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# SME Q&A guide

Information on your clients' health insurance cover in light of the COVID-19 pandemic

**This document is correct as of June 2022.**

We will update this document as the situation progresses, so please keep checking back and re-downloading the link for the latest information.

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.

We now know PMI claims to Aviva have been lower than planned over this entire period. This means we will be returning the 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 updated COVID-19 Pledge:

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

### **Q As you extended the pledge period, are you paying interest on top of the pledge payment?**

**A** No. In October last year, we said we would extend the pledge period to allow us to make a fuller assessment of the situation. Since then, we've seen that claims have been slower to catch up than we expected and this has been the key driver in us determining that now is the right time to be making these COVID-19 Pledge payments, whilst also being fully aware of the current pressures on household finances. We'll continue to monitor the situation and will review the position at the end of the year to see if a further payment is due in 2023. In line with our commitment about payments made in 2023, we'll add a 20% enhancement to any second payment.

### **Q Are you bringing forward the payment to avoid paying the 20% goodwill enhancement?**

**A** No, we're not. Since we made our statement to the market in October 2020, it's become clear that we aren't seeing claims catch up as expected, so we'll continue to monitor the situation. We've decided the best thing for our customers is to pay them now. That's the reason we re-evaluated our decision to delay the pledge payment.

In addition, we'll also review the position at the end of the year to establish whether a further payment is due in 2023. In line with our commitment around any payments made in 2023, we will add a 20% enhancement to any second payment.

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

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

### **Q How have you calculated this payment?**

**A** We've monitored claims experience for each of our client segments across personal and group health insurance. We've calculated the value of the expected claims shortfall to 31 December 2022. This resulted in a pledge payment for the eligibility period that is worth approximately seven weeks' of annual premium. The amount we'll pay for each policy is in proportion to the premiums paid over that time. For example, a policy that was in force for half of the eligibility period would get a payment equivalent to three weeks' worth of the annual premium.

Grant Thornton UK LLP has independently reviewed our proposed approach and is satisfied it delivers on the commitments we made in the COVID-19 Pledge, achieves a reasonable balance between the varying interests of customers and is in line with our regulatory obligations.

We've looked at a number of scenarios to predict the expected claims to the end of the pledge period on 31 December 2022. The pledge payment reflects our best view of the delayed claims we don't expect to take place by the end of the pledge period. We are holding a reserve to release against this expected claims catch-up. If there is still a balance on this reserve at the end of 2022, we will make a second pledge payment in 2023 and apply a 20% uplift.

**Q How will it affect P11D?**

**A** The company receiving the pledge payment will need to assess their own circumstances and seek appropriate tax advice. We are providing the group administrator with member level data.

**Q How do my clients and I know you are not profiting from the COVID-19 situation?**

**A** We believe we are not profiting from the pandemic. We have 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 decision to bring our pledge payments forward. They made the following statement:

“We have independently reviewed Aviva Health UK Limited’s proposed approach to fulfilling its COVID-19 Pledge to Consumer, SME and Large Corporate 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 Is it possible you may need another COVID-19 Pledge period if there is more disruption?**

**A** We have no plans to do this. However, if there are further changes, we will assess customers’ ability to make claims and decide how to act then.

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

**A** We’ll be starting to make payments over the coming months. We will write to your clients to let them know when to expect their payment.

**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 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 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 What happens if a company has become insolvent or ceased trading and their bank account is closed?**

**A** Where possible, we will make the pledge payment to the administrator or trustee of the bankruptcy. If the company has been fully liquidated and we're unable to make a payment, we'll contact the Treasury Solicitor to make the payment to the Crown under the Bona Vacantia rules. If the Crown does not want to receive the payment, we'll make a charitable donation for the amount instead.

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

**A** If we have a named executor, we will make the COVID-19 Pledge payment to them. If there is no executor, 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 the overall COVID-19 Pledge payment?**

**A** We've monitored the claims experience for each of our client segments across personal and group health insurance. Where claims have been lower than planned, we have created a reserve from which we will pay the pledge payments and any claims which catch up by 31 December 2022. We've calculated the pledge payment based on our best view of lower than expected claims by 31 December 2022. If there is still a balance on the reserve at the end of 2022, we will make a second pledge payment and apply a 20% goodwill enhancement.

