



ABI

Closing the evidence gap: how insurance supports good health and productivity



The Association of British Insurers is the voice of the UK's world-leading insurance and long-term savings industry.

*Together, we are securing futures*

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.

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.



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# Part I: Introduction

# Insurance plays a significant role in preventing ill-health, supporting a healthy workforce and reducing pressure on the NHS

*We've collected data from our health and protection members that shows how many people use insurer-provided health services and the outcomes through vocational rehabilitation. This is the first time the ABI has collected this information.*

Ill health presents a significant and growing challenge for our society, causing our economy to fall far short of its potential. The [latest figures \(at the time of writing\) from the Office for National Statistics](#) show that the number of people unable to participate in the labour market due to long term ill-health has increased to a record high of 2.55 million.

The [estimated annual cost of lost output amongst working age people](#) due to ill-health is £150bn per year. The estimated additional cost to the government is £70bn per year.

Health and protection insurance plays a significant role in preventing ill-health, supporting a healthy workforce and reducing pressure on the NHS.

Insurance has evolved beyond providing financial compensation when something bad happens. Available to employers and individuals, it proactively helps customers and their families by providing healthcare services that prevent and treat ill-health. This helps to stop people from becoming ill or their condition worsening to the extent that they leave the workforce or require further NHS resources.



# Key findings

- Nearly 9 in 10 people (86%) who accessed insurer provided vocational rehabilitation were successfully supported to stay in work or return to work following an absence.
- Approximately 8 in 10 50+ year olds who used vocational rehabilitation services provided by insurers for MSK (84%), mental health (82%), cardiovascular conditions (80%), and cancer (75%) were either supported to stay in work or return to work after an absence.
- More than half of the customers (51%) who accessed rehabilitation services provided by insurers received support for a mental health condition. Approximately 1 in 4 remained well enough to work (24%) and 2 in 3 (64%) were supported to return to work.
- The number of people who accessed virtual GPs through insurance increased more than fivefold (440%) between 2019 and 2021. The upward trend is continuing beyond the pandemic as people look to more convenient ways to access primary care.
- Over 1.6 million people used the health services available to them through insurance 5.5 million times in 2021.

# Recommendations

The insurance sector and government share the aim of improving workplace health to mitigate the risk of people falling out of work. Yet insurance is scarcely mentioned as a route to occupational health services and the tax and welfare systems discourage people from taking out insurance. A new approach is needed to help employers and individuals take actions that will reduce NHS backlogs, increase workforce participation and improve the health and wellbeing of the nation.

*To increase take up:*

- **The Work and Health Directorate and HM Treasury should include health and protection insurance in the scope of the two consultations announced in the 2023 Spring Budget.** Health and protection insurance offer an effective route to occupational health and should not be overlooked.
- **The tax system should not discourage employers and workers from taking responsibility for health.** It's crucial that employers are not penalised by the tax system for providing health support for their workers. Equally the choice by workers to take up that support and take responsibility for their health must not come at an additional cost. The UK has one of the highest rates of IPT for health products in Europe and **we are calling for reduction of Insurance Premium Tax (IPT) for health insurance.** 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. The government 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 welfare system should not penalise the use of insurance.** The interaction between Universal Credit (UC) and income protection means that about one in five recipients of Universal Credit may find their individual income protection policy to be of no value in the event of absence from work because it reduces their Universal Credit entitlement £ for £.

*To increase utilisation:*

- **Government should build on existing initiatives to increase employer and individual awareness of the health services available to them through insurance.** A key barrier to take up of occupational health services by employers of all sizes is a lack of information. As a starting point:
  - **Health-related gaps in the Mid-Life MOT should be addressed.** 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. If individuals do not have an appropriate occupational scheme, they should be encouraged to consider purchasing an insurance product that provides health services.
  - The statutory obligations relating to the 'Written Statements of Employment Particulars' (Day One Statement) should be enhanced to **support employers to remind employees about their benefit entitlements on an annual basis.**

# Scope of this report

This slide deck contains the findings from two data collections.

- 1) **Data collection 1: how many people use insurer provided health services.** This looks at all of the health services provided by health and protection insurers, how many people used them, and how many times they were used in total.
- 2) **Data collection 2: the impact of insurer provided vocational rehabilitation on workplace health.** This looks in detail at the work outcomes for a subset of customers who accessed vocational rehabilitation through their group income protection cover.





## Part II: Findings

# Health and protection insurance is designed to keep people healthy, happy and in work

## **Protection** insurance:

- Life insurance and critical illness cover pay a lump sum in the event of death or critical illness. Policies sometimes include cover for terminal illness.
- Income Protection replaces a proportion of a worker's salary if they fall out of work because of illness or injury.

## **Health** insurance:

- Insurance to cover the costs of independent healthcare.
- Health cash plans repay the costs of healthcare.

Most health and protection insurance cover is provided through the workplace under 'group' or 'corporate' schemes (referred to as 'group' here). Many individuals also purchase insurance cover, including employees without an occupational scheme and the self-employed.

Health insurance is well known for providing swift access to independent healthcare. Protection insurance on the other hand is known for providing financial security when something bad happens, but it also offers a range of independent health services.

These health services are designed to support good health and productivity for employers, individuals, and their families.

## **Health services available through health and protection insurance**

Preventing and treating mental health and musculoskeletal conditions is a priority for health and protection insurers and so they offer:

- Talking therapies, CBT and counselling support to tackle stress and anxiety as well as acute conditions.
- Physiotherapy, including consultations and referrals.
- Occupational therapies, functional capacity assessments, and specific workplace support for severe illnesses such as cancer.
- Virtual GP services and Employee Assistance Programmes.
- A range of preventative services including fitness and nutritionist support.

There are some services specific to different types of product:

- Income protection insurance is designed to help manage workplace absence and often offers vocational rehabilitation to keep people healthy and in work.
- Health insurance offers access to, or funding towards, a range of in-patient and out-patient services. These range from diagnosis to treatment, and comprehensive support for the treatment of severe illnesses such as cancer.

A photograph of two women laughing joyfully outdoors. The woman on the left has dark curly hair in a ponytail and is wearing a bright pink long-sleeved shirt. The woman on the right has grey hair in a ponytail and is wearing a grey hoodie over a pink shirt. They are both looking towards the right. The background is a blurred green forest with sunlight filtering through the trees.

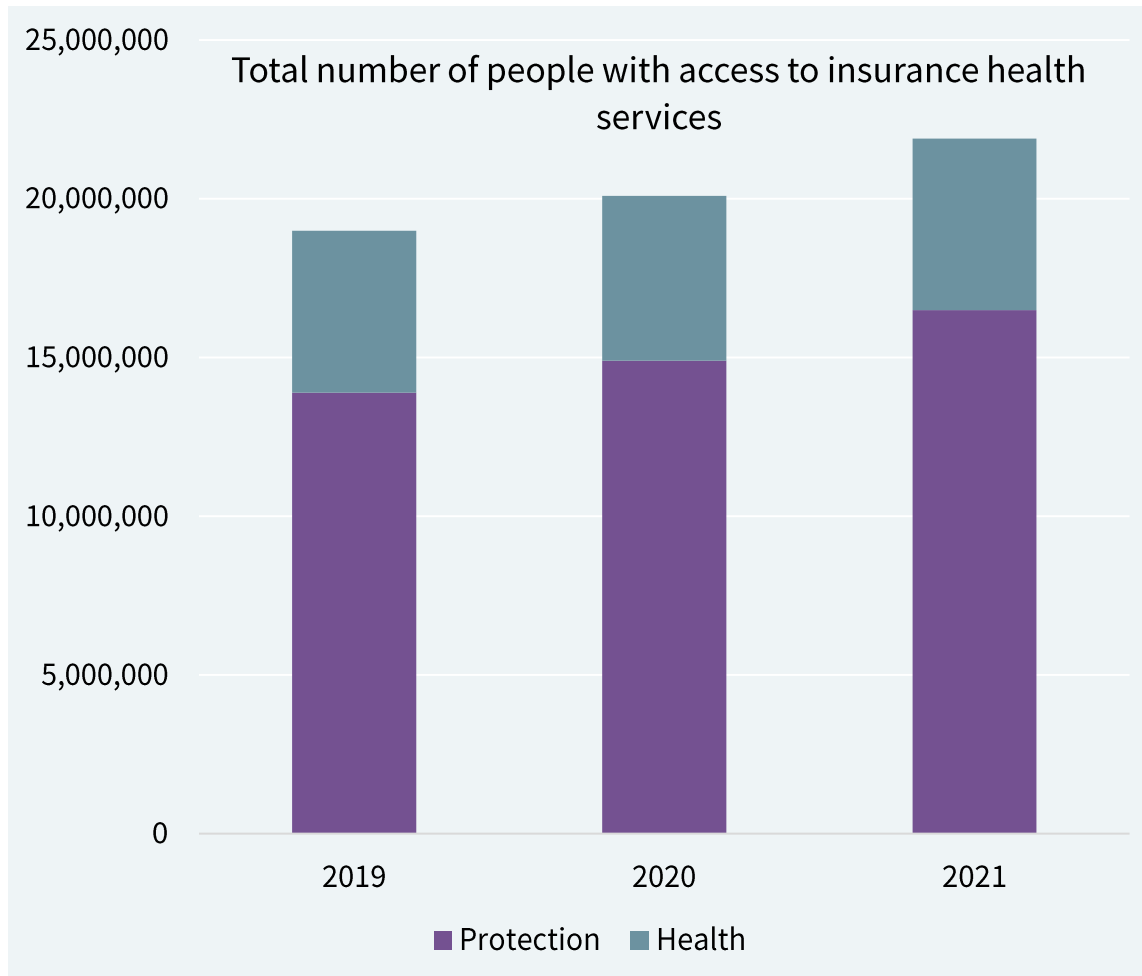
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Data collection 1: How many people use insurer provided health services



# Health and protection insurance overview

# The equivalent of 1 in 3 people in the UK had access to health services through insurance in 2021



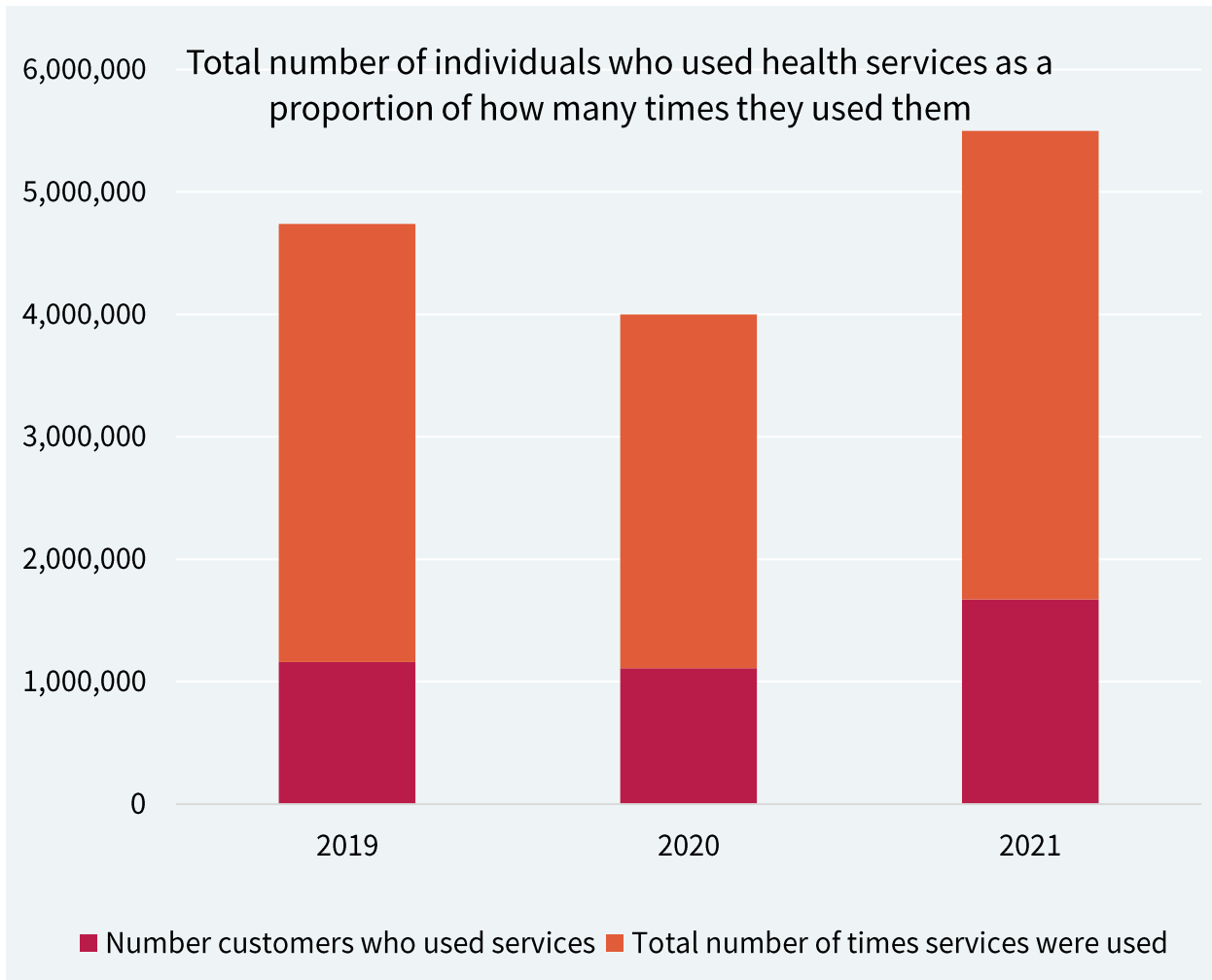
In 2021, the equivalent of 1 in 3\* people in the UK (21.9 million) had access to insurer provided health services to prevent, diagnose and treat illness.

The total includes individuals covered by the insurance policy and their family members in some cases.

The number has risen consistently year on year between 2019-2021, by 2.8 million people in total. That's an increase of 15%, and equivalent to more than the combined populations of Birmingham, Liverpool and Sheffield (2.5m).

*\* Some individuals will have access to health services through more than one insurance product.*

# Over 1.6 million people accessed health services 5.5 million times through insurer provided health services.



In 2021, over 1.6 million people used the health services available to them through insurance. That's over half a million (510,000) more than in 2019, an increase of 44% in two years.

These customers used the services 5.5 million times in 2021. That's over three quarters of a million (760,000) more than in 2019, and 3.5 times per person on average.

Year	Number of times people accessed services on average
2019	4.3
2020	3.8
2021	3.5

# The number of people who accessed virtual GPs through insurance increased by over 440%

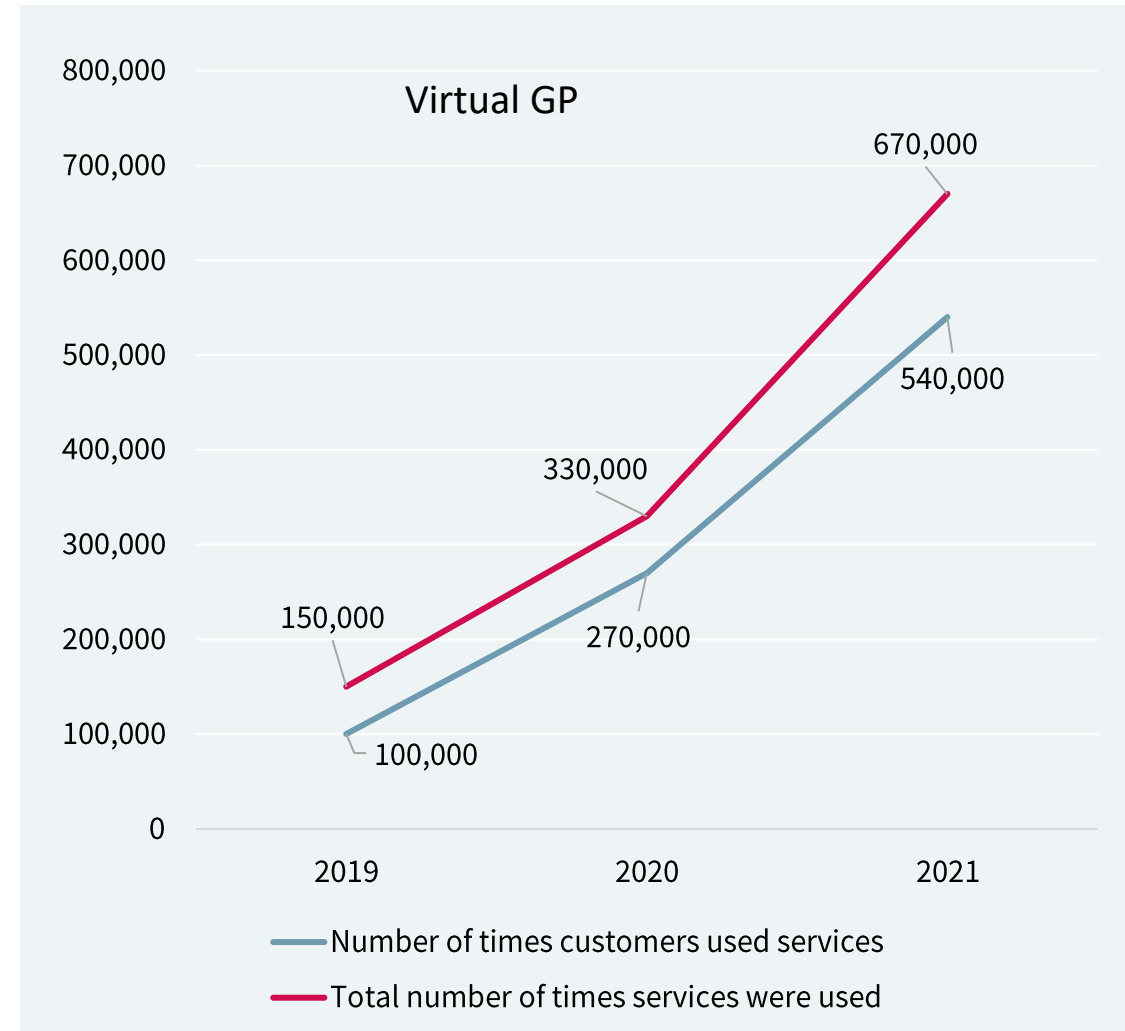
The number of people who accessed virtual GPs through insurance increased more than fivefold (440%) between 2019 and 2021.

