



Survey report

A sustainable healthcare system for all



1. Introduction

Healthy lives benefit everyone. Those living healthier for longer. Families who can support one another financially, physically and emotionally. Employers who have a stable and productive workforce. The economy and taxpayers as healthier people contribute more to the economy and cost taxpayers less.

When people think about healthy lives in England they think about the NHS. The NHS is the backbone of our health system and despite the inescapable pressures it is under 3 in 4 respondents to our survey agree that the NHS is one of Britain's proudest achievements. But England is still not delivering on some of the basic facets of a well-functioning and sustainable healthcare system. Resulting in improvements in life expectancy stalling¹, health inequalities widening², and the UK comparing poorly with other countries³ on many key health outcomes.

NHS England reported that since 2021 the main causes of excess mortality are cardiovascular disease, liver disease and diabetes. It also reported that these diseases are the leading drivers of A&E admissions and the sustained demand we are experiencing on urgent care. There is extensive evidence of preventative interventions that deliver rapid improvements for all three of these diseases. These include regular diagnosis and treatment of high blood pressure and high cholesterol coupled with prevention strategies such as weight management services, alcohol care teams and smoking cessation.⁴

A review of international studies found that investment in prevention interventions such as these has a significant long-term social return on investment with every £1 spent delivering £14 of social benefit.⁵ Yet, Marmot's 'Fair Society Healthy Lives' report finds that "nearly all the NHS budget goes directly or indirectly on the treatment and care of illness rather than on ill health prevention."^{6, 7}

Insurers invest a significant amount of resource and research into preventing ill-health. They help people to proactively manage lifestyle factors through behavioural nudges, incentives and prompt access to diagnostics and treatment. These prevent health conditions from happening and worsening, improving people's quality of life and reducing the need for more complex and costly treatment. In 2021, 22 million people were covered by health or income protection insurance up from 17.5 million people in 2020. Both products support and incentivise people to look after their health and provide quick access to services and treatment if they experience an illness or injury.

By supporting and incentivising employers and individuals to make healthier choices, insurance helps to alleviate pressure on public services. The ABI has recently published an analysis of the health outcomes of 16,365 people who accessed insurer-provided vocational rehabilitation services. 2 in 3 of those people (65%) were prevented from taking sick leave and 1 in 4 (21%) were supported back to work.

It is against this backdrop that the ABI commissioned Public First to conduct a survey and several focus groups to assess public attitudes towards the role of independent healthcare provision, alongside the NHS, to create a sustainable healthcare system for all. The research also investigates attitudes towards insurance as a vehicle for accessing independent healthcare services and whether this differs depending on whether insurance is paid for by an employer or an individual.

¹ www.kingsfund.org.uk/publications/whats-happening-life-expectancy-uk

² www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbyindexofmultipledeprivationimd/2015to2017

³ [OECD Health at a Glance 2021](http://www.oecd.org/health-at-a-glance-2021)

⁴ www.england.nhs.uk/ourwork/prevention/secondary-prevention

⁵ Masters R, Anwar E, Collins B, et al "Return on investment of public health interventions: a systematic review J Epidemiol Community Health" 2017;71:827-834.

⁶ www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review

⁷ www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review

Summary

People value the NHS, but 82% of respondents are concerned about whether it is coping with increasing demands. Waiting times are a primary concern and 58% of respondents think that workforce shortages are the main cause of delays compared with 42% that think the main cause is than the knock-on effects of the Pandemic.

Overall, respondents think that greater involvement of the independent sector in the UK's healthcare system will help. 7 out of 10 respondents agree that "A person paying privately for treatment is one less person the NHS has to worry about". 2 out of 3 support greater involvement of independent providers to increase NHS capacity and over half think greater independent sector involvement would speed up NHS services. In addition, around half of respondents would consider using independent healthcare themselves and believe those who can afford it should be encouraged to take out these products.

When we asked about insurance, 50% or more of respondents said that those who can afford to take out health and protection products should be encouraged to do so and that employers should be incentivised to offer these products to their workforce as they provide people with peace of mind and help to reduce NHS wait times. When we asked about barriers to taking out a health or income protection product 1 in 4 respondents said greater assurance that policies payout is needed compared with 1 in 5 who said a reduction in cost. The perception that policies do not pay out is at odds with reality. Over the past 3 years, 98% of individual and group claims have been accepted and paid every year.⁸

Respondents were particularly positive about being able to access independent healthcare services as a workplace benefit, with approximately half of respondents saying that private medical insurance and income protection are significant factors when they're deciding where to work. To increase the prevalence of this benefit, 54% of respondents said employers should get tax incentives for offering insurance benefits to employees.

To maximise individual, employer and the insurance sector contributions to a sustainable healthcare system for all:

- Health and protection insurance products need to be provided for an organisation's entire workforce and they need to be accessible for SMEs and the self-employed.
- Employers and employees need to make use of the preventative, diagnostic, treatment and rehabilitation services included in their cover.

To support these aims the ABI is calling for several changes to government policy.

- The Work and Health Directorate and HM Treasury should include insurance as a route to occupational health in the two consultations announced in the 2023 Spring Budget that will consider how to increase occupational health coverage and what tax incentives could increase uptake.
- Reduce taxation by cutting IPT and introduce both an exemption for Class 1A NICs and an annual allowance for benefits-in-kind.
- Change the treatment of individual income protection (IIP) products in Universal Credit (UC) entitlement calculations.
- Employers are supported to remind employees of the services and benefits available to them on an annual basis and line managers are encouraged to sign-post their team to access services if they notice early signs of stress or strain.
- During the mid-life MOT individuals should be encouraged to check what if any health-related cover they have through their employer and what preventative services are available to them.

We recognise that some of our recommendations will be easier to achieve than others. We will continue to develop evidence and insight and collaborate with other relevant parties such as employers, health professionals and policymakers to achieve a shared goal of a thriving, healthy and productive population that is supported by a sustainable healthcare system.

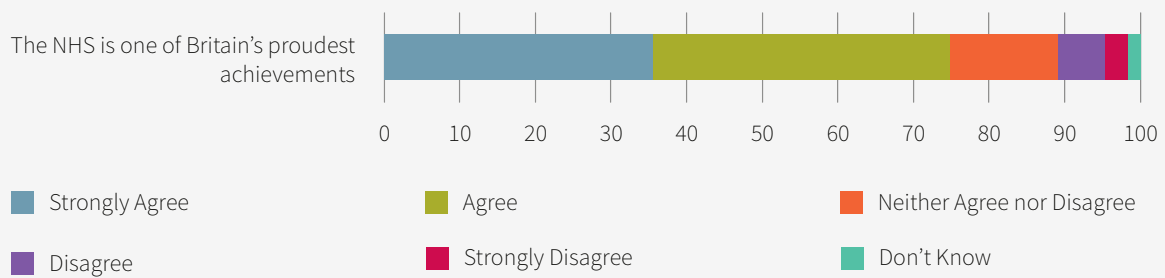
⁸ This report refers to the independent healthcare sector, as opposed to the private sector, as many independent providers treat private and NHS patients. Given the relationship between the two the ABI thinks it is important to move beyond the public / private terminology that is currently widely used. However, we are aware that the public views health provision as either NHS or private and so the phrasing 'private healthcare' was used in the survey and focus groups to ensure understanding.

