

# Intermediary Q&A guide

Information on your clients'  
health insurance cover and  
our COVID-19 pledge

This document is correct as of April 2023.

Throughout the pandemic, we remained focused on helping your clients get access to the medical support they needed.

However, there were times when it was more difficult to access private treatment. This was the case particularly during the first phase of the pandemic where private facilities supported the NHS in the national effort to combat COVID-19.

During the pandemic, some treatment was delayed and some was cancelled. We expected the period of lower claims to be broadly offset by the period of higher claims as things returned to normal.

We now know PMI claims to Aviva were lower than planned over this entire period. This means we will be returning the remaining difference between expected claims costs and actual claims costs to UK PMI policyholders as we pledged.

**If you have any questions after reading these FAQs, please speak with your usual Aviva contact.**

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## 1 Our COVID-19 Pledge

Please read our COVID-19 Pledge:

 [aviva.co.uk/covid19-pledge](https://aviva.co.uk/covid19-pledge)

### **Q Will you be paying anything to reflect how long you've held this money?**

**A** We will add a 20% enhancement to the payment to reflect the amount of time we have held the money.

### **Q Are you guaranteeing a minimum payment?**

**A** Yes, the minimum amount for any eligible customers is £5.

### **Q How will it affect P11D?**

**A** Employee tax rules are complex, so the company receiving the pledge payment will need to assess their own circumstances and seek appropriate tax advice. However, an important consideration is that under the Optional Remuneration Arrangements legislation, refunds to the employer in respect of that part of a premium that was funded by salary sacrifice will not reduce the P11D reportable value as it would for employer fully-funded cases. If any refund is passed as cash to the member, this will need to be processed through payroll by the employer as taxable employment income.

### **Q How do my clients and I know you have not profited from the COVID-19 situation?**

**A** We don't believe we have profited from the pandemic. We projected claims to 31 December 2022 and will return any shortfall in expected claims to customers. We asked Grant Thornton UK LLP to independently review our approach to fulfilling our Covid pledge. They made the following statement:

"We have independently reviewed Aviva Health UK Limited's proposed approach to fulfilling its COVID-19 Pledge to Consumer and SME customers and have considered whether the proposed approach delivers on the commitments made to its customers in the COVID-19 Pledge, and is reasonable, fair and in line with its regulatory obligations. We recognise that finding the right balance between fairness and simplicity is challenging, and there is no single approach that will fully satisfy all stakeholders. We are satisfied that Aviva Health UK Limited's approach to fulfilling the COVID-19 Pledge achieves a reasonable balance between the varying interests of customers."

### **Q My client pays by cheque every year but wants the pledge payment sent to them by a different method. Is that possible?**

**A** No. Under anti-money laundering regulations, we must return the money to the source it came from. Because of this, we'll pay using the payment method your client used to pay their most recent premium.

### **Q My client paid their premium by credit card. Will you refund their card?**

**A** No. We're currently upgrading our credit card payment system and can't refund to credit cards at the moment. This means we will make their pledge payment by cheque.

**Q Who will you pay the pledge payment to if the policyholder has died?**

**A** If we have a named executor or administrator, we will make the Covid pledge payment to them. If there is no executor or administrator, we will liaise with their family members to make sure we make the payment to an appropriate representative on their behalf.

**Q How have you calculated my clients' Covid pledge payments?**

**A** We calculated the value of the claims shortfall to 31 December 2022. This led to an initial pledge payment worth approximately five weeks of annual premium from the eligibility period. The amount we paid for each policy was in proportion to the premiums paid over that time. For example, a policy that was in force for half of the eligibility period got a payment equivalent to approximately three weeks worth of the annual premium. As we've now fully assessed the claims experience, we're now making the final pledge payment. We'll add a 20% enhancement to the final payment to reflect the amount of time we've held the money.

**Q When do you expect to make the pledge payment?**

**A** We'll make the final COVID-19 pledge payment within 60 days of your client receiving their letter. We will write to your clients to let them know when to expect their payment.