The number of times each person used their virtual GP service on average also increased from 3.4 to 4.3.

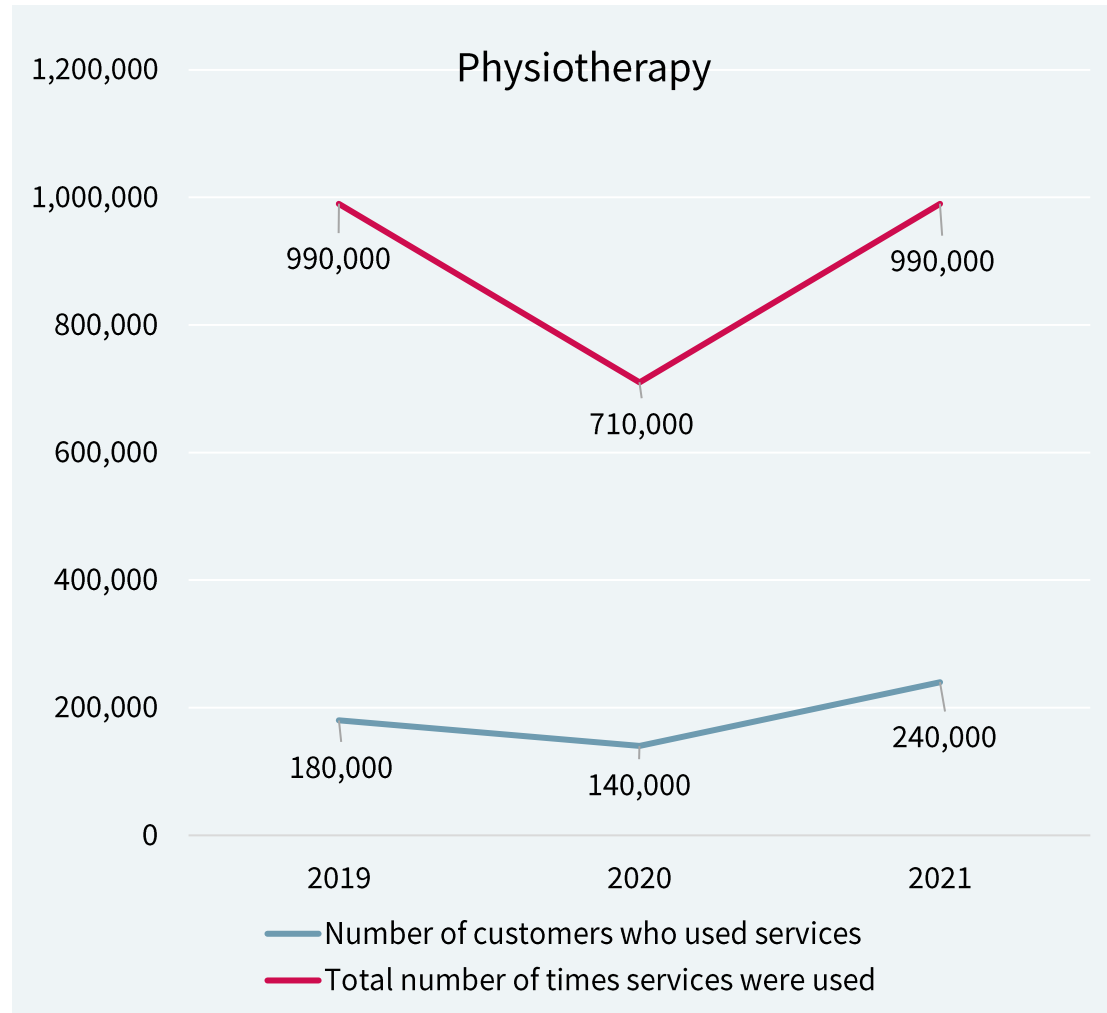
- The most likely explanation for increases is the impact of the pandemic on primary care. During the first lockdown in the UK, [the number of GP appointments fell](#) sharply, by 31 million.

The upward trend in people accessing a virtual GP through insurance is likely to continue beyond the pandemic and into 2022 as people look for more convenient ways to access primary care.

- Since the pandemic, people are finding it harder to get a GP appointment through the NHS. [GP Patient Survey data from 2022](#) found that 26.5% of patients said they avoided making an appointment because it was too difficult, compared to 11.1% in 2021.



# In 2021, 240,000 people accessed physiotherapy through insurance and they used it nearly 1 million times in total



The number of people who accessed physiotherapy through insurance increased by one-third (33.3%) between 2019 and 2021, despite a 22% decrease in 2020.

The total number of times people used physiotherapy services was the same in 2021 as 2019, recovering after a sharp fall in 2020 (-28%).

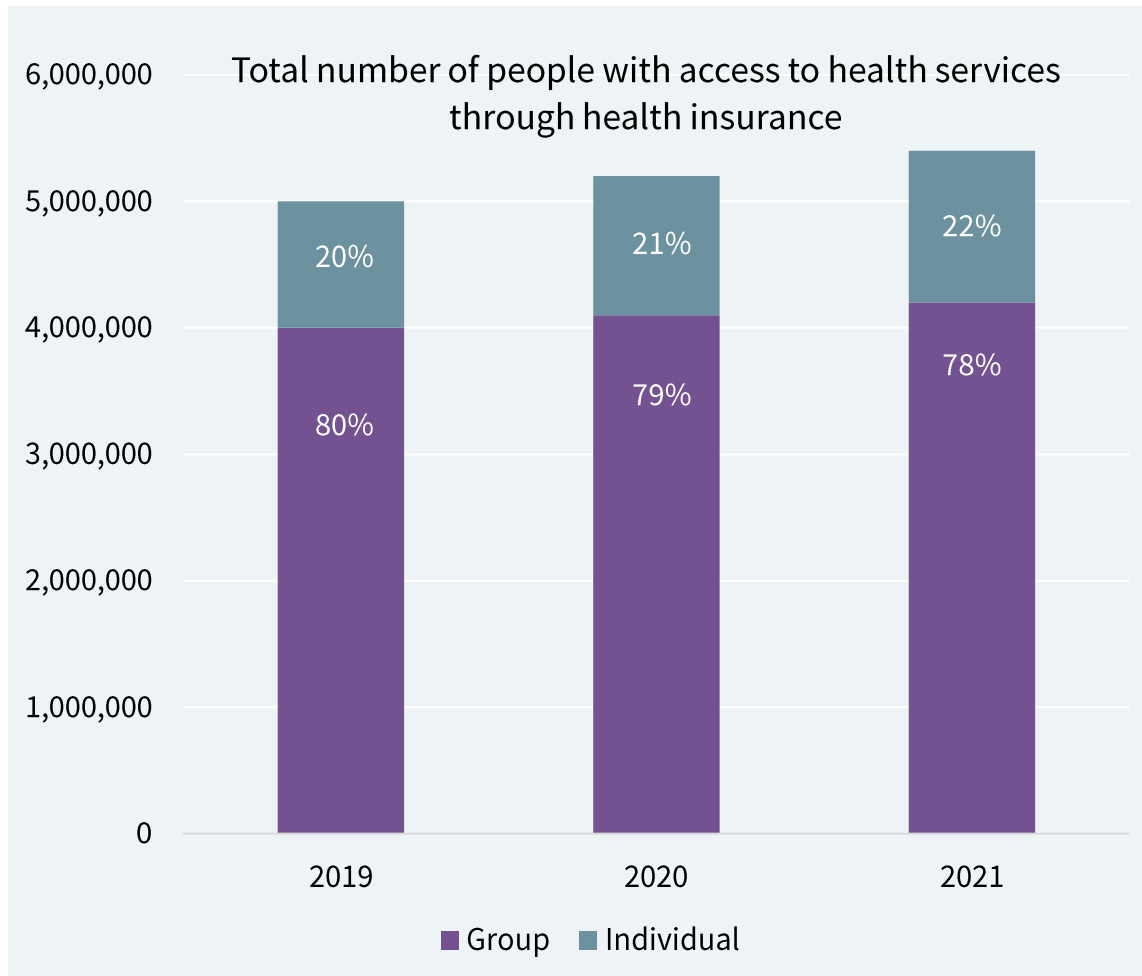
- The drop in 2020 fits with wider trends in the NHS and independent health sector, with Covid restrictions affecting take up of in-person services. [Evidence](#) about healthcare utilisation during the COVID-19 pandemic indicates that people were cautious about the risks of accessing in-person services.
- During lockdown some providers started offering remote physiotherapy, while some offered a mixture of remote and in-person.





Health insurance

# 5.4 million people had access to health services through health insurance in 2021



Health insurance includes both private medical insurance and health cash plans.

- Private medical insurance offers comprehensive cover for medical conditions where the insurer is normally invoiced for care.
- Health cash plans allow policyholders and their families to get the healthcare they need and claim back the costs.

5.4 million people had access to health services through their health insurance in 2021, up by 15% compared to 2019.

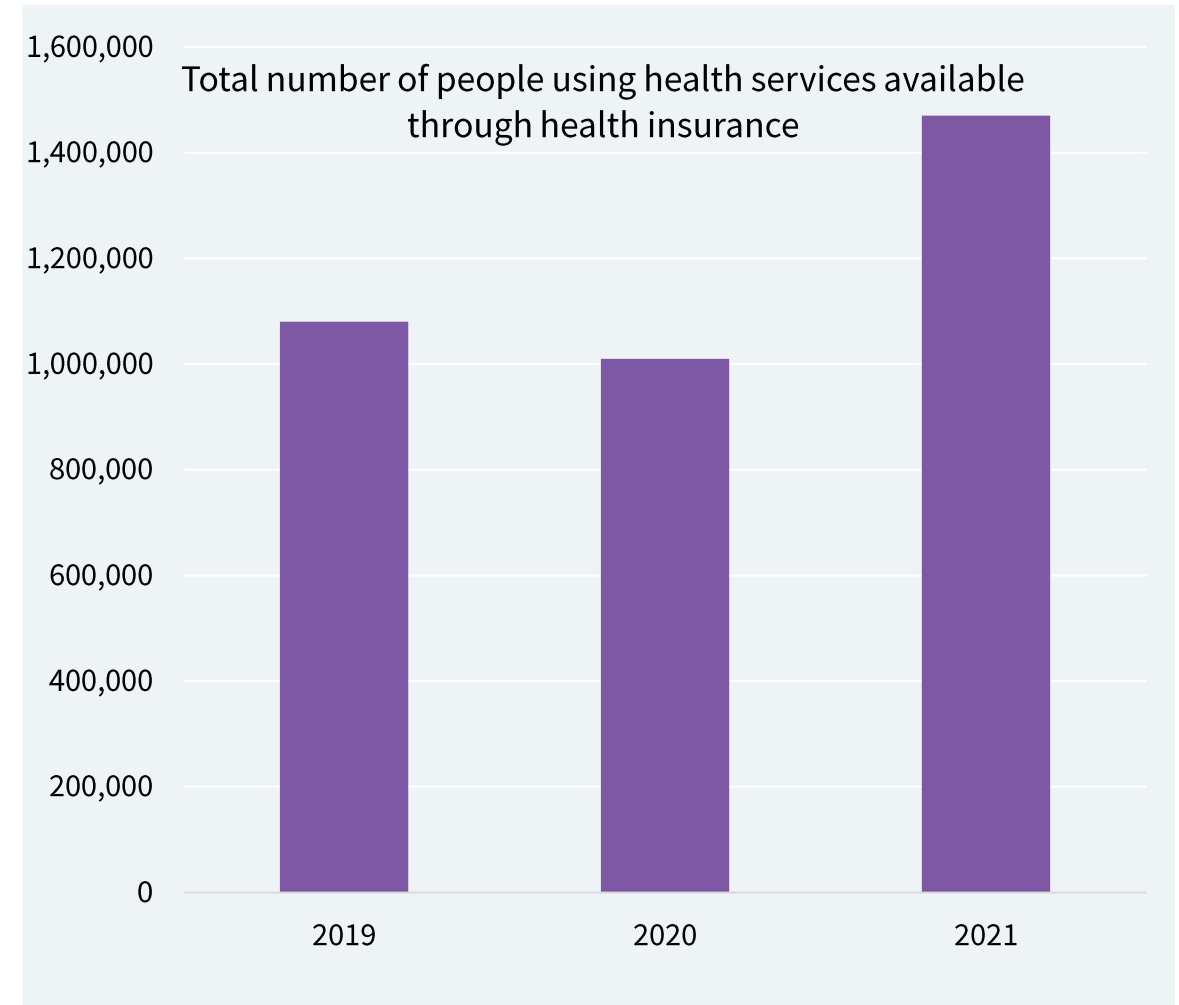
This number increased consistently by around 100,000 per year each for group and individual policies.

# The number of people who accessed health services through health insurance increased by over a third

In 2021, 1.47 million people accessed the services available to them through health insurance. That's up by more than a third (36%) since 2019.

2020 saw a drop of 70,000 less customers using services (-6%) compared to 2019, before a significant increase in 2021 (45%).

- The drop in 2020 correlates with a [sharp decline in insurance-funded hospital spells owing to the Pandemic](#).