2. Survey and focus group results and analysis

People value the NHS, but they are concerned about whether it is coping with increasing demands. People care about the NHS and are proud that we have a national health service.

Figure 1: Do you agree or disagree with the following?

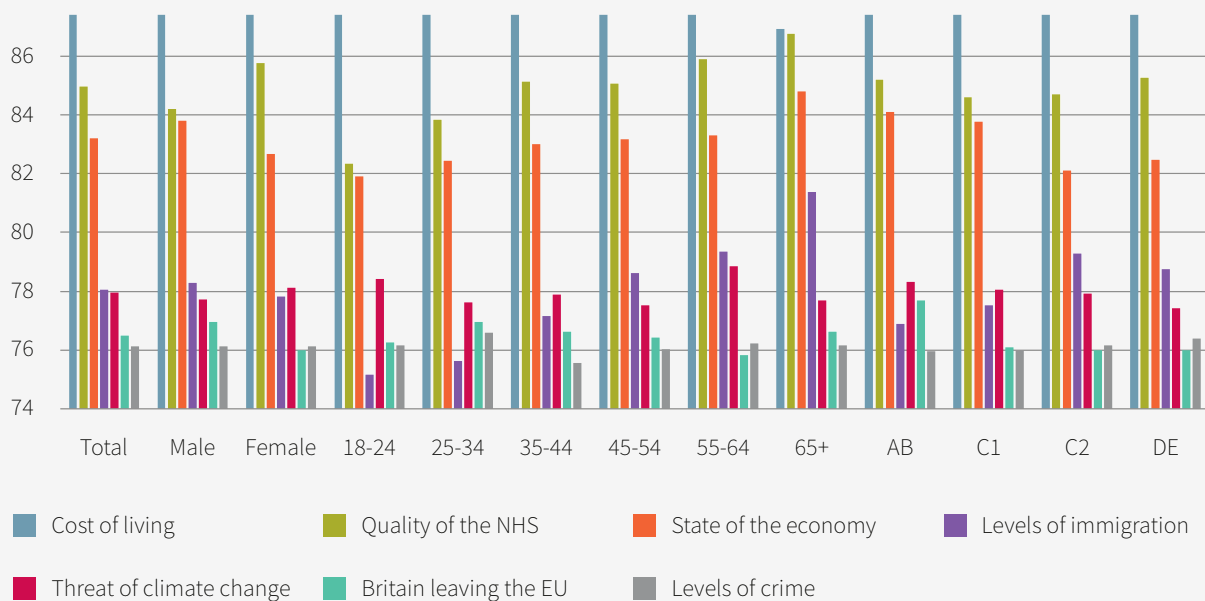
Based on 2005 survey respondents



The quality of the NHS is seen as the second most important issue facing the nation, after the cost-of-living crisis across all age groups and all socio-economic groups.

Figure 2: Which do you think are the most important issues facing the country at this time? (Please select up to three of the following)

Based on 2005 survey respondents



However, 82% of respondents are worried about the sustainability of the NHS and how it currently operates.

Figure 3: How worried are you about the sustainability of the current NHS model?

Based on 2005 survey respondents

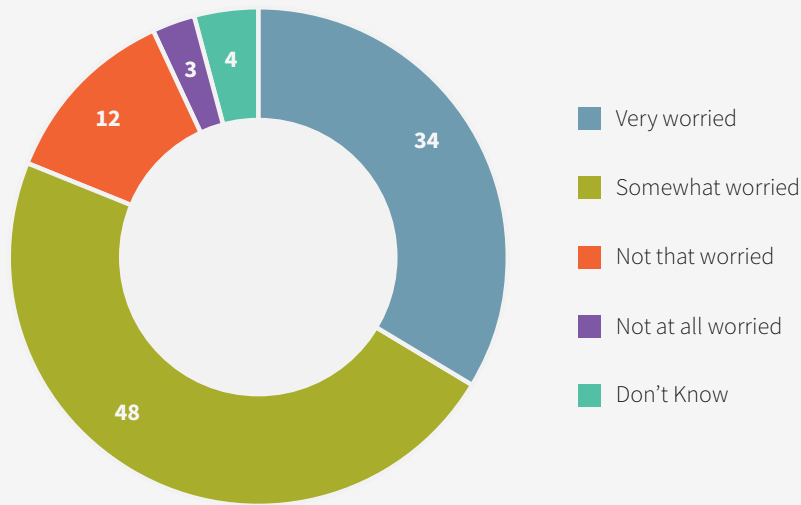
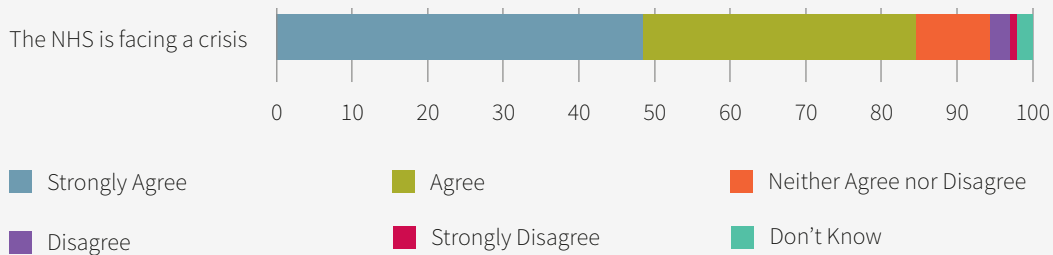


Figure 4: Do you agree or disagree with the following?

Based on 2005 survey respondents



Waiting times are a primary concern

Waiting times have been used by successive governments to assess whether the NHS is able to deal with demand. Several national performance standards, including waiting times for A&E, hospital treatment, elective care, mental health, cancer care and ambulance services have not been met in recent years.^{9,10}

Therefore, we asked respondents:

- whether current concerns about NHS waiting times have had any impact on how likely they are to use independent healthcare services; and
- what they thought had led to increases in waiting times.

Impact on likelihood of using independent healthcare services

Overall, 47% of respondents said that current NHS waiting times mean that they are more likely to use independent healthcare services. This response was more likely amongst respondents in higher income households, with higher levels of education and who identify as an ethnic minority.