Grant Thornton UK LLP has independently reviewed our proposed approach and is satisfied it delivers on the commitments we made in the COVID-19 Pledge, achieves a reasonable balance between the varying interests of customers and is in line with our regulatory obligations.

**Q How have you calculated my clients' COVID-19 Pledge payments?**

**A** We've calculated the value of the expected claims shortfall to 31 December 2022. This has resulted in a pledge payment that is worth seven weeks of annual premium from the eligibility period. The amount we'll pay for each policy is in proportion to the premiums over that time. For example, a policy that was in-force for half of the eligibility period would get a payment equivalent to three weeks worth of the annual premium.

**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-19 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-19 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-19 Pledge payment.

**Q My client recently switched their policy to Aviva. Are they eligible for the COVID-19 Pledge payment?**

**A** Your client will only be eligible for a COVID-19 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-19 Pledge payment at the same time?**

**A** To help us answer any client questions efficiently, we plan to stagger our client communications over six weeks. We expect to start making payments this month.

**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. Although we still expect to see further delayed claims coming through in 2022, an extensive review of our claims experience has concluded that a payment earlier in 2022 delivers the best outcome for customers.

We will continue to monitor claims delayed as a result of the pandemic until the end of the pledge period on 31 December 2022. We remain committed to returning any difference in excess claims costs through a further payment in 2023 if necessary. Any such payment will include a 20% goodwill enhancement.

**Q What would Aviva's position be in the event of further restrictions?**

**A** We don't expect restrictions on the scale seen during 2020/2021. Services are now available for customers seeking treatment. If further restrictions happen, we will assess customers' ability to make claims and decide how to act then.

**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 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 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 you make the payment by scheme, member or lives?**

**A** We'll make the payment to the bill payer of the policy. We've based the payment on the premium paid for cover between 1 March 2020 and 31 March 2021. The eligible premium will reflect any changes to membership or cover during that period.

**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 effect 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 they are about to make a claim?**

**A** Yes, they will.

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

**A** No, the COVID-19 Pledge was for private health insurance customers only to cover reduced access to medical treatment, which led to the reduced usage of PMI policies.

We've put the following questions online to help your clients, so please make sure you check our website for the latest information.

## 2 Policy cover and benefits

### **Q Does the policy cover vaccinations and vaccination side effects?**

**A** A vaccination is a preventative measure, rather than a treatment for an acute condition, so is not covered under the policy. Likewise, we don't cover any side effects your client may experience after the vaccination as they are a consequence of an event not covered under their policy terms.

### **Q Do my clients still need to be tested for COVID-19 if they need treatment, and if so, what cover is there?**

**A** If your clients are about to undergo private medical treatment, we'll pay for them to have a PCR test if required to identify whether they have the virus.

By funding the test, we're able to help your client's doctor decide whether it's safe to continue with their treatment. Testing before surgery also helps protect the medical team and control the risk of infection in the hospital.

We will pay for clients with symptoms to have a PCR and/or antibody test if their specialist recommends it as a tool to support a diagnosis. This depends on the policy terms and conditions. It falls within the outpatient benefit limit, so if the policyholder doesn't have out-patient cover, we won't pay for the PCR test.

We will also reimburse the cost of a PCR and/or antibody test for a client with symptoms under their GP referred benefits cover - if they have it - on our Solutions product, if their GP recommends it.

### **Q What's not covered?**

**A** We don't pay for self-referral for PCR testing as a screening tool. While your client might find it helpful to know if they have COVID-19 or not, if they do have symptoms, their testing, care and support would be provided by the NHS.

Similarly, we don't cover self-referral for antibody testing for asymptomatic clients. There are several reasons for this. While the main issue relates to reliability and the risk this could pose the individual, we believe there are also social issues such as inequality to consider.

### **Q What if COVID-19 exacerbates an underlying condition?**

**A** We'll manage care for anyone who has underlying conditions which are exacerbated by COVID-19 in line with policy terms and conditions in the usual way.

### **Q If my clients are having care for COVID-19 at a private hospital under the NHS, hospital, can they still claim NHS cash benefit?**

**A** Yes, absolutely. If they're under NHS care, we will pay any valid claims for NHS cash benefit, no matter whether they're in an NHS hospital or a private one.

### **Q Would my client's policy cover them for any treatment abroad?**

**A** We no longer offer emergency overseas cover, so your client won't be covered for treatment abroad. Your clients may want to consider taking out appropriate travel insurance to cover medical issues abroad.