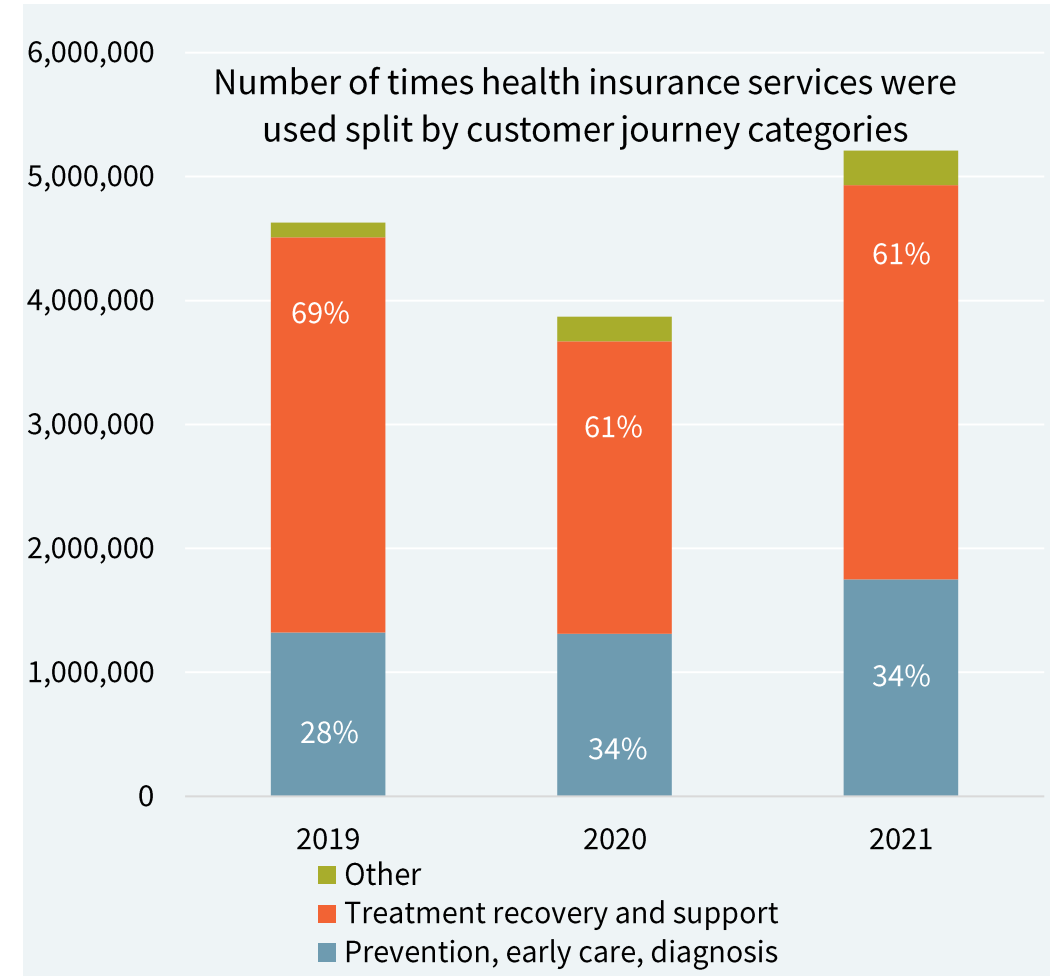
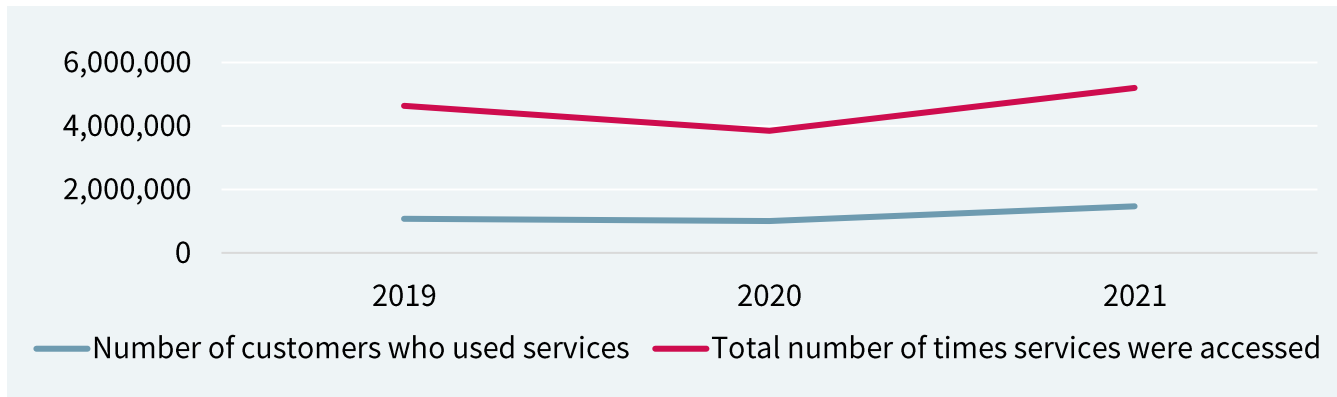


# Health insurance customers accessed their health services 5.2 million times in 2021

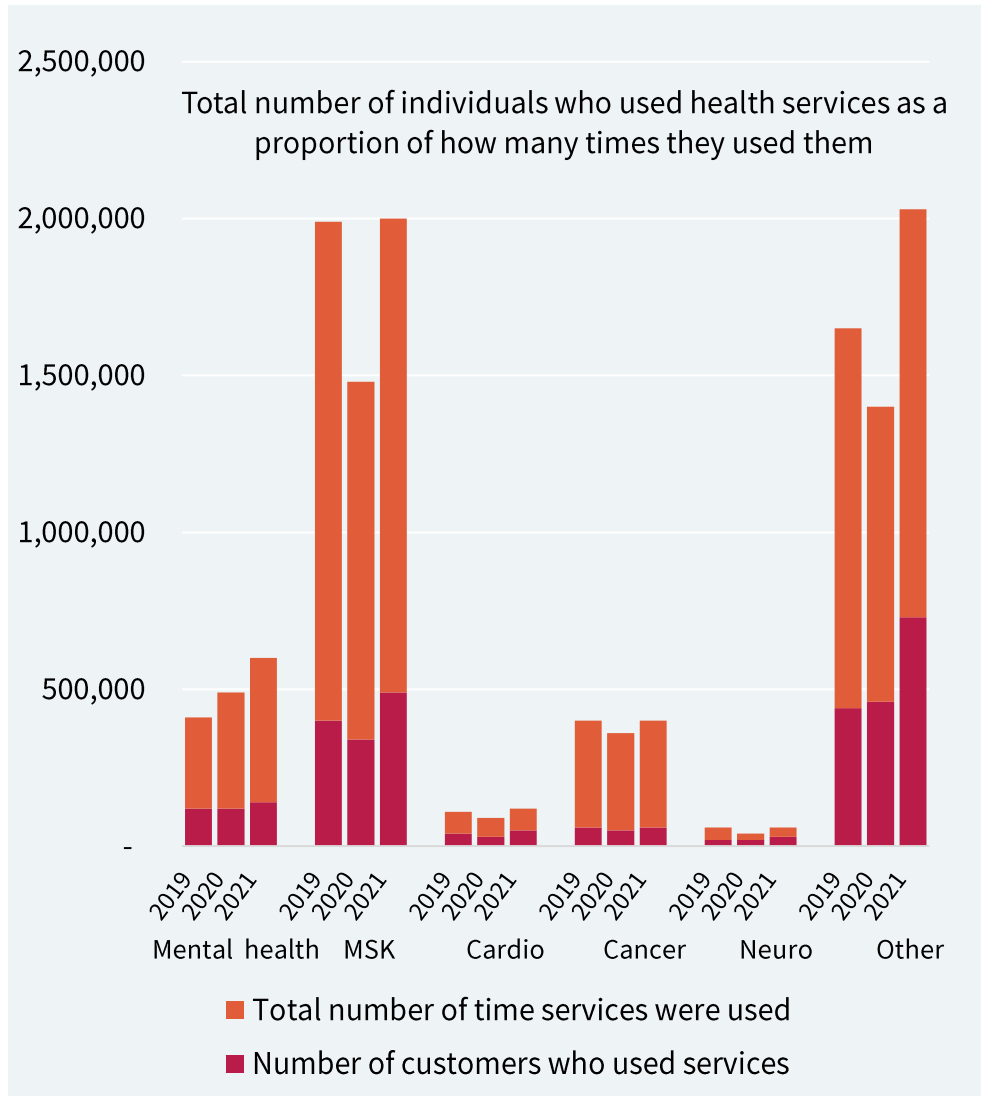
In 2021, health insurance customers accessed their health services 5.2 million times. That's above pre-pandemic levels, an increase of 13% compared to 2019, and 35% compared to 2020.

Increases were driven by customers using services categorised as 'prevention, early care, diagnosis' more (see slide 55).

The dip in 2020 (-17%) was largely because people used services categorised as 'treatment, recovery and support' 830,000 (-26%) less times. These services are more likely to require in-person support.



# More people are using health insurance services for mental health and with increasing frequency



In 2021:

- 140,000 people accessed health services for mental health 600,000 times in total. Insurers' often offer talking therapies, CBT and counselling, but sometimes customers also call their remote GP for mental health support.
- Almost half a million (490,000) people received support for musculoskeletal (MSK) conditions 2 million times in total.
- 50,000 people accessed services for cardiovascular support 120,000 times in total.
- 60,000 people used health services for cancer 400,000 times. 6.7 times per person.
- 30,000 people used health services for neurological conditions 60,000 times, twice per person on average.

The number of times individuals used services through their health insurance mostly fell in 2020 compared to 2019.

- The 2020 numbers reflect a wider decline in non-covid care during the pandemic. The NHS saw [a fall in planned hospital treatment](#), with 4 million fewer referrals to outpatients between Jan-Sep 2020 than the same period in 2019. The [independent health sector](#) experienced a similar drop in utilisation, largely driven by decreases in surgical interventions and in-person care.

The notable exception in our data was mental health. The number of times people accessed services through their health insurance for mental health increased to 4.1 in 2020 and then up to 4.3 in 2021.

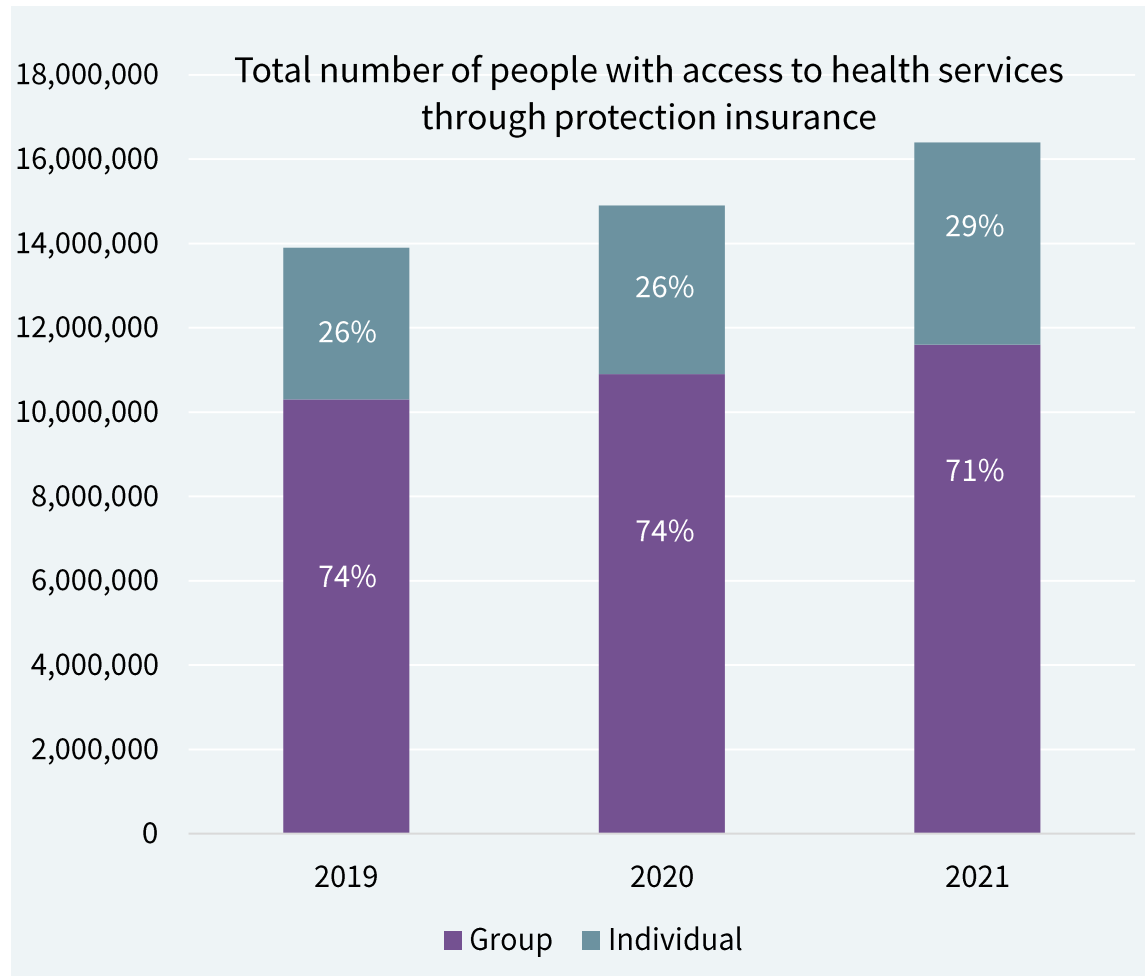
The number of times people used services on average for different types of condition

Year	Total rates	Mental health	MSK	Cardio	Cancer	Neuro	Other
2019	4.3	3.4	5.0	2.8	6.7	3.0	3.8
2020	3.8	4.1	4.4	3.0	7.2	2.0	3.0
2021	3.5	4.3	4.1	2.4	6.7	2.0	2.8



Protection insurance

# Nearly 1 in 3 people in the UK have access to insurance provided health services via protection insurance



By protection insurance we mean income protection, life insurance and critical illness cover. It's commonplace for protection insurance products to offer health services to customers and their loved ones.

The equivalent of 16.5 million\* customers had access to health services through protection insurance cover in 2021.

This number has risen consistently year on year, increasing by 2.6 million (19%) overall between 2019-2021. That's more than the combined populations of Birmingham, Liverpool and Sheffield (2.5m).

The share of people with access to health services through individually purchased protection insurance (compared to group) grew by 3% between 2020 and 2021.

*\*Some individuals will have access to health services through more than one insurance product.*

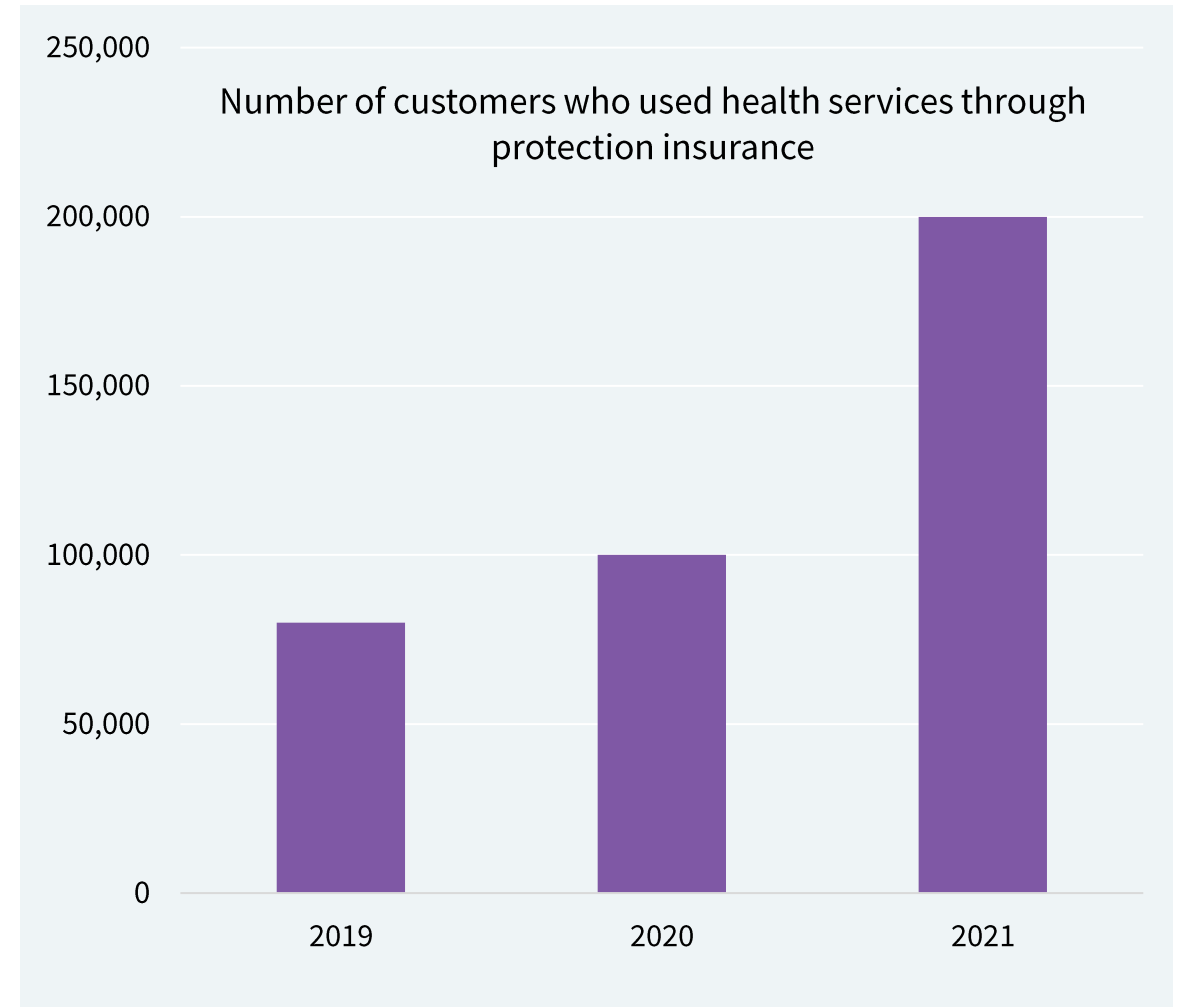
# The number of people who accessed health services through protection insurance more than doubled

Our findings show that the number of people who accessed health services through protection insurance more than doubled between 2019 and 2021, increasing by 150%.