Waiting times were raised regularly during the focus groups as the main reason for turning to independent healthcare provision, with respondents going out of their way to suggest that quality of care on the NHS is not a concern, it is just how long they must wait to access NHS services.

⁹ www.kingsfund.org.uk/projects/positions/nhs-waiting-times

¹⁰ www.nuffieldtrust.org.uk/resource/how-much-is-covid-19-to-blame-for-growing-nhs-waiting-times

"In my experience the quality is certainly no different. The whole point was it's quicker to get things sorted out. And that's the only reason."

"I've had two operations in the last two years. Well, both voluntary privately. The first one was a skin consultation and the prior one was double hernia... The primary motivating factor was length of time waiting on the NHS."

"As for the doctors, I had a cataract done over a year ago and I had that done privately and it was quite quick, but the surgeon that did it she goes "you need another item next year" she said "next time you come we'll do it on NHS" I said

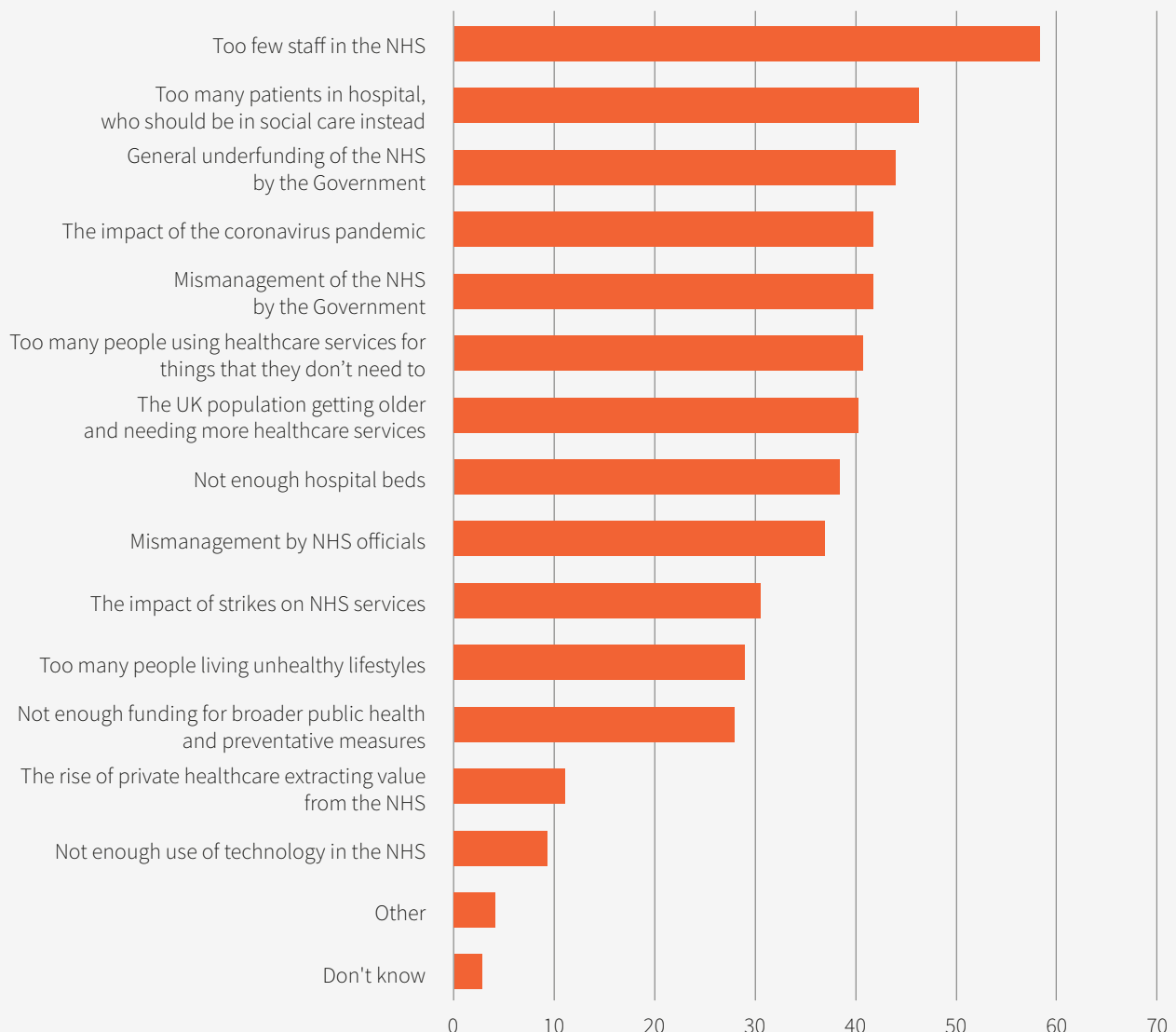
"well what's the difference then?", she says "nothing. The waiting time for the NHS and the private, it's just the same. You, you will get a little bit quicker on. And I do both." That was a surgeon."

"I think if it gives you more choice, and the time factor. If it stops you getting around, your hips, your knees, and if I thought I could have it done within a month or two rather than wait years and years, I would definitely consider it. I mean, I'm not knocking the NHS, I think they're brilliant. Like everybody has been saying you're getting great treatment when you really need it, the care and everything goes without saying but it is all about the time factor."

Views on the cause of high waiting times

Figure 5: There have been recent reports of increased waiting times for NHS services. Which of the following, if any, do you think are the main reasons for these increased waiting times? (Please select any which apply)

Based on 2005 survey respondents



58% of respondents cited too few staff as a main reason for long wait times for NHS services compared with 42% who selected the Pandemic. In the top 5 there is also the issue of too many people being in hospital because of the lack of social care provision, lack of funding and mismanagement of the NHS by the government.

Whilst the view that there are too few staff in the NHS is shared across the population it is more prevalent in older respondents (66% of those aged 55+ compared with 52-53% of those aged 18-34), white respondents (60% compared with 48% of ethnic minority respondents) and those who have a health issue (66% compared with 55% of those who do not).

Older respondents were also much more likely to:

- blame the lack of social care capacity (77% compared with 18-24-year-old respondents (19%);
- say that too many people using healthcare services for things they don't need (59% vs 28%);
- too many people are leading unhealthy lives (39% vs 17%); and
- the impact of the ageing population (63% vs 18%).

Whereas younger people typically just selected too few staff and lack of funding. This suggests older people have a broader view of the stresses and strains on the NHS.

...and respondents think that a workforce shortage is the main problem.

In addition to not enough staff being cited by the highest number of respondents as a reason for lengthy NHS waiting times, when asked what the NHS needs to meet current demand, 76% of respondents said that the NHS needs more doctors and nurses. Just 19% said that there are enough doctors and nurses but they're not being used efficiently enough (5% selected don't know).