### **Q My client wants to cancel their policy; how do I do it?**

**A** If your client is thinking of cancelling their policy, please get in touch with your usual Aviva contact and we'll discuss the best solution for them and their future ability to make claims.



### 3 Accessing treatment

**Q If people suffering from COVID-19 are admitted to private hospitals, will they be admitted as NHS patients?**

**A** Yes, they will. If they're admitted to a private hospital under these circumstances, they'll be under NHS care.

**Q Will you help my client find a specialist who can see them face to face?**

**A** Yes, we will. Where it is clinically appropriate, specialists will always see patients face to face.

**Q My client is facing delays with their claim. Can you help them find an alternative specialist or hospital?**

**A** Yes, we can help your client to find another specialist at a hospital that is taking new patients.

**Q If you offer my client an alternative specialist, will they have to start their claim again from the beginning?**


**A** If your client moves to a different specialist, that specialist will want to see any diagnostic results they have. If they can't access those results for any reason, your client may have to repeat the tests.

**Q My clients are concerned about going to an alternative hospital/facility as there may be an increased risk of COVID-19 infection.**

**A** Please be assured that all the hospitals and medical facilities we partner with are doing everything possible and taking every precaution to reduce the risk of COVID-19 infection.

**Q My clients are feeling stressed about this situation – can they speak to someone?**

**A** Absolutely, if they have a policy with us and are feeling stressed then they can call our **Stress Counselling Helpline** on:

 **0800 158 3349** The service is available to policy holders and members aged 16 or over. Or they can contact a GP through the Aviva Digital GP app, or their local NHS GP.

**Q My client has a claim in progress. Will they still be covered?**

**A** The benefits of our policies remain the same. If their treatment is available privately, their cover will still apply.

**Q The only hospital and/or specialist my client can find is not on their hospital list or doesn't bill in line with Aviva fee schedules. Will you still cover them?**

**A** We will review each case individually and make every effort to find suitable facilities for your client within the policy terms.

**Q Will you pay for a private ambulance to move my client between facilities?**

**A** We offer a private ambulance between hospitals as a benefit on most policies where it is medically necessary.

**Q What are private medical insurance waiting times like now compared to the NHS? Is it still worth having PMI?**

**A** The waiting times for most private facilities and treatments are now back to normal.

## 4 Premiums and payments

**Q I'm concerned my clients might become ill and be unable to contact me. If this happens and their policy is automatically renewed, can I contact you later to cancel it?**

**A** If their policy is one that auto-renews, we will renew it on the due date, but if you want to cancel it, please get in touch and we'll do that for you.

**Q What would happen if my client's employer cancels their private health insurance? Is there any way to keep their cover?**


**A** Yes, they can continue cover by switching to an individual policy and arranging to pay their premiums as an individual. However, the terms, conditions and levels of cover may be different to the ones they had through their group cover. They can discuss this further by contacting our Customer Management Team on:

 **0800 051 1530** Lines are open 8.30 am to 6.00 pm, Monday to Friday.

We may monitor and/or record calls to and from Aviva. They need to make sure they do this within 45 days of their employer's cancellation to keep their current underwriting.

**Q I've found out that my client is being made redundant. Can they continue their private medical insurance policy as an individual?**

**A** Yes, they can continue cover by switching to an individual policy and arranging to pay their premiums as an individual. However, the terms, conditions and levels of cover may be different to the ones they had through their group cover. They can discuss this further by contacting our Customer Management Team on:

 **0800 051 1530** Lines are open 8.30 am to 6.00 pm, Monday to Friday.

We may monitor and/or record calls to and from Aviva. They need to make sure they do this within 45 days of their employer's cancellation to keep their current underwriting.

**Q Can my client still go ahead with delayed treatment that was previously authorised if they have now been made redundant?**

**A** If your client is no longer covered by the group policy, we will no longer be able to offer the benefit that covers their treatment. However, your client may have a continuation option to allow them to continue cover through an individual policy.

## 5 How to get further help

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

It's worth checking if we've updated this document since you last downloaded it. We're revising it frequently as the situation progresses, so please click the link again to see if we've added an answer to the question you have.

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Aviva Health UK Limited acts as agent of Aviva Insurance Limited for the purposes of: (i) receiving premium from our clients; and (ii) receiving and holding claims money and premium refunds prior to transmission to our client making the claim or entitled to the premium refund.

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