There is likely to be a correlation between these increases and public attitudes towards accessing in-person healthcare during the COVID-19 pandemic. Many people switched from in-person to remote GP appointments during the pandemic. Similarly, health services offered through protection insurance are often remote and therefore do not carry the risk of infection.

The yearly increases may point to a growing awareness of health-related employee benefits. As part of the [2020 Good Work Plan](#), employers were required to provide workers with a written statement on [day one](#) that includes any benefit entitlements.

While the proportion of customers using health services through protection insurance is increasing rapidly, it's lower than the equivalent proportion for health insurance. The difference suggests a lack of awareness about the health services available in addition to the financial benefit.



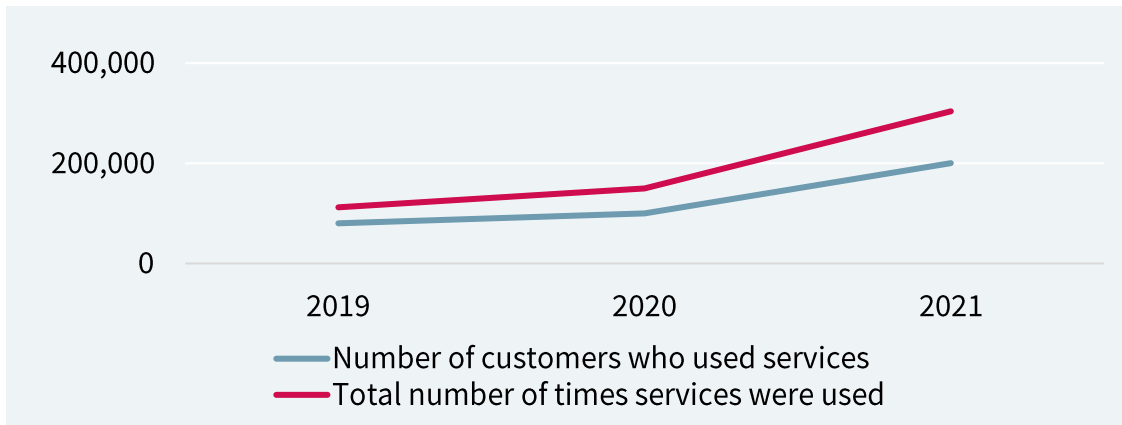


# The number of times protection customers used insurer-provided health services for prevention, early care, and diagnosis more than tripled

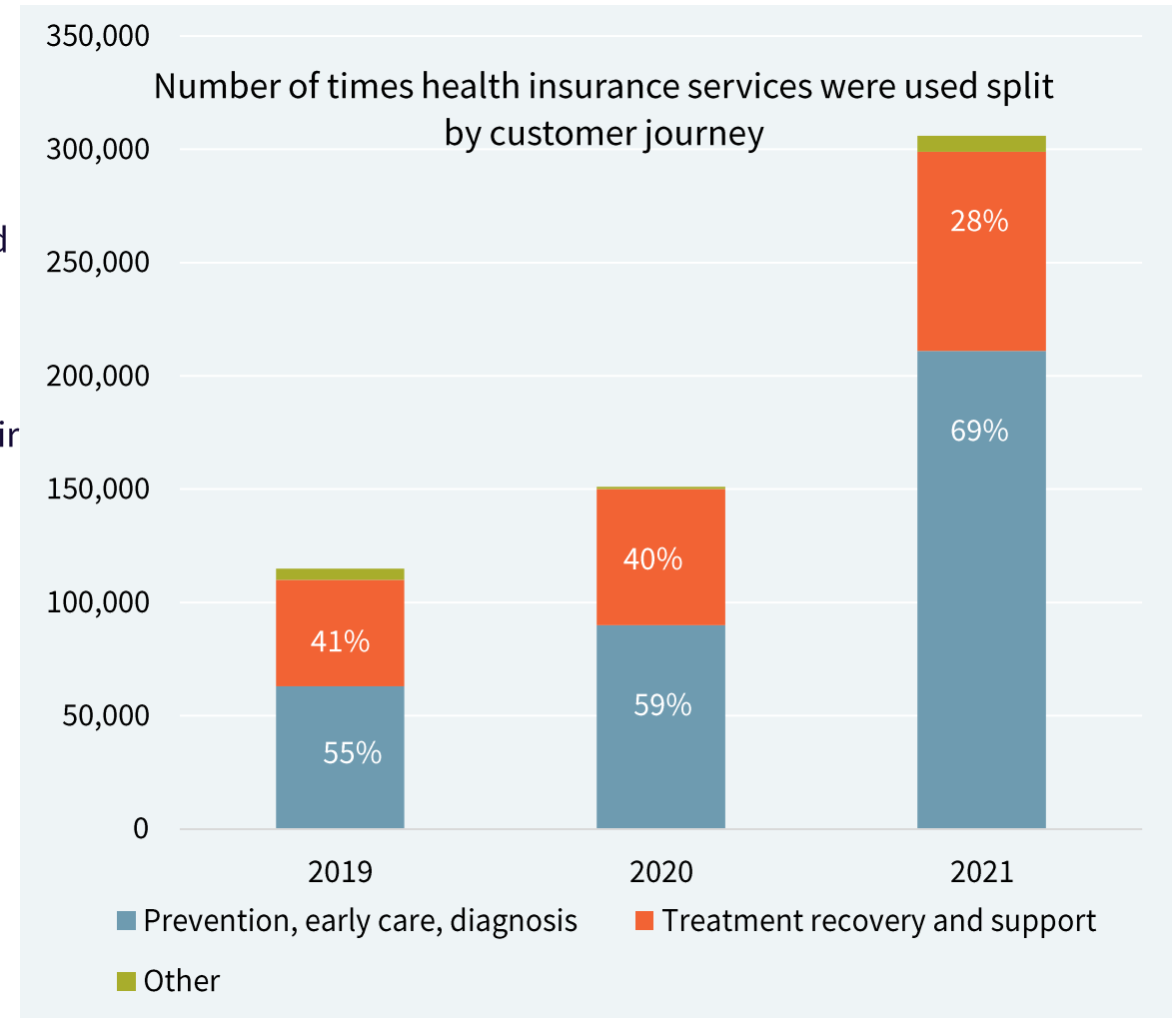
The number of times people accessed health services through protection insurance increased by 171% between 2019 and 2021.

The largest driver of this increase was the use of health services categorised as prevention, early care and diagnosis. This more than tripled, increasing by 234%. This finding suggests that people saw the value of protection insurance for health management during the pandemic.

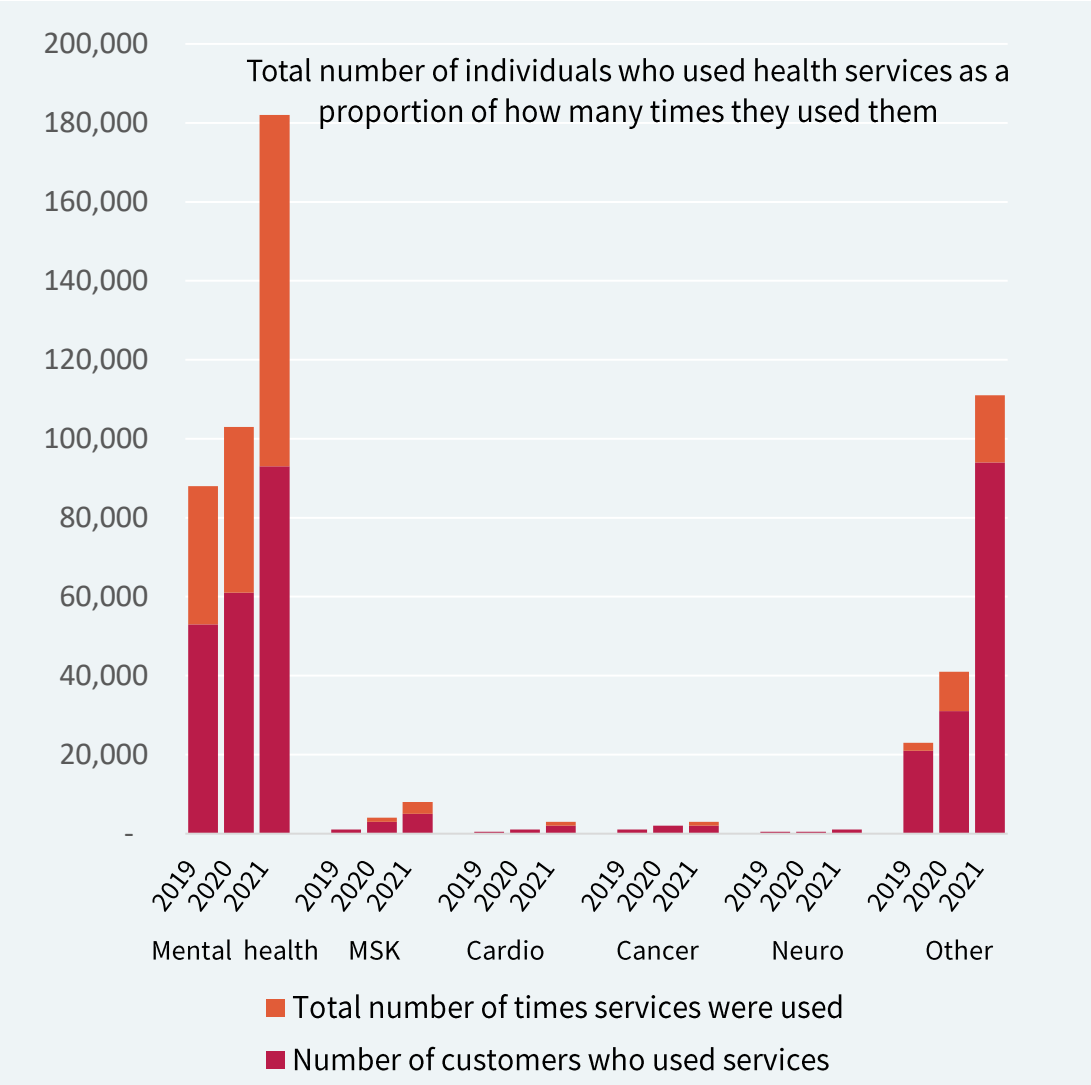
There was also a 77% rise in the total number of times people accessed their health services for mental health support in 2021 compared to 2020.



Association of British Insurers



# The total number of times protection customers used health services for mental health more than doubled



The number of people who accessed health services for mental health through protection insurance increased by 75% between 2019-2021. The total number of times they used their health services for mental health more than doubled (107%).

For MSK, the number of people who used services increased by 400% between 2019-2021, and the number times services were used for MSK increased by 700%.

The average number of times each customer accessed health services increased most for people seeking mental health or MSK support.

Unlike the wider trends in healthcare (see slide 21), more protection customers used their health services more times year-on-year between 2019-2021. This may be because many of the service were already delivered remotely. It could also point to a growing recognition that employers should keep workers informed about their health-related benefits (see [2020 Good Work Plan](#)).

The number of times people used services on average for different types of condition

Year	Total rates	Mental health	MSK	Cardio	Cancer	Neuro	Other
2019	1.4	1.7	1.0	-	1.0	-	1.1
2020	1.5	1.7	1.3	1.0	1.0	-	1.3
2021	1.5	2.0	1.6	1.5	1.5	1.0	1.2



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Data collection 2: the impact of insurer provided vocational rehabilitation on workplace health

# Income Protection insurance provides important health support and income replacement for all workers

Income Protection (IP) insurance is designed to mitigate the risks of workers leaving the workforce due to illness, injury or disability. To do so, it provides evidence-based health services via the workplace. [Evidence also shows](#) that work outcomes are improved if clinical healthcare is linked to the workplace.

When customers do face a period of absence from work owing to injury or illness, the insurer pays a generous proportion of their salary or a monthly lump sum.

Group Income Protection (GIP) is provided by employers of all sizes to their employees and helps them to manage sickness absence by supporting prevention and swift return to work following illness or injury. Replacement income is paid by the insurer, but through the employer, maintaining an important link to employment.

Nearly two third of policies last until the age of retirement (64% in 2022) and one fifth last up to 5 years (20%) (Swiss Re, Group Watch 2023). Policies often include cover for pension contributions to ensure financial resilience beyond the age of retirement.

Individual Income Protection (IIP) supports many employees who are not members of an occupational scheme as well as self-employed workers. For the self-employed the financial benefit of income protection makes up for a general lack of sick pay

# Vocational Rehabilitation is backed by robust evidence

Vocational rehabilitation can support people to stay in work by preventing worsening illness, and support people to return to work even if they've had an extended period of absence.

Early symptoms are typically treated with less resource-intensive support and high-intensity support is provided for worse symptoms. This type of early intervention often prevents the need for more substantial interventions down the line and is generally viewed as the optimal way to allocate resource.

Income Protection customers are normally offered vocational rehabilitation when the insurer determines that it will make the difference and support a positive work outcome. It's not normally provided for self-recovering and easily treatable conditions such as sprains and strains.

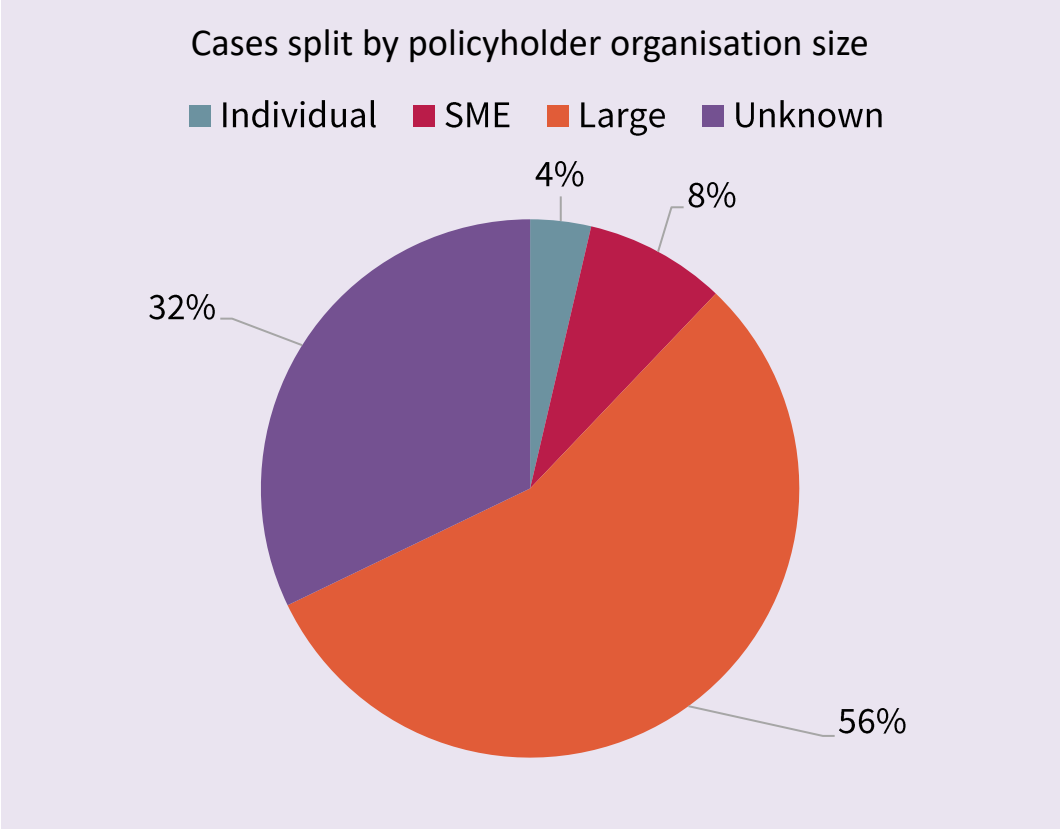
Waddell, Burton and Kendall concluded their [extensive literature review](#) that there is a strong scientific evidence base for many aspects of vocational rehabilitation.