The issue of whether there are enough doctors and nurses in the NHS, and issues around recruitment and retention were also raised by focus group participants:

"It is due to the staffing point and then it's due to money. They're not getting paid enough... they can't live on the money that they're being paid."

"They got to get more nurses, they got to train more doctors. I mean, they can't do that overnight. These people need training. But I think that would solve an awful lot of the problems, if there were more staff."

"I think keeping staff. I think a huge issue is actually having staff who aren't overrun, who can think properly and work properly, and just keeping them because I think that many people are getting fed up on low wages and stupid work hours and being rushed off the feet that they can't actually do the job properly. That actually we need to take care of our doctors and nurses better I think personally."

Several of the focus group participants raised that many NHS staff also work in the independent healthcare sector and that this could be exacerbating workforce issues:

"There's not nearly enough nurses, doctors, dentist, and people don't want to become doctors, dentists. They're doing private health care now, so that, well, if I'm gonna get paid the good money, I might as well just leave."

"And I think this sort of, this bank nursing and agency nursing, I mean, I wonder whether, if you've got a system running side by side, so you've got a private system and an NHS, I mean, are nurses going to want to work more for the private sector than the NHS, so you're going to get even more of a drain?"

"I think the average GP earns about 100,000 pounds a year, I think around about that figure. Going back to the consultant sort of area where these consultants who work in the NHS and private, I don't know anybody else on that kind of 100,000 pound plus a year job who has got any time or energy to go and do another job. But they're actually allowed to do it."

In rebuttal to this last comment another participant stated:

"I think the problem is there's too many patients and we need to recruit doctors. They do get a reasonable salary but there's not enough people wanting to do that job now. And I think there was a restriction on foreign doctors coming in. However, there is a lot of foreign doctors at this moment in time, my experience, but we do need more."

Issues around immigration were raised a few times. Here is another example:

“Also, Brexit. I think a lot of people didn’t understand the implications of Brexit. So a lot of skilled workers went back to their own countries.”

The concern that an increase in independent healthcare provision has a direct impact on the NHS workforce is often raised in discussions on this topic. Yet recent reports by both the King’s Fund and Nuffield Trust on the health and care workforce do not highlight the independent sector as a key driver of NHS workforce shortages.^{11,12}

“The workforce challenge is a complex one and looks different for different sectors and different staff groups. For some sectors, such as social care organisations, it’s recruitment and retention challenges that are leading to falling staff numbers. For others, such as hospital nursing, staffing levels have started to increase although challenges around staff burnout remain. And in primary care, shortages of GPs are being mitigated to some degree by additional roles being introduced.”¹³

That’s not to say that the workforce in the independent sector should be considered separately from the NHS workforce as health and care staff do work across the

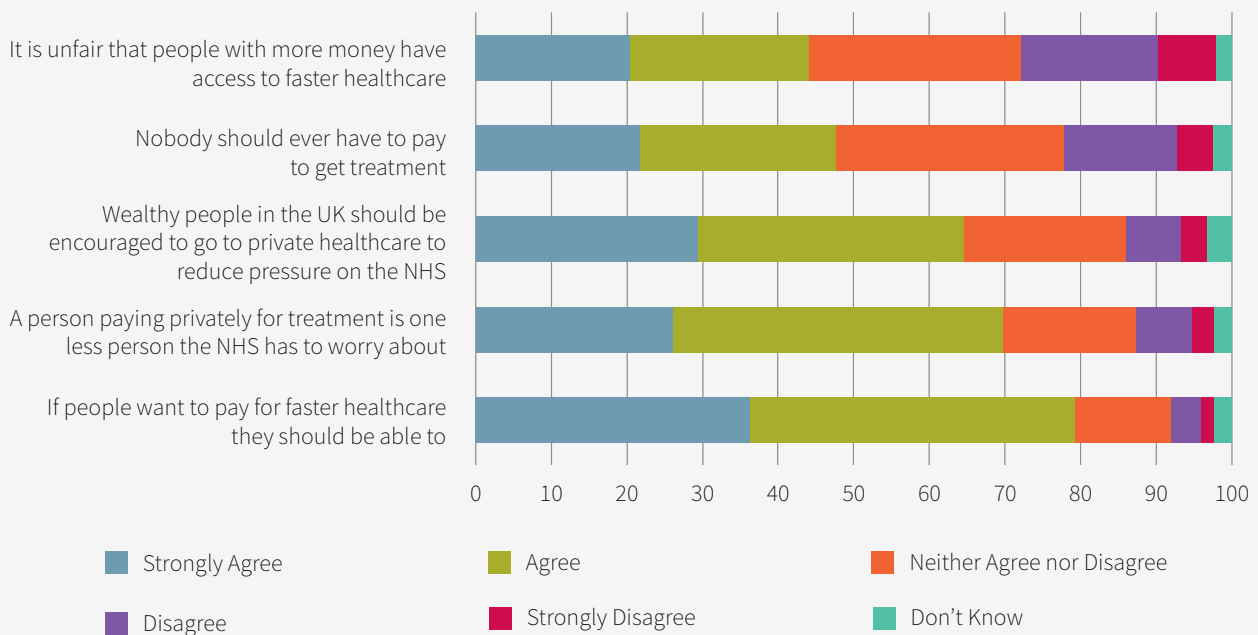
NHS and independent sector, not least because some NHS services are provided by independent providers. Instead, robust workforce planning can be mutually reinforcing. For example, over 4,000 NHS junior doctors have undertaken their training in independent healthcare providers since 2020, following a landmark agreement to increase training opportunities in the sector.¹⁴

Overall, respondents think that greater involvement of the independent sector in the UK’s healthcare system will reduce wait times and make the system more efficient.

- 8 out of 10 respondents agree that “if people want to pay for faster healthcare they should be able to.”
- 7 out of 10 respondents agree that “A person paying privately for treatment is one less person the NHS has to worry about.”
- 64% of respondents agree that “Those who can afford it should be encouraged to use private healthcare when NHS services are busy or unavailable.”
- 44% of respondents agree that “it is unfair that people with more money have access to faster healthcare.”

Figure 6: Do you agree or disagree with the following?

Based on 2005 survey respondents



¹¹ www.kingsfund.org.uk/publications/health-and-care-workforce

¹² www.nuffieldtrust.org.uk/resource/the-nhs-workforce-in-numbers#9-what-is-the-outlook-for-the-future

¹³ www.kingsfund.org.uk/publications/health-and-care-workforce

¹⁴ www.ihpn.org.uk/news/over-4000-nhs-junior-doctors-trained-in-the-independent-health-sector-since-2020/

These findings suggest that public attitudes towards a healthcare system that includes both NHS and independent provision is broadly positive, but there are concerns around fairness.