**Please give us time to process the payments before contacting us about this.**

**Q Will you tell me how much you will pay each of my clients?**

**A** We will give you an overview of the payments we're making, but we won't be communicating specific details about every client.

**Q What if one of my clients has changed bank details?**

**A** We'll make the payment to the account that pays the premiums as recorded on our administration platform. If bank details have changed, your client would follow the usual business process of telling us this. If the pledge payment fails because of incorrect bank details, we will contact your client directly to ask for clarification.

**Q Can my client choose for Aviva to make the payment to a nominated charity?**

**A** No. We will make the payment to the person who pays the premium on the policy. Under anti-money laundering regulations, we must return the money to the source it came from. Once your client has the payment, they can donate it to a charity of their choice.

**Q My client has passed away. Who will you pay their pledge payment to?**

**A** If the policyholder has died, we'll pay the executor or administrator named on the policy. If there is no executor or administrator, we will liaise with their family members to make sure we make the payment to an appropriate representative on their behalf.

**Q Will this have an impact on future renewal increases?**

**A** No, any future pricing variation will be in line with our normal assessment of our future claims experience. We're making the pledge payment from a reserve we have held for this purpose.

**Q What if my client has left Aviva?**

**A** If your client had a policy during the eligibility period of 1 March 2020 and 31 March 2021, they will get a Covid pledge payment even if they no longer hold a policy with us.

**Q My client's premium reduced at renewal.  
Are they still eligible for the Covid pledge payment?**

**A** Yes, if your client had a policy during the eligibility period of 1 March 2020 and 31 March 2021, they will get a Covid pledge payment.

**Q My client recently switched their policy to Aviva.  
Are they eligible for the Covid pledge payment?**

**A** Your client will only be eligible for a Covid pledge payment if they had a policy during the eligibility period of 1 March 2020 and 31 March 2021.

**Q Will you tell all my clients about their Covid pledge payment at the same time?**

**A** To help us answer any client questions efficiently, we plan to stagger our client communications over 12 weeks. We expect to begin contacting your clients imminently.

**Q Why has it taken so long for you to make the pledge payment?**

**A** Our original COVID-19 pledge stated we believed the period of disruption would be over 2020 and 2021. After this, we would assess our claims experience and make sure we returned any difference in claims costs to customers.

As the pandemic continued in the latter part of 2021 with new variants with an unknown impact at the time, we extended the timeframe of the pledge to the end of 2022. We made an initial Covid pledge payment in 2022. We're now in a position to make a final payment to repay the remaining difference. To recognise we have held this money for some time, the payment will include a 20% enhancement.

**Q Does this set a future precedent should a different type of event mean my clients are unable to access the private services and facilities offered through Aviva policies?**

**A** We will assess any future disruption on its own merits.

**Q Are you paying the pledge payment at a group level or on individual level for an SME policy? If at group level, will you give us guidance on how you will split the payment?**

**A** We'll make the pledge payment to the group. We'll be in touch with the group administrator and provide them with member level data.

**Q Will this have an impact on future renewal increases?**

**A** Any future pricing variation will be in line with our normal assessment of our future claims experience. We're making the pledge payment from a reserve we have held for this purpose.

**Q Will this affect my commission?**

**A** There is no commission clawback for you to worry about.

**Q Will my client still get a pledge payment if they made a claim or are about to make a claim?**

**A** Yes, they will.

**Q Different areas of the country saw different disruption levels during the pandemic. Will you take this into consideration?**

**A** We've reviewed the claims experience during the pandemic, segmented geographically, and by age, and we believe that our approach is fair and balanced.

**Q Are you paying this for all policies, like car and home insurance?**

**A** No, the Covid pledge was for private health insurance customers only to cover reduced access to medical treatment, which led to the reduced usage of PMI policies.

**2 How to get further help**

If you still have questions after reading these FAQs, please speak with your usual Aviva contact.

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