Overview of vocational rehabilitation cases through insurance

# This report is based on workplace health outcomes for 16,365 people who accessed vocational rehabilitation services through their income protection insurance



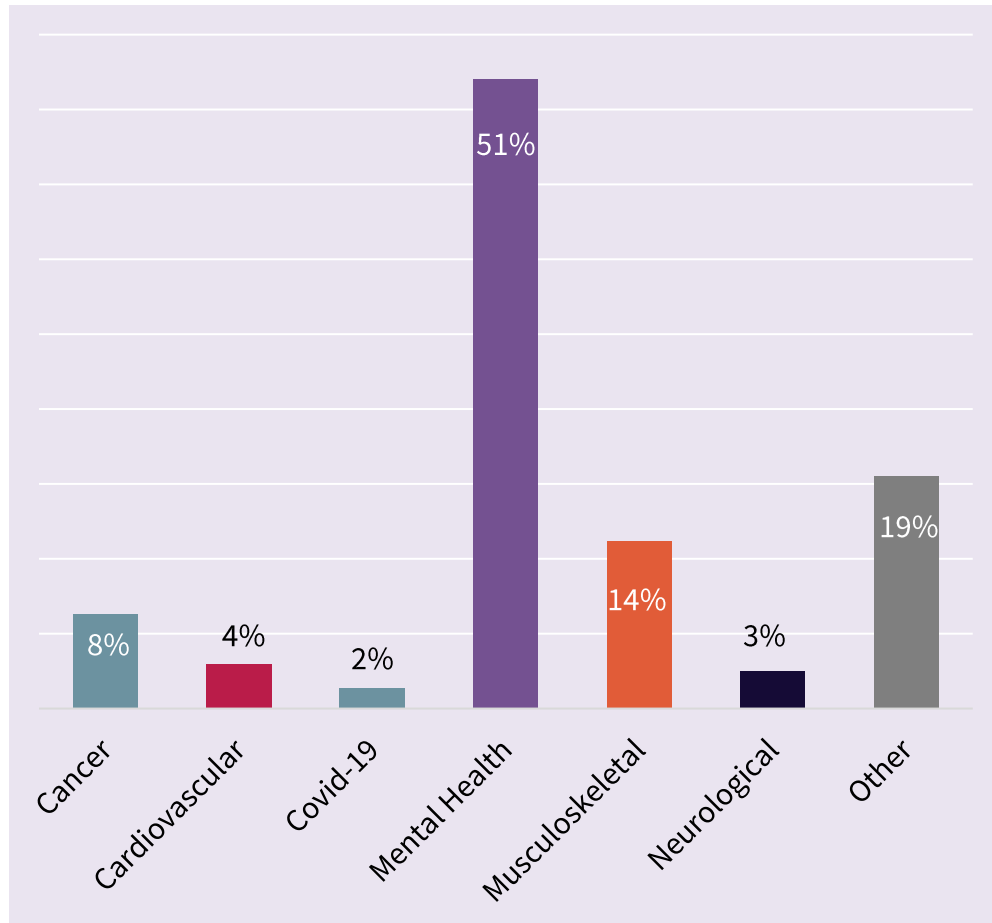
N=16,365

Our data set represents 16,365 people who accessed insurer-provided vocational rehabilitation services between 2019-2021.

Rehabilitation support can be accessed before or after an individual takes sick leave.

In the data recorded on employer size, Large corporate employers (250+ employees) make up 8 in 10 rehabilitation cases, compared to 8% from SME employees and 4% of people with individual income protection. This does not reflect the relative size of the individual income protection market.

# Mental health conditions account for over half of vocational rehabilitation cases



N=16,365

Over half (51%) of people who accessed insurer provided rehabilitation services received support for a mental health condition\*.

- [IPPR found](#) that 6 in 10 who are economically inactive because of long-term illness are living with a mental health problem. Their research suggests that mental health problems are a key contributor to the shrinking labour market in the UK
- The [2014 Survey of Mental Health and Wellbeing in England](#) found that one in six people had a common mental disorder (CMD) and working-age people were around twice as likely as over 65s to experience CMD symptoms.

Musculoskeletal conditions were the second most common reason for accessing vocational rehabilitation, in one in seven (14%) cases.

Nearly 1 in 10 (8%) accessed vocational rehabilitation for cancer.

*\* Our data captures the initial reason for referral to vocational rehabilitation but not co-morbidities. Many of the individuals included in our data are likely to have multiple conditions simultaneously.*



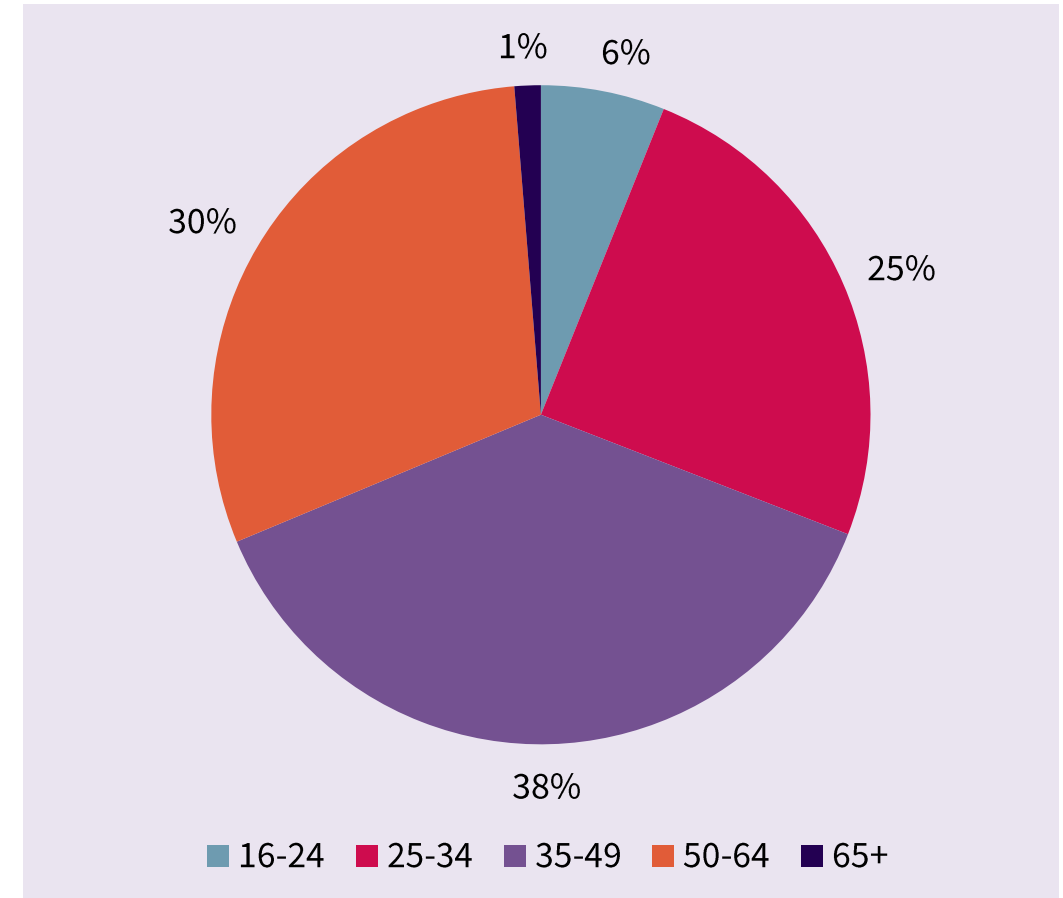
# Over 1 in 3 people who accessed vocational rehabilitation were 35-49

Our data demonstrates that vocational rehabilitation support, provided through insurance, helps ensure good work outcomes for all age groups.

The largest proportion of people accessing vocational rehabilitation (38%) were 35-49. Nearly a third (31%) were over 50 years old and a quarter (25%) were 25-34.

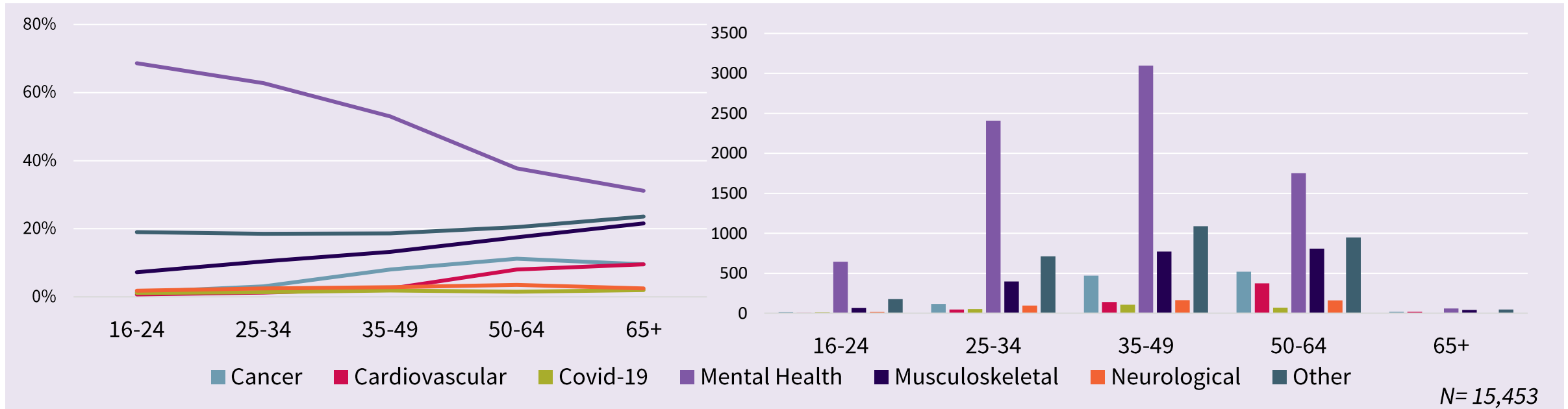
While older workers are a significant driver of falling workforce participation and it is important to address this, our data suggest that focus on workforce health should not be limited to older workers.

- [Figures from the Office for National Statistics](#) (ONS) show that the number of people unable to participate in the labour market due to long term ill-health has increased to a record high of 2.55 million.
- While [the latest data](#) shows that recent increases in economic activity are driven by 50+ year olds, 25-34 year olds saw the greatest relative increase in economic inactivity due to long term sickness [between 2019-2022](#).
- The largest increase in long-term sickness for 16-34 year olds was due to mental illness, phobias and nervous disorders.



N= 15,453

# Mental health is the main reason people access vocational rehabilitation services across all age groups



Mental health is the main reason people access vocational rehabilitation services across all age groups. 69% of 16-24 year olds and 63% of 25-34 year olds in our sample accessed support for a mental health condition.

This suggests a significant need for mental health support for workers and demonstrates the value of insurance provided through the workplace.

- [Annual Population Survey data](#) shows that disabled people with a mental health condition are less likely to be in employment than those with a musculoskeletal condition.

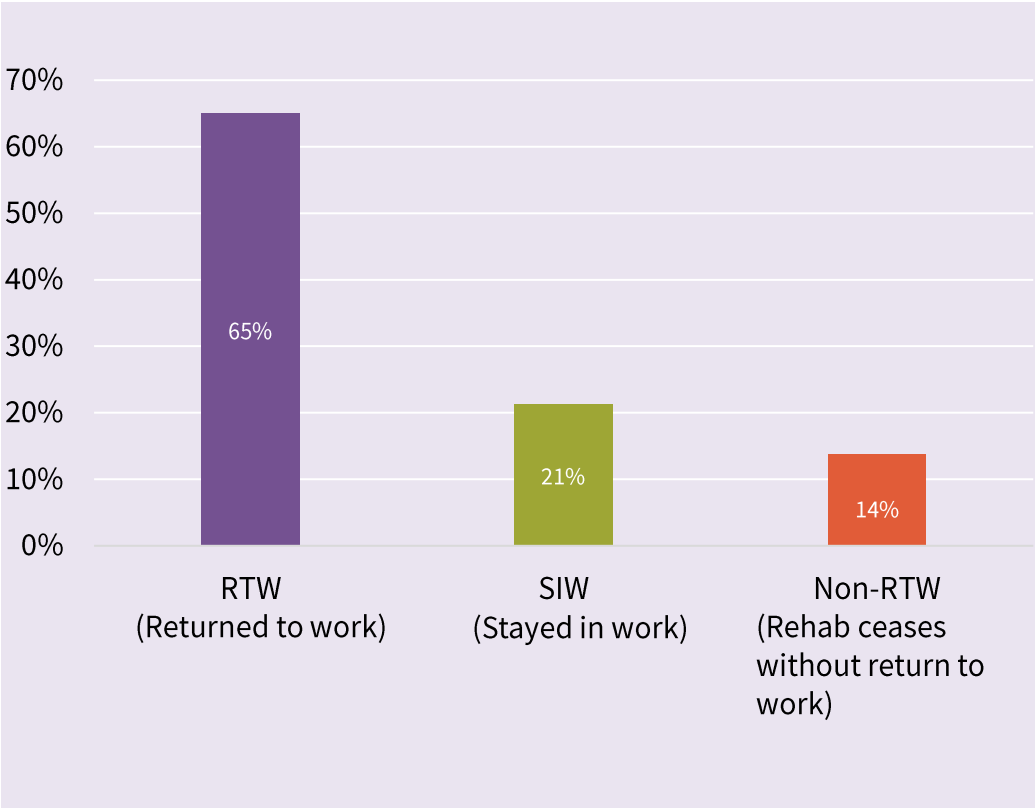
As people get older, they are more likely to access services for conditions other than mental health.

For example, the share of workers accessing support for cancer increases to 8% for 35-49 year olds and 11% for 50-64 year olds. For The proportion seeking MSK support increases from 10% for 25-35 year olds to 17% for 50-64 year olds.



Work outcomes for different age groups and health conditions

# Nearly 9 in 10 (86%) people remained in the workforce following access to rehabilitation services through insurance



N= 15,953

For all recorded outcomes, nearly 9 in 10 (86%) people were supported to stay in work or return to work following absence.

Of the total, more than 1 in 5 (21%) people stayed in work. Nearly two thirds (65%) returned to work after absence.

Non-return to work outcomes were reported in 14% of cases. Non-return to work outcomes are recorded in the event of death as well as someone being unable to return to work at that time.

- For many cases recorded as non-return to work, rehabilitation was later resumed at an appropriate time.
- This can occur when an individual needs long term medical treatment, rehabilitation support is not required for a period, and an insurer ‘closes’ the case before a RTW outcome is achieved.
- Therefore, it’s likely that a proportion may ultimately return to work following further support down the line.

# More than 8 in 10 (81%) over 50 year olds were supported to stay in work or return to work

More than 4 in 5 (81%) over 50 year olds either returned to work or stayed in work. This shows that vocational rehabilitation is effective at supporting workforce participation amongst this at-risk group.