Independent providers delivering NHS services

We also wanted to assess people’s level of understanding and views about independent healthcare providers being used as a vehicle for delivering NHS services as these remain free at the point of need for patients. 68% of respondents correctly identified that the independent healthcare sector is already involved in the NHS.

We then asked respondents for their views on whether they would support greater involvement of independent

providers to increase NHS capacity - 66% said they would support greater involvement, 8% opposed this, 19% were neutral and 6% said that they did not know. Building on this we asked whether they thought greater involvement of the independent healthcare sector would have a positive or negative impact on the NHS – 42% said positive, 15% said negative, 22% were neutral and 20% did not know.

To unpick what positive or negative impacts the public thinks greater or lesser involvement of the independent healthcare sector would have on NHS services we asked respondents to identify from a list of options what they thought would be positive or negative outcomes from greater independent sector involvement. In both instances, respondents were able to select all that applied.

Positive	
It would speed up NHS services	53%
It would make the NHS more efficient	44%
It would make private healthcare services more accessible to everyone	25%
It would mean the NHS kept up better with modern technology	24%
It would reduce the burden on the taxpayer	21%
It would mean higher salaries for NHS staff	20%
It would help private businesses	10%
N/A - there would be no positive impacts of greater involvement of the private sector in the NHS	10%
Other (Please Specify)	0%
Don't know	11%

Negative	
It would encourage NHS staff to work in private sector instead	35%
It would mean healthcare services are more worried about their profits than helping people	28%
It would make us too much like the US	27%
It would mean the NHS services became more expensive	25%
It would create extra administrative costs for the NHS	21%
It would increase the burden on the taxpayer	20%
N/A - there would be no negative impacts of greater involvement of the private sector in the NHS	11%
It would make NHS services less efficient	10%
It would slow down NHS services	9%
Other (Please Specify)	1%

Respondents stated that the most significant benefits are speed and efficiency, followed by accessibility, keeping up with technological advances, reducing the tax burden and higher salaries for NHS staff.

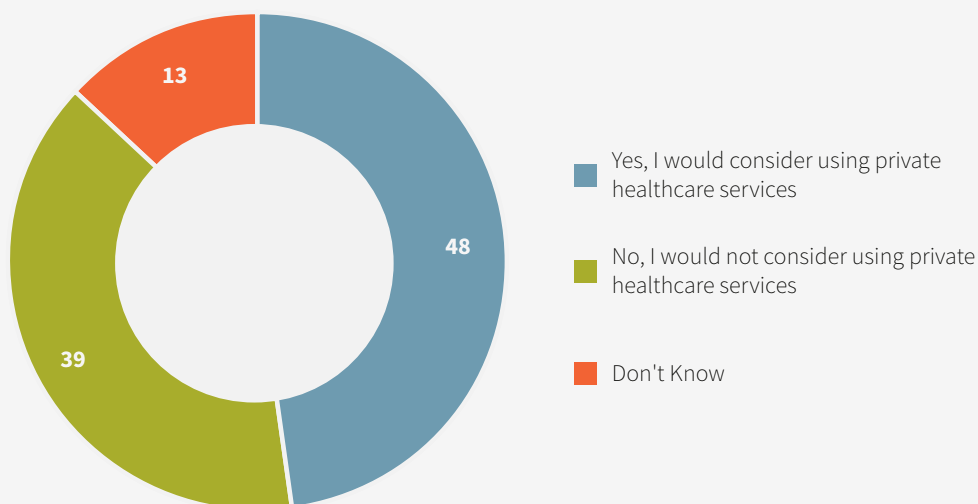
The most significant perceived down-sides are that it would encourage NHS staff to work in the independent healthcare sector, put a greater emphasis on profit, make the UK system

more akin to the US system and make NHS services more expensive and increase the tax burden. Interestingly 1 in 5 think greater involvement would increase the tax burden and 1 in 5 think it would reduce the tax burden.

Around half of respondents stated that they would consider using independent healthcare themselves...

Figure 7: If you were in need of healthcare services would you personally consider using private healthcare services rather than the NHS?

Based on 2005 survey respondents



We probed respondents by asking if they would be more likely to use independent healthcare services themselves if they thought they would receive better quality care and if they could afford it.

I would choose to use private healthcare services over the NHS when it can give me a better service	23%
I would only use private healthcare services if an NHS alternative was unavailable	56%
I would never use private healthcare services, even if the NHS options were unavailable	11%
Don't Know	9%

If I had the money for it, I would rather use private healthcare services than the NHS	46%
Even if I had the money for it, I would rather use the NHS than private healthcare services	42%
Don't Know	12%

This reiterated our earlier findings that people do not appear to have concerns about the quality of NHS services, their primary concern is availability. However, these results also suggest that a significant proportion of people would use private services if they could afford them.

The responses to these questions differed by age group:

- Younger respondents were more likely to say they would choose to use private healthcare services if they offered a better service (33% of 18–24-year-olds compared with 19% of 55–64-year-olds).
- Younger respondents were also more likely to say that they would use private healthcare if they could afford it (54% of 18-24s compared with 36% of over 65s).
- Older respondents were more likely to say that they would prefer to use the NHS even if they had the money for private healthcare (53% of over 65s compared with 35% of 18-24s).

...and respondents were even more favourable about accessing independent healthcare services if it is through a workplace benefit.

7 out of 10 respondents said that they would use independent healthcare if they could access it as a workplace benefit. This remained fairly consistent across all demographics.

Health and Income Protection Insurance

Health insurance helps people to look after their long-term well-being. It promotes healthy behaviours and provides support and peace of mind should someone experience ill health. Private Medical Insurance (PMI) is designed to cover the cost of private medical treatment for ‘acute conditions’ that start after someone’s policy begins. It includes access to independent healthcare services, which often means a speedy diagnosis and reduced waiting times for treatment. It also helps to pay for some, or all, of the treatment that someone needs. Different levels of cover are available to meet the needs of different customers. For example, customers can choose the types of treatment that are covered by their policy and up to what cost.

In 2021 approximately 5.5 million people were covered by PMI – the highest number since 2009. Three out of every four PMI policies are provided by an employer as part of a group policy. The health services provided by this product were accessed 5.2 million times in 2021. That’s above pre-pandemic levels with an increase of 13% compared to 2019, and 35% compared to 2020. Increases were driven by customers using preventative, diagnostic and early care services.

Approximately 1.2 million people are also covered by health cash plans that allow policyholders and their families to get the healthcare they need and claim back the costs and approximately 1.56 million people are covered by healthcare trusts. Trusts are typically provided by larger employers as they have a different governance structure and tax treatment to other healthcare products provided by insurers.

