new business

"We switched quite a lot of business away from that insurer because we knew people were waiting up to two hours to get a response. So we have some power here - the insurer realised they had to respond because it was hitting them where it hurt," she said.

Several members of the panel agreed with this, although Healthwell founder Chris Hughes said that while service levels had improved, he still sometimes found it hard to get the support needed.

"Several insurers I call just have a generic number. It doesn't matter how much business you place with them, unless you're one of the big firms it can be hard to get hold of the right people," he said.

"And if I'm having problems, what's it like for a member or client?"

## RELATIONSHIPS ARE VITAL

One key to enabling good service is having good relationships with insurers, the panel acknowledged.

"I don't think it's rocket science. If you've got the right relationships, then hopefully you can get answers when you need them," said David Middleton, executive chairman of the Association of Medical Insurers and Intermediaries (AMII).

"You don't go calling on the director all the time, do you? But if you've got access to them, you go to them when you need to," he said.

However establishing these good relationships takes time and effort and can be difficult for those new to the sector.

"When we built the network in 2015, we were a mortgage and protection network," said Amy Wilson, head of insurance at The Right Mortgage & Protection Network.

"We went to PMI providers and said can we get rates please? They said, 'No, you're a mortgage and protection network, you can't have rates,'" she said.

"So we kept on trying, we started going to events, talking to people and slowly but surely built relationships."

And once you've built a good relationship or received good service, it's worth giving good feedback, commented Penny Jackson, owner of The Insurance Boutique.

"Nobody says: 'I've had a great experience with you today, thank you very much,'" she said.

"So I've started doing that now, and copying in the BDM when the service has been good, telling them how amazing it's been."

## LIMITED INNOVATION

However, the panel thought there had been little innovation over the last year, particularly in terms of products.

During Covid, insurers responded quickly to the situation and there was a spate of innovation such as new online services.

However since then, the panel argued the product landscape had not changed much.

"I don't think there's been much improvement, it's quite stagnant," noted Jackson.

There were a number of areas identified where panel members thought there could be improvements. These centred mainly around preventative services particularly in the wellbeing space.

Another area of particular concern was mental health services.

"The biggest killer of males under 50 in the UK is suicide. We talk a lot about having good mental health but not enough is done about it," said Middleton.

Panel members agreed and wanted insurers to promote mental wellbeing services to people with dependants or teenage children who may benefit from an early age and adopt the habit for a lifetime. ■





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# THE INNOVATION GAME

**Rich Glassborow**, director of distribution and marketing, tells us why innovation, expertise and a listening ear are at the heart of AXA Health.



**G**

etting our members fast access to the right care is what drives innovation at AXA Health. It steers what we analyse, prioritise, develop, and most importantly – what we deliver. So, what have we been focusing on, and why?

## INVESTMENT IN TECHNOLOGY

Digital technology is essential for making care accessible and injecting efficiencies into the care journey. Our members now have more choice in how they access care for digestive, dermatological and musculoskeletal conditions – with more conditions coming soon.

These services are thriving: our online musculoskeletal assessments now help around 12,500 members each month. In April, 100% of cases had online support from a physiotherapist within one working day.

Members with the appropriate cover can also get digestive health and dermatology assessments online, with a specialist aiming to review their assessment within three working days from receiving their completed assessments. We keep a close eye on outcomes and feedback to ensure we're giving our members access to the right support at the right time.

## PREVENTATIVE SUPPORT WITH EAP

Helping members prioritise their health every day and connecting them to trusted health and wellbeing services is a responsibility we take seriously. Our services evolve with members' changing needs. For example, the AXA Health app, for large corporate members, promotes healthy habits – it's free for the entire workforce of our large corporate clients. It features videos, articles,

learning modules, online workouts, and a health assessment that produces a health score to help build understanding. Since its April upgrade, downloads have increased by 52%, and active users by 32%. Elsewhere, our onsite and remote health assessments are making a real difference to workplace wellbeing, by helping employees understand where to focus first and are easy to book via the app.

## DATA + REPORTING = ACTIONABLE INSIGHTS

We're committed to giving large corporate clients a full picture of their workforce's health through detailed reporting. Recently, we added reporting for our online GP service and our neurodiversity assessment and support service. Later this year, we'll introduce updates for our mental health assessment and support service, EAP, and wellbeing services.

## ENHANCING OUR DIGITAL SUPPORT CHANNELS

How members access care has changed over the last two years, let alone 10. Demand for digital support has grown with live chat now our fastest-growing channel. For example, we've been improving our digital support offerings. Members who would usually call us, can now choose to complete some tasks online. Registering a new claim, getting authorisation for further treatment, general enquiries and more. We've also seen a sharp rise in traffic to our enhanced online accounts and member areas.

## INNOVATING THE FEEDBACK PROCESS

Technology is a fantastic informer, tracker and enabler. Our highly recognised Voice of the Customer programme plays a vital

role in keeping our ear to the ground in real-time, helping us make agile improvements to our service with customer experience in mind. We've recently introduced a video feedback option, should members prefer to talk than type.

## HOW BROKERS ARE SHAPING WHAT WE OFFER

We work closely with brokers and large corporate clients to stay aligned with what's needed on the ground. I'm excited to share that in early 2026, we're launching a broker portal that will allow individual brokers to get a quote and buy our AXA Health Plan, while also managing their clients' policies. SME brokers will also be able to manage client schemes, adding and removing members, getting policy documents, and more. We're also establishing a broker advisory panel to further inform our innovation through feedback and consultation – whether it's our products, support services or pricing.

## WHAT'S NEXT

Since 1940, we've been looking after our members and striving to deliver high standards through continuous improvement. Our focus remains on innovation, excellence, and value. We're committed to being the best health insurer we can be, putting health first. Stay tuned – there's so much more to come. ■



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