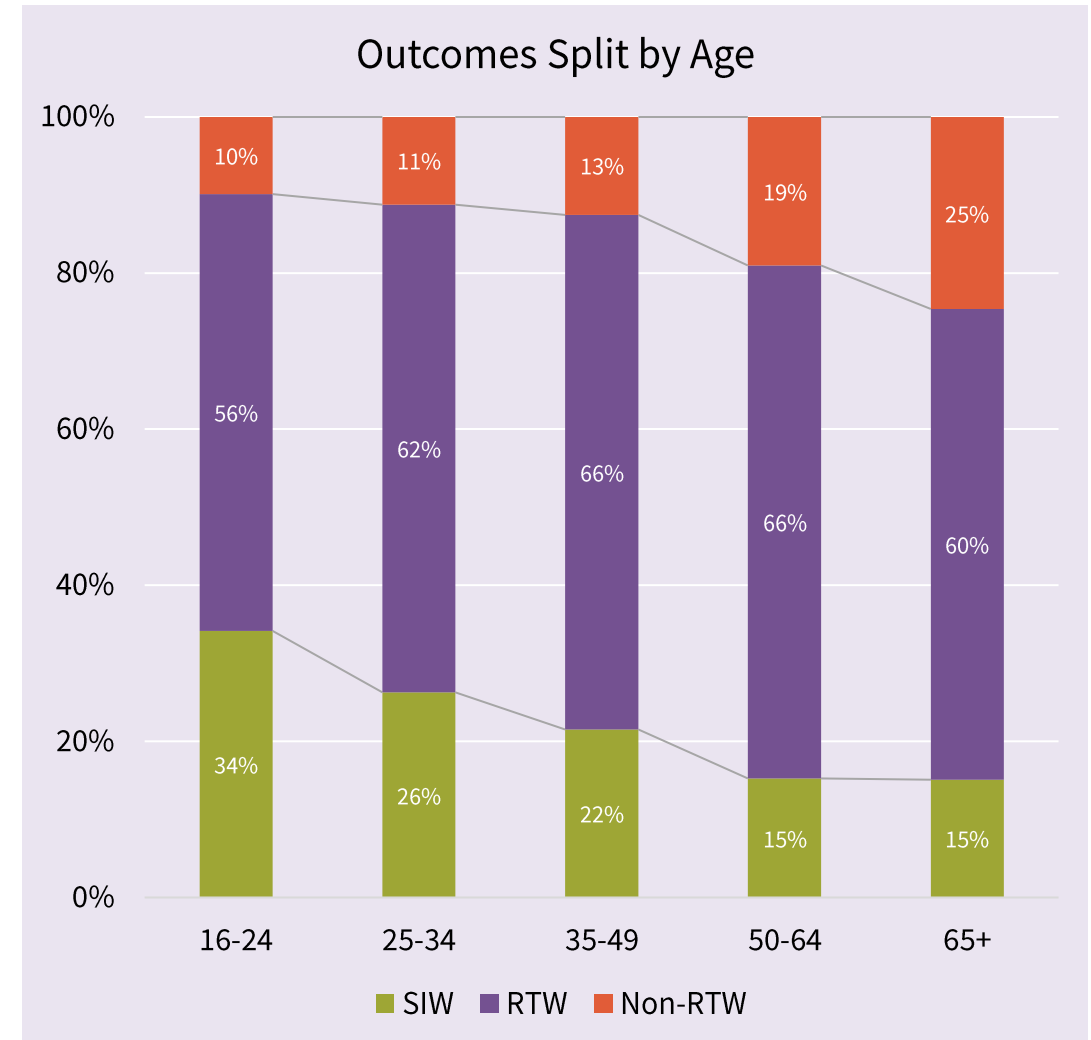
9 in 10 (90%) 16-24 year olds were supported to either stay in work or return to work after absence. More than one third (34%) were supported to stay in work.

Nearly 9 in 10 (88%) 25-34 year olds also experienced a positive outcome. More than one quarter (26%) were supported to stay in work.

Only 3% more 35-49 year olds were recorded as non-return to work outcomes, compared to 16-24 year olds.

While vocational rehabilitation is evidently effective for all age groups, increasing age correlates with a higher rate of people recorded as non-return to work, and lower rate of people supported to stay in work.

- [ONS estimates for why 50-64 year olds have left the workforce since the start of the coronavirus pandemic](#) found that nearly 1 in 5 (18%) were on a waiting list for NHS treatment, compared to 13% of the whole population. This rose to over 1 in 3 (35%) who left their previous job for a health-related condition.



# 4 in 5 people who accessed vocational rehabilitation for cancer remained in work

Nearly 1 in 10 people who accessed vocational rehabilitation required support for cancer. 4 in 5 were supported to stay in or return to work.

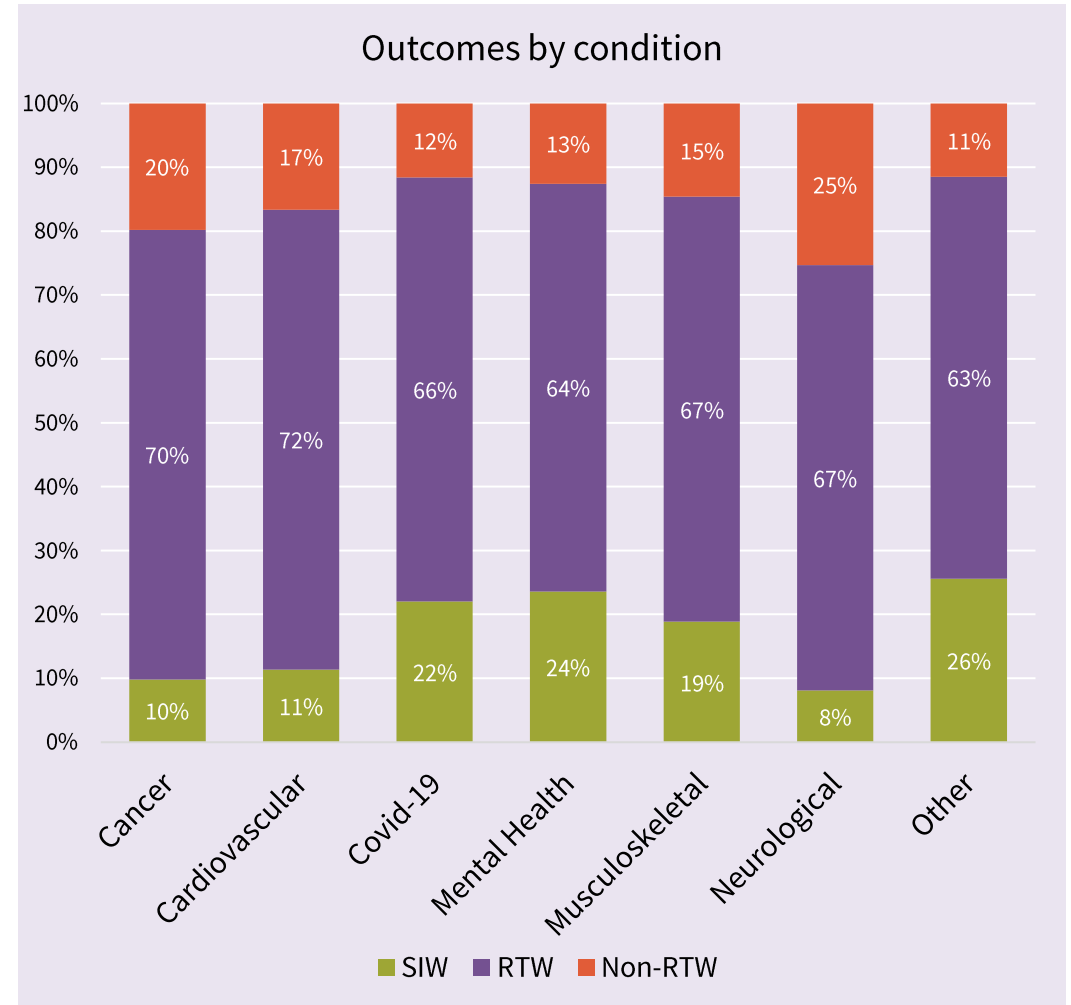
When someone suffers from a long-term condition such as cancer, there can be a cliff edge following treatment. Vocational rehabilitation maintains the link between the individual and their employer and provides support following treatment.

- [Macmillan reported](#) that over 700,000 working age people are living with cancer across the UK, and over 100,000 are diagnosed every year. Through their vocational rehabilitation pilot for individuals living with cancer, they found significant improvements in employment status and health-related quality of life.
- A [2021 survey by the Institute for Employment Studies](#) suggests that in the general population a quarter of people living with cancer do not return to work at all.

Nearly 1 in 4 (24%) people who accessed vocational rehabilitation for a mental health condition did not become absent from work. Nearly 2 in 3 (64%) were supported to return to work following absence.

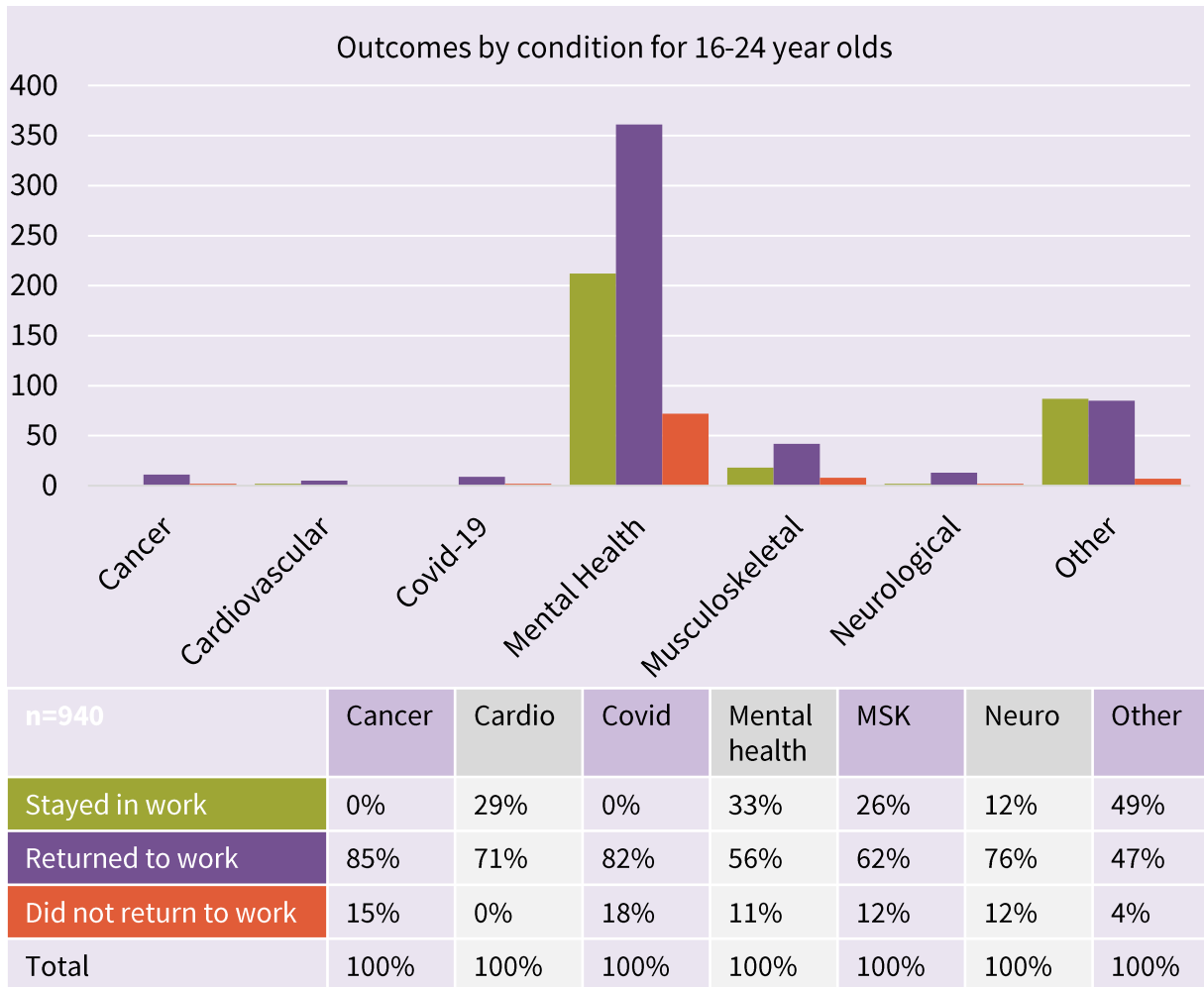
Nearly 1 in 5 (19%) people who accessed vocational rehabilitation for an MSK condition did not become absent from work, and more than 2 in 3 (67%) were supported back to work after absence.

The highest rate of non-return to work outcomes occurred for individuals with neurological conditions, with 1 in 4 (25%) falling out of work despite vocational rehabilitation support.



N= 15,953

# 1 in 3 16-24 year olds with a mental health condition did not become absent from work and a further 56% returned to work

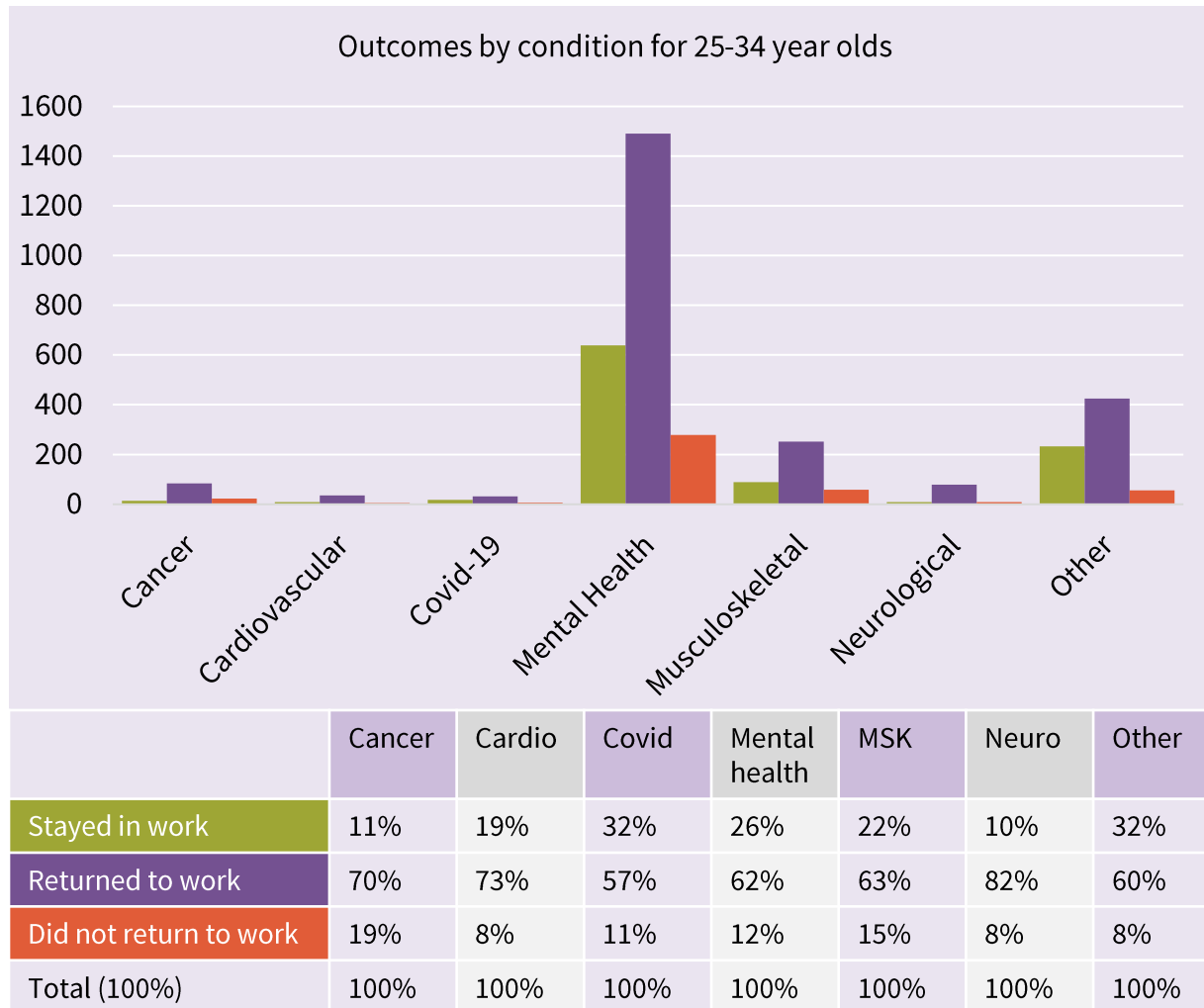


One third (33%) of 16-24 year olds who accessed vocational rehabilitation with a mental health condition did not need to take leave from work. A further 56% were supported to return to work after absence.

- Three quarters of adults with mental health conditions [experience their first symptoms by the age of 24](#). Early intervention and quick treatment is crucial to prevent persistent issues for younger people with mental health conditions.
- [Research by the Royal College of Psychiatry](#) suggests that nearly 1 in 4 wait more than 12 weeks to start NHS mental health treatment and nearly half say that waits worsen their mental health. More than three quarters seek help from emergency services or a crisis line.

Nearly half (45%) of those in our sample referred to vocational rehabilitation services for a mental health condition were referred in under 4 weeks, and 9 in 10 before two months. Following referral, nine in ten (90%) receive support in under 4 weeks.

# Over 1 in 4 25-34 year olds supported for a mental health condition were helped to stay in work and nearly 2 in 3 returned to work after absence



Over 1 in 4 (26%) 25–34-year-olds who accessed vocational rehabilitation for mental health conditions were helped to stay in work. Nearly two thirds (62%) of those who did become absent were supported back to work.