Income protection insurance provides financial support if someone has time off work and suffers a loss of earnings due to injury or illness. This type of insurance covers most illnesses such as stress-related illness, mental health or a physical health condition. It does not pay out if someone is made redundant. Most products pay claimants a monthly income after a pre-agreed waiting period, which means that people can continue to pay their bills, rent or mortgage until they recover. While the financial benefit is usually the main reason people choose to protect their income, protection products frequently come with a wide range of valuable support services including access to psychologists, physiotherapists and rehabilitation services.

ABI data from 2019-2021 showing that 86% of people who accessed vocational rehabilitation services through group income protection to help with conditions such as poor mental health, musculoskeletal injury, cardiovascular disease and cancer either did not fall out of work, or they were able to return to work.

Overall protection premiums in 2022 were worth £1.1 billion. There was a decrease in annual group premiums, but Q3 and Q4 of 2022 saw record premiums for individual income protection products.

¹⁵ ABI Report: Closing the evidence gap – How insurance supports good health and productivity (PDF)

Survey results

We wanted to assess general feelings towards the role of insurance in the healthcare system and the extent to which people would value access to health and income protection insurance through their employer.

In summary, **50% or more respondents** said that:

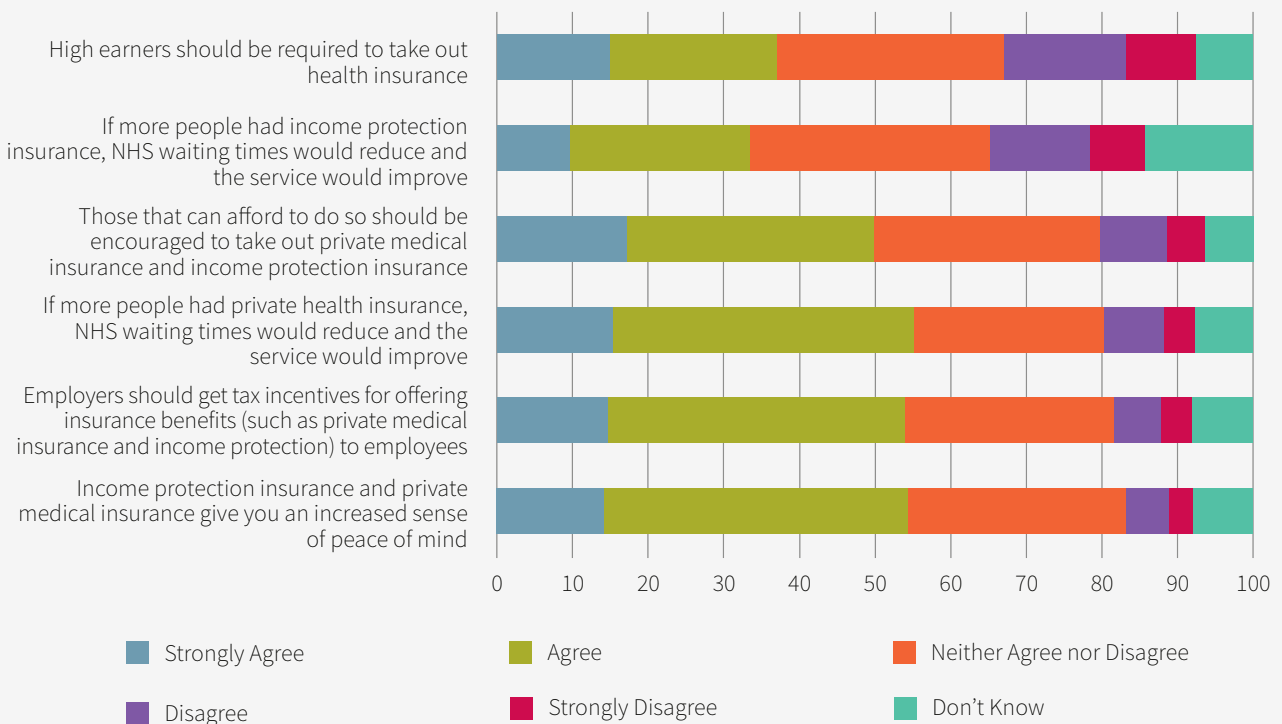
- If more people had private health insurance NHS waiting times would reduce and services would improve.
- These products give people peace of mind.

- Employers should get tax incentives for offering insurance benefits to employees.
- Those who can afford to should be encouraged to take out these products (37% even though this should be mandatory).

We asked those who said it should be required, above what level of income people should have to take out insurance to support their healthcare costs - 27% said above £50k, 19% above £75k and 17% above £100k. The median pay for a full-time employee in 2022 was £33,280 per annum.¹⁶

Figure 8: To what extent do you agree or disagree with the following statements?

Based on 2005 survey respondents



¹⁶ www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2022

Many other respondents were neutral, very few people disagreed with these statements suggesting there is broad support for these products.

These sentiments were echoed in the focus groups.

“Absolutely, it only benefits the employer long term, with less sick days, you know, you feel happier at work, therefore more efficient, more productive. But I think that’s the onus should be on the employer, maybe we should nudging employers, but I certainly where I work at my workplace, they take the approach that they want all of their staff to be to be really happy. So they fund like your gym membership, they fund like private healthcare, private health care insurance, with the aim of less staff having sick days, and staff feeling more fulfilled at work.”

Conversations around tax were more nuanced.

“Public First: Can I just ask the group? How familiar are you with the way insurance is taxed? So if you take out an insurance policy, how do you think it’s taxed? You think it’s subject to VAT or some other kind of tax?”

Participant 6: No, if I pay, my company gives me private insurance. And it’s five hundred pounds a year that comes off my allowance. Benefit in kind, they take 500 pounds off my tax free allowance? Yeah. Simple as that.

Participant 5: Yeah. So if you have, if you have five grands worth of cover provided by the company, you pay 40% on it?

Participant 6: Yeah. Yeah. Or 20%, depending what your tax rate is.

Public First: Would you in theory be in favour of a reduction of the tax on insurance products?

Participant 4: Yeah, absolutely. Essential to be quite honest.

Participant 1: It’s a good idea if that would help people paying a premium for their insurance cover.

Participant 3: Well, it’d be a big spend for companies as well, the biggest provider of premium to the insurance companies. I can see it being nice to have. But at a cost. Can employers afford that? Small companies are struggling to make a profit in the first instance, this adds something else to the balance sheet.

Participant 6: Yeah, and the other point is can employees afford to pay the income tax for the benefit. And if you’re on a low income, you’re not spending an extra 1000 pounds a year in tax or whatever the figure might be, as much as you’d like private health.”

This led to a conversation about whether it would be better to keep taxes high and use that money to fund the NHS, or whether reducing tax and therefore increasing uptake of these products would reduce strain on the NHS. The discussion did not lead to consensus but instead demonstrated a nuanced understanding of the complexity of the health system and different funding models. They didn’t expect a ‘silver bullet’ to fix the system and recognised that several changes are needed to create a sustainable healthcare system for all.