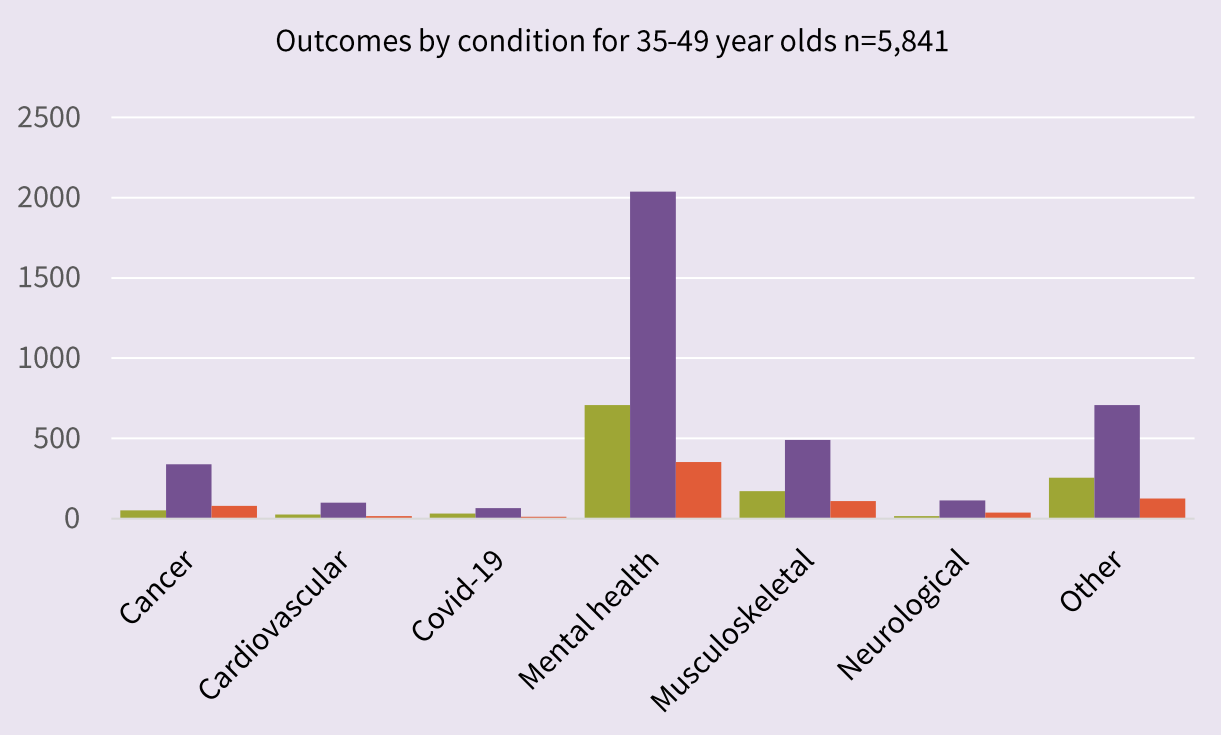
- [Royal College of Psychiatrists research](#) found deteriorating mental health leads to problems such as debt, job loss, and personal issues such as relationship difficulties and family breakdown.
- In turn, these issues often impact mental health as [common causes of stress and anxiety](#).

Over one fifth (22%) supported for a musculoskeletal condition stayed in work, and nearly two thirds (63%) returned to work after absence.

7 in 10 (70%) absent from work with cancer were supported back to work, while more than 1 in 10 (11%) were supported to stay in work.



# More than 6 in 7 35-49 year olds achieved a positive work outcome for musculoskeletal conditions



6 in 7 35-49 year olds who accessed vocational rehabilitation for musculoskeletal (MSK) conditions through insurance experienced a positive outcome.

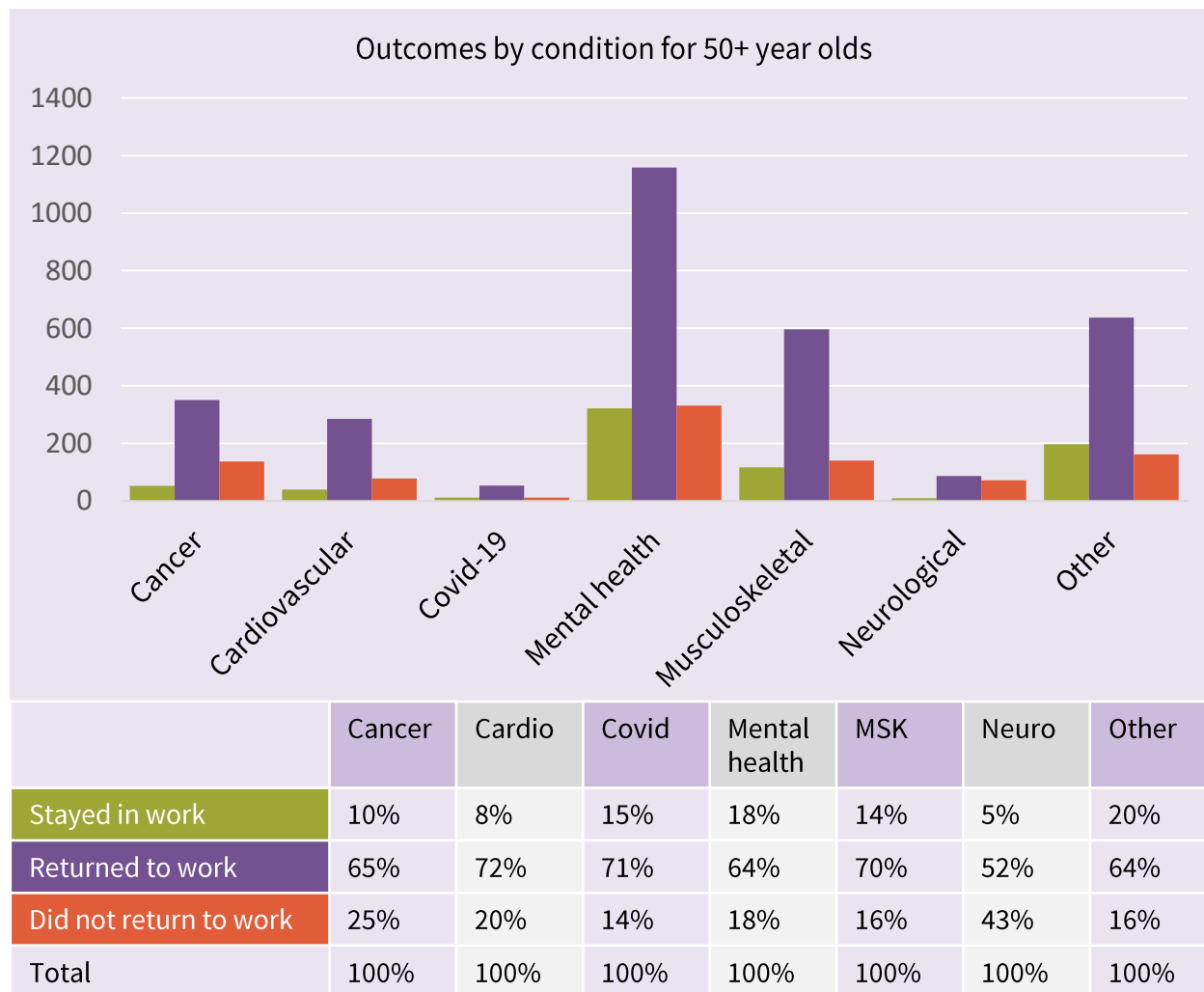
Over one in five (22%) did not become absent from work, and nearly two thirds (64%) were supported back to work after absence.

Our data suggests that musculoskeletal conditions that require vocational rehabilitation support are increasingly likely with age.

- Musculoskeletal conditions come at a significant cost. [Government data](#) shows that in January 2023 there were 2.9 million Personal Independent Payment claims with entitlement. Nearly one third of these were for musculoskeletal conditions.

	Cancer	Cardio	Covid	Mental health	MSK	Neuro	Other
Stayed in work	11%	19%	29%	23%	22%	9%	23%
Returned to work	72%	70%	60%	66%	64%	69%	65%
Did not return to work	17%	11%	11%	11%	14%	22%	12%
Total	100%	100%	100%	100%	100%	100%	100%

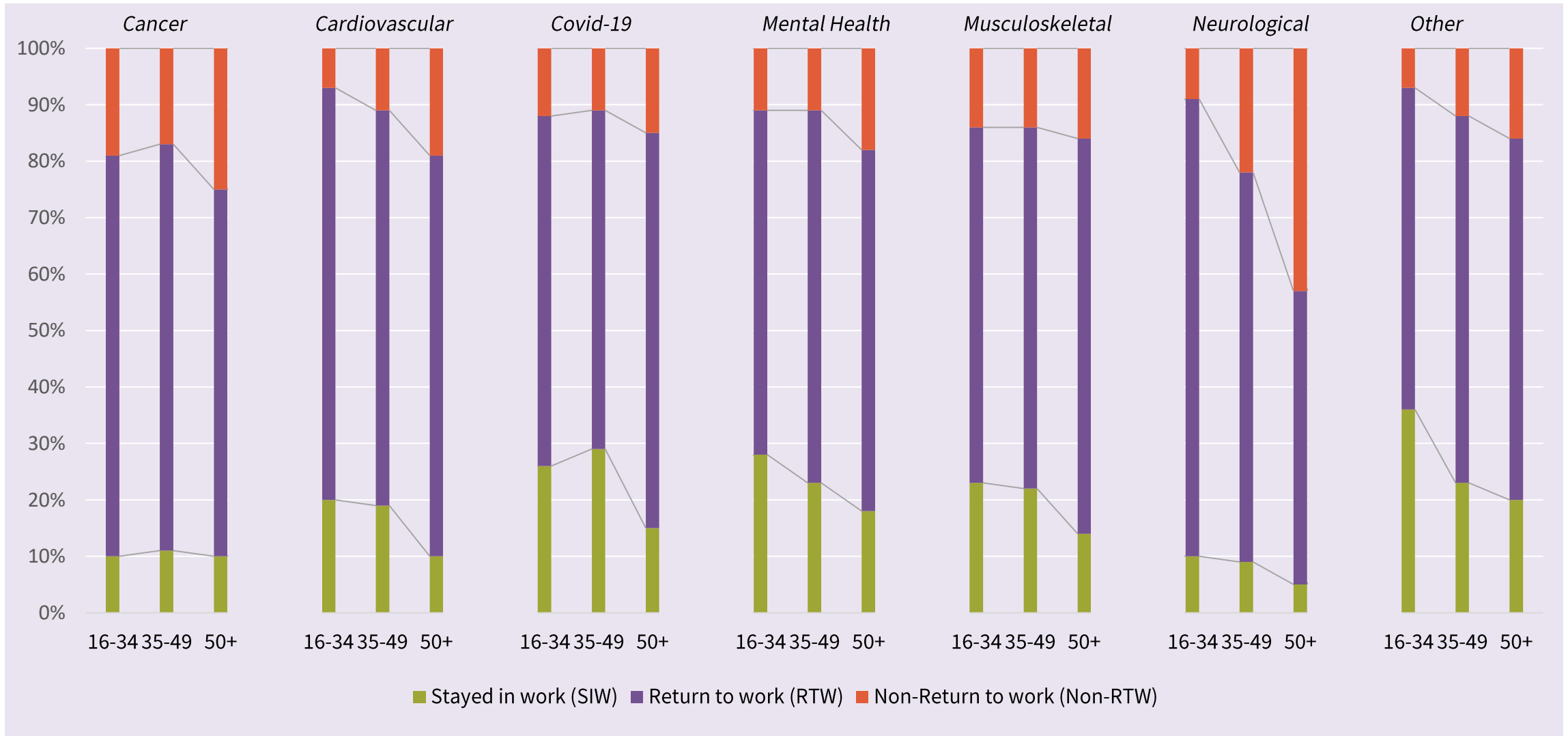
# 84% of over 50s with a musculoskeletal condition were supported to remain in the workforce



Approximately 8 in 10 50+ year olds who used vocational rehabilitation services provided by insurers for MSK either stayed in work without having to be absent or returned to work after an absence. 84% for MSK, 82% for mental health, 80% for cardiovascular conditions, and 75% for cancer.

- 50-64 year olds make up [over 40% of the working-age disabled population](#).
- At the end of 2022, over half (54% - 1.6m) of people who were not in work or looking for work due to long term sickness were aged 50-64.
- The number of 50-64 year olds claiming long term sickness or disability benefits increased by nearly half a million (400,000) between August 2019 and August 2022.
- [ONS estimates for why 50-64 year olds left the workforce since the start of the coronavirus pandemic](#) found that those who have never left the workforce were more likely to report access to support from their employer.

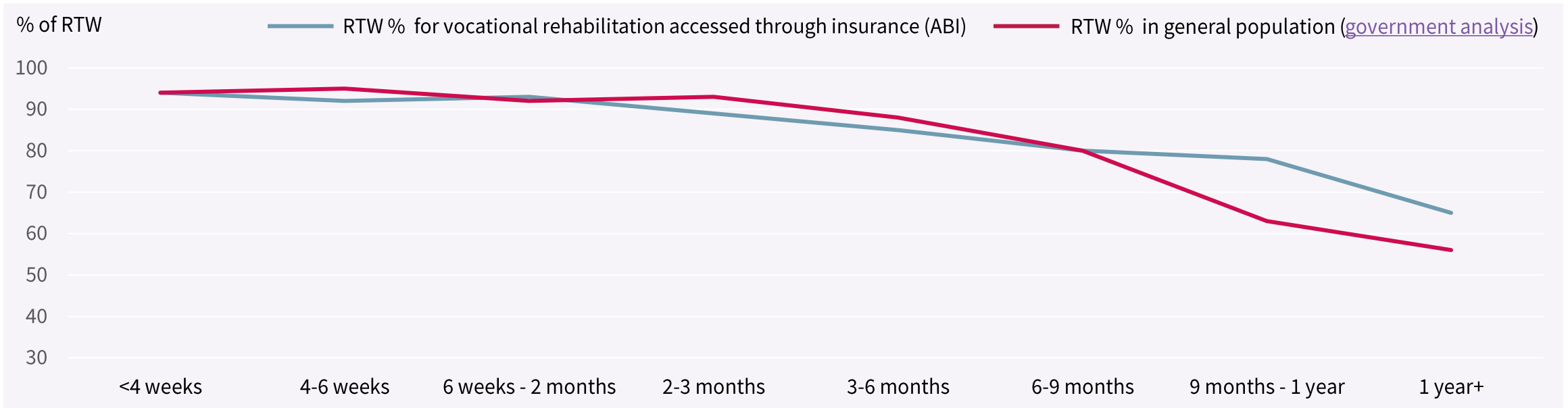
# Work outcomes by condition for different age groups



|||ABI

Long term sickness absence

# Vocational rehabilitation is effective at preventing employees absent for 9 months or more from falling out of work



ABI data shows that nearly 8 in 10 (78%) individuals with insurer-provided vocational rehabilitation returned to work after absence lasting between 9 months and 1 year. That's 15% more than the general population. 65% returned to work after more than 1 year – 11% more than the general population.

Until 6 months, the general population appear slightly more likely to return to work than those who accessed vocational rehabilitation through GIP.

- ABI data contains GIP customers who accessed vocational rehabilitation through insurance. The industry/occupation mix may be different to general population data. In the general population, an individual is marginally more likely to return to work between 4 weeks and 3 months. This is likely due to the higher amount of less severe and self-correcting conditions in the general population.

Many who take sick leave with a common health problem return to work relatively quickly with standard healthcare and without the need for vocational rehabilitation. If they do not, standard healthcare without specialist support often fails to produce good work outcomes.

In [government analysis](#), musculoskeletal conditions cause long term sickness absence in 29% of cases for employees, and mental health for only 26%. Conversely in our data, mental health is the cause of VR referral in 51% of cases, compared to only 14% musculoskeletal. This points to a significant difference in the two cohorts.



Speed of support and outcomes

# In nearly one third of cases, vocational rehabilitation had a positive impact within 4 weeks

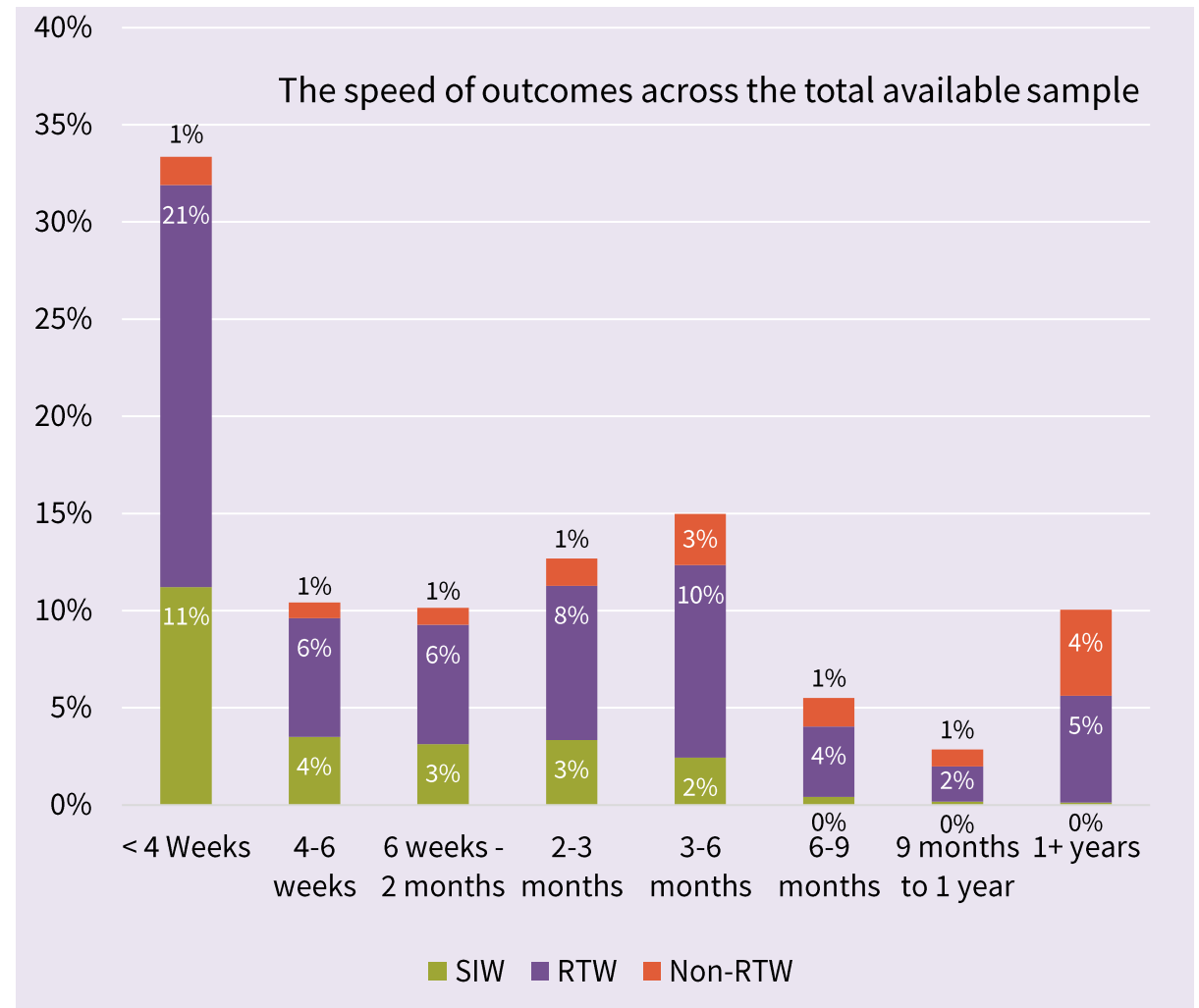
In nearly one third of the sample (32%), vocational rehabilitation services had a positive impact within 4 weeks

More than one fifth (21%) of the sample were supported to return to work within 4 weeks, and more than 1 in 10 (11%) were supported to stay in work.

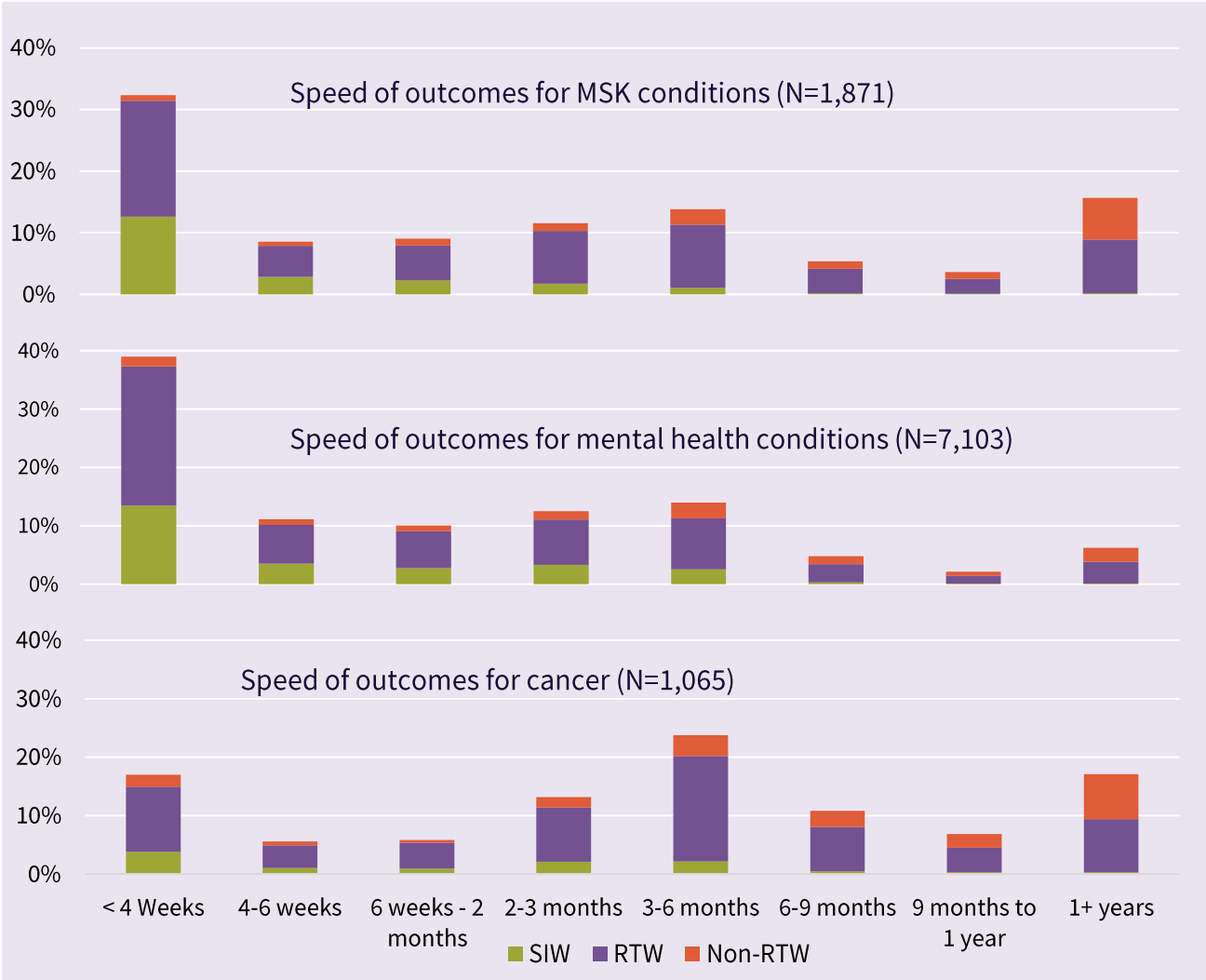
More people are supported to stay in work within 6 weeks (15%) than the total number of people recorded as non-return to work (14%).

For the vast majority of customers, an outcome was achieved within 6 months of support starting. The largest proportion of cases reported as 'non-return to work' were for outcomes that occurred one year or more after support started.

*This sample includes only the cases where speed of return to work was recorded.*



# Nearly one quarter of mental health patients returned to work within 4 weeks



Nearly 2 in 5 (37%) people who accessed vocational rehabilitation for a mental health condition achieved a positive outcome within 4 weeks. Almost one quarter (24%) returned to work and more than 1 in 10 (13%) were supported to stay working in this period.

For musculoskeletal conditions, the number of outcomes achieved within four weeks remains high at nearly one third (32%). Nearly 1 in 5 (19%) returned to work in under 4 weeks, while more than 1 in 10 (13%) stayed in work.

For customers accessing rehabilitation for cancer, nearly 1 in 5 (17%) outcomes occur within 4 weeks but nearly one quarter (24%) occur between 3 and 6 months.

The number of people supported to remain in the workforce is lower across conditions when an outcome occurs after 6 months.



# For referred customers, insurers' rehabilitation teams were notified within 6 months of absence 8 out of 10 times



N= 11,880

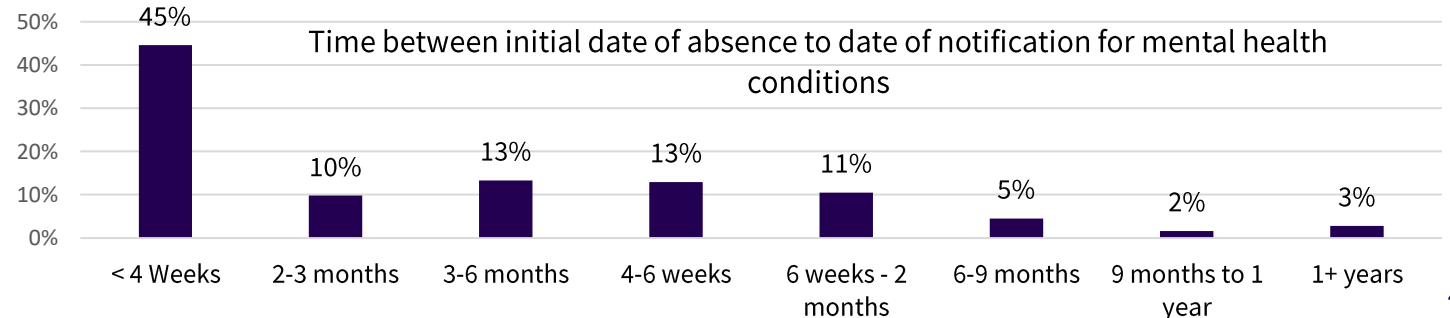
This analysis tracks how long it took for the insurer and their rehabilitation team to be notified about a case following the individual falling out of work. As such, 'stayed in work' data is not included.

The insurer and their rehabilitation team were notified within 6 months of absence for 8 in 10 cases. Notification took under 4 weeks in over one third of cases (35%).

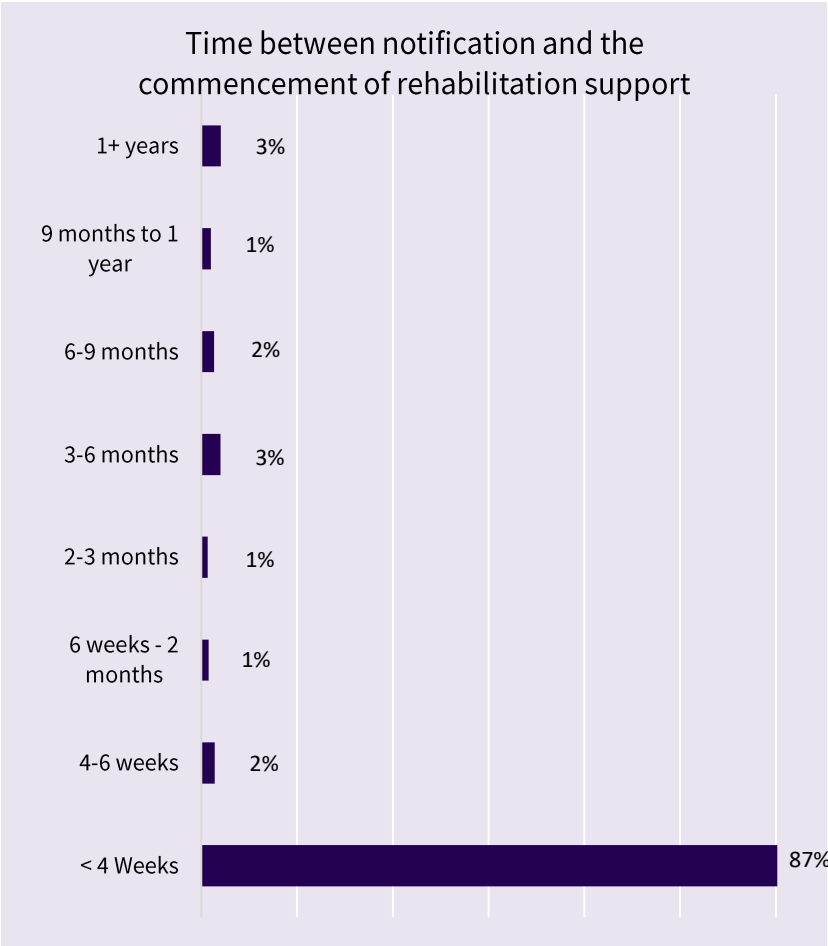
In 6% of cases, rehab teams were not notified for more than one year.

- The speed of notification is often dependant on the employer notifying their insurer about the individual's needs. Smaller employers often notify their insurer later than larger insurers. This can be because they claim less than large employers and are less aware that insurers provide rehabilitation support before absence and before the deferred period.
- The insurance industry is working to raise awareness about the importance of swift notification by employers. Vocational rehabilitation is most effective when insurers are notified as early as possible before an individual becomes absent for work.

Nearly half (45%) of the people who accessed vocational rehabilitation for a mental health condition were referred to their insurer's rehabilitation team within 4 weeks, and nine in ten (90%) within 2 months.



# Once the vocational rehabilitation team was notified, nearly 9 in 10 people received support in under 4 weeks



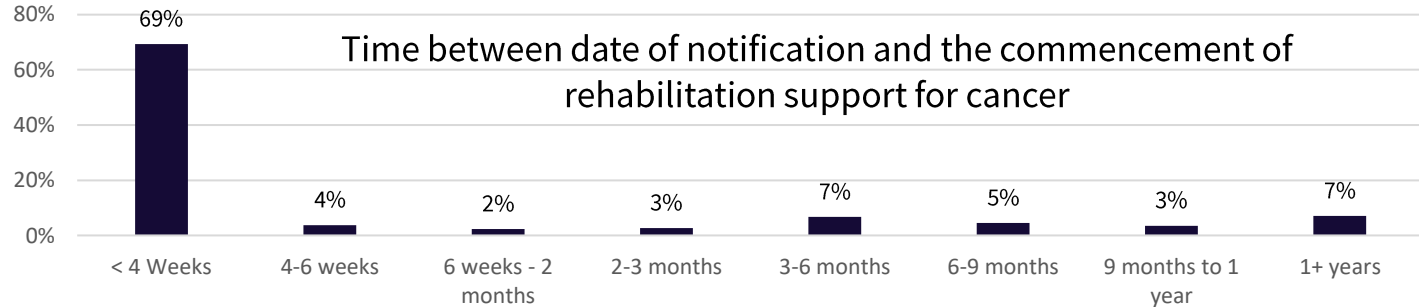
N= 13,874

Once the vocational rehabilitation team is notified, nearly 9 in 10 (87%) people received support in under four weeks overall, 90% for mental health conditions, 86% for MSK, 88% for cardiovascular.

In 3% of cases, rehab teams were not notified for more than one year.

- With longer term conditions, the rehab team will sometimes wait until treatment has been completed. For example, vocational rehabilitation support for some people with cancer may come into effect once chemotherapy is complete. This approach ensures that the individual is supported to help them return to work when they are ready to do so.
- Longer periods of time between notification and the commencement of support are sometimes also caused by the time taken for consent to be given.

Our data also shows that vocational rehabilitation support commenced over 3 months after notification in 22% of cases for cancer, and more than 1 year in 7% of cases.



# Organisations with 250+ employees notified quicker and their employees achieved better outcomes



Our shows that large companies generally notify insurers quicker than SMEs. Rehab teams were notified within 4 weeks for 39% of cases for large companies, compared to 14% of cases for SMEs.

*Note that only around two thirds of our data includes policyholder size.*

- Quick notification by an employer allows insurers to start providing vocational rehabilitation support earlier. This is preferable for the insurer as it means they can often prevent worsening symptoms and individuals are less likely to fall out of work.

Our data suggests that work outcomes are generally better for employees of large companies (250+). For cardiovascular conditions 13% of large corporate employees stayed in work, compared to 3% for SME employees. Non-return to work outcomes were recorded for 15%, compared to 29% for SMEs.

*There are likely other factors that differ between SMEs and large companies which may have an impact besides speed of notification.*