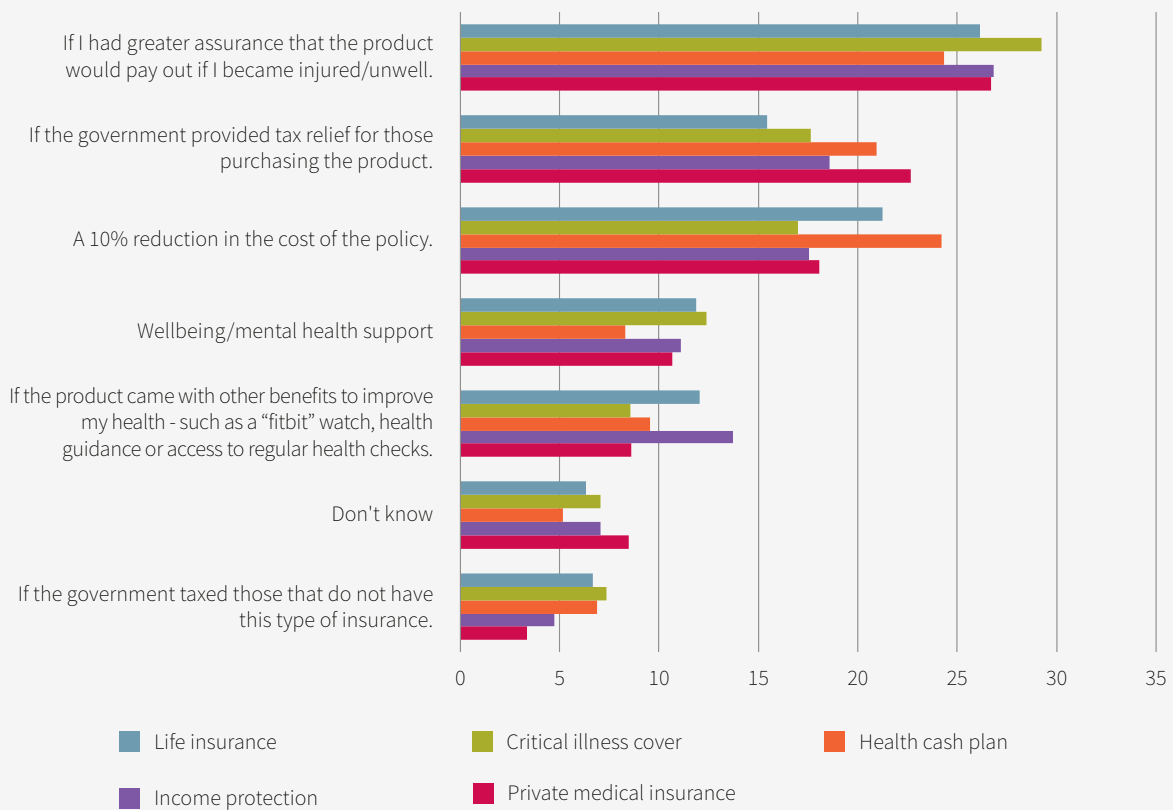
Given over half of the respondents thought health and income protection insurance products increase peace of mind for individuals and reduce the burden on the NHS, we wanted to better understand what is preventing people from taking out these policies.

When asked what would make them most likely to consider getting health and income protection products, 1 in 4 respondents said that greater assurance that policies would pay out. This is at odds with reality as over the past 3 years 98% of individual and group claims have been accepted and paid every year.⁷

This is compared with 1 in 5 who mentioned a 10% reduction in cost and just over 1 in 10 (12%) who said additional benefits to improve health such as a ‘fit-bit’, regular health checks and access to wellbeing and mental health support. 15% said tax relief would be most persuasive.

Figure 9: Which of these do you think would make you most likely to consider buying this type of insurance? (Please select only one)

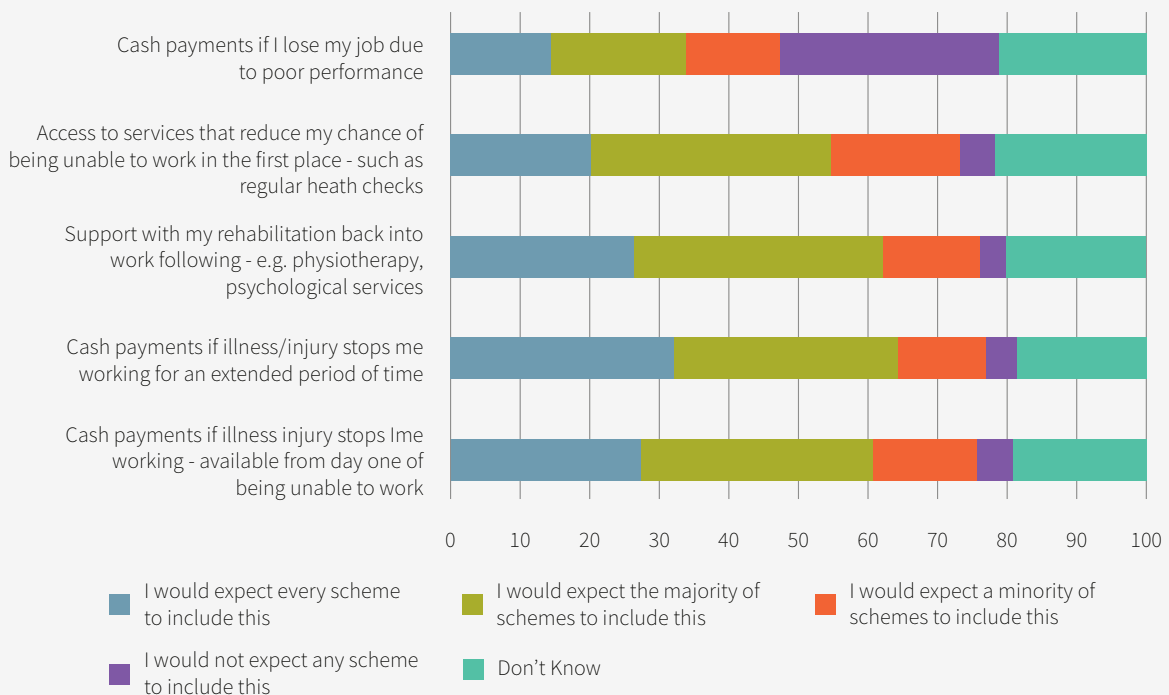
Based on 751 survey respondents



Half of respondents said that private medical insurance and income protection are significant factors when they're deciding where to work.

Figure 10: Which of these do you think would make you most likely to consider buying this type of insurance? (Please select only one)

Based on 2005 survey respondents



We also wanted to test whether the public understands how income protection works. 60% of respondents said that they thought the majority, or all products would pay out from day one of being unable to work due to injury or illness (incorrect) and 64% thought it would pay out if they were unable to work for an extended period of time (correct). 62% cited support with rehabilitation to get them back to work as a service they would expect (correct) and 54% identified access to services that would prevent them from

becoming too ill to work, such as regular health checks (correct). 34% thought they'd get cash payments if they lost their job due to poor performance (incorrect).

These findings show that the industry has work to do to demonstrate that the vast majority of claims are paid, and these products provide efficient access to a range of health and well-being services that have a positive impact on peoples' health.

Conclusion

Overall, the findings show that people recognise the NHS is under strain and that in order to protect the NHS those who can take greater responsibility for their health should be supported to do so.

Whether that is by being nudged towards healthy behaviours or by paying for independent healthcare. Respondents were particularly positive about employers playing a proactive role in the health and well-being of their workforce. This is particularly poignant given the record number of people out of work owing to ill health.

Respondents were also positive about the role of insurance in enabling people to access preventative services and treatment and thought that employers should be incentivised to offer these products to their employees.

To maximise individual, employer and insurance sector contributions to a sustainable healthcare system for all:

- 1)** Health and protection insurance products need to be provided for an organisation's entire workforce and they need to be accessible for SMEs and the self-employed.
- 2)** Employers and employees need to make use of the preventative, diagnostic, treatment and rehabilitation services included in their cover.

To support these aims the ABI is calling for several changes to government policy. We recognise that some recommendations will be easier to achieve than others. We will continue to develop evidence and insight and collaborate with other relevant parties such as employers, health professionals and policymakers to achieve a shared goal of a thriving, healthy and productive population that is supported by a sustainable healthcare system.

Policy recommendations

Increasing uptake

The Work and Health Directorate and HM Treasury should include insurance as a route to occupational health in the two consultations announced in the 2023 Spring Budget that will consider how to increase occupational health coverage and what tax incentives could increase uptake. Health insurance and income protection provide an effective route to occupational health services for employers and self-employed people and this must not be overlooked.

We are calling for a cut in IPT on health insurance. The UK has one of the highest rates of IPT for health products in Europe. Consideration should also be given to the introduction of a Class 1A NIC exemption for employers that offer health support to their employees and this should include insurance. It should also consider an annual allowance for benefits-in-kind taxation so that, up to a financial threshold, receiving health cover as an employee benefit is not taxable.

The current dual taxation of benefits-in-kind and IPT means both organisations and employees can be deterred from including these benefits in their packages. There are several examples of different tax treatments from across the world in an SMF report commissioned by the ABI that could be considered by the UK government.

The government should also ensure that the welfare system does not penalise people who act responsibly and take out insurance. It should change the treatment of individual income protection (IIP) products in Universal Credit (UC) entitlement calculations. Currently, about one in five recipients of UC may find their individual income protection policy to be of no value in the event of absence from work because UC regulations prescribe that an IIP benefit is treated as unearned income and it therefore reduces their UC entitlement £ for £.¹⁶ This could deter people from taking out individual income protection products, which would ultimately provide them with greater financial resilience and security than being reliant on the State.

Increasing utilisation

Paramount to insurers playing a key role in a sustainable healthcare system is that employers, insurers and policymakers work together to make sure that employees are accessing the preventative services available to them. There is a substantial knowledge gap that leads to people underreporting on whether their employer provides them with health or income protection cover. This suggests that individuals might not realise they have access to insurance benefits, including the ability to access preventative services, financial support and private medical care.

One way to increase awareness is through the Day One Statement. Whatever the job and wherever the place of work, under UK law employers must provide employees with 'Day One Statements' about their employment. While compliance is a legal requirement, it is also an opportunity for employers to take the simple step of walking their employees through their benefits package, including how they support employees' well-being. This is not limited to insurance and could include information on other entitlements such as volunteer days and flexible working. We recommend that employers are supported to remind employees of the services and benefits available to them on an annual basis and line managers are encouraged to sign-post their team to access services if they notice early signs of stress or strain. The ABI is keen to work with government, employers and employer representatives to explore how this could work in practice.

Another tool is the mid-life MOT. The ABI welcomes the government's commitment to an expansion of the Mid-life MOT initiative. But it is important that financial resilience and planning is not narrowly defined given the inextricable link between someone's health and their financial resilience. During the MOT individuals should be encouraged to check what health-related cover they have through their employer and what preventative services are available to them. Health and wellbeing are already included in the MOT and so adding sign-posting to products should be an 'easy win'.¹⁷ In addition, many health insurance and income protection products offer an annual health check, which could inform someone's mid-life MOT.

¹⁶ Social Market Foundation/ABI report: [Insuring a Return, 2021\(PDF\)](#)

Appendix: Methodology

The survey

Public First undertook an online survey of 2,005 adults in the UK. The survey took place between 26th and 30th January 2023. Public First is a member of the British Polling Council and abides by its rules. For more information, contact the Public First polling team: polling@publicfirst.co.uk

The respondents

The survey results were weighted by interlocking age, gender, region and social grade to Nationally Representative Proportions.

29% of the respondents stated that they had used private healthcare services previously. Of these, 43% identified as AB social grade (19% among DE) and they were more likely to be based in London, the Southeast and Southwest.

They were also more likely to be university graduates. The services they were mostly likely to have used are dentistry (38%) and consultations (38%). Older people in this group are much more likely to have had a consultation or operation and people aged 25-34 have re more likely to have used mental health services.

The focus groups

Public First undertook four focus groups in late February 2023 to explore in more detail attitudes towards the NHS, private healthcare and the role of insurance. This included exploring the strength of opinions held and the extent to which they might be malleable to certain arguments.

The four focus groups were:

- Adults aged 50+ living in the Cotswolds
- Adults aged 50+ living in Hazel Grove
- Younger working age, in work individuals based in Red Wall constituencies
- Younger working age, in work individuals based in Blue Wall constituencies

The focus groups took place virtually, over Zoom.



The UK insurance and long-term savings market and the ABI

The Association of British Insurers is the voice of the UK's world-leading insurance and long-term savings industry. A productive and inclusive sector, our industry supports towns and cities across Britain in building back a balanced and innovative economy, employing over 350,000 individuals in high-skilled, lifelong careers, two-thirds of whom are outside of London.

Our members manage investments of £1.6 trillion, pay over £17.2 billion in taxes to the Government and support communities and businesses across the UK by enabling trade, risk-taking, investment and innovation. Health and protection insurers pay out £9.9 billion in claims to support individuals and families who have experienced illness, injury, and bereavement.

Our industry is also a global success story, the largest sector in Europe and the fourth largest in the world. The ABI represents over 200 member companies, including most household names and specialist providers, giving peace of mind to customers across the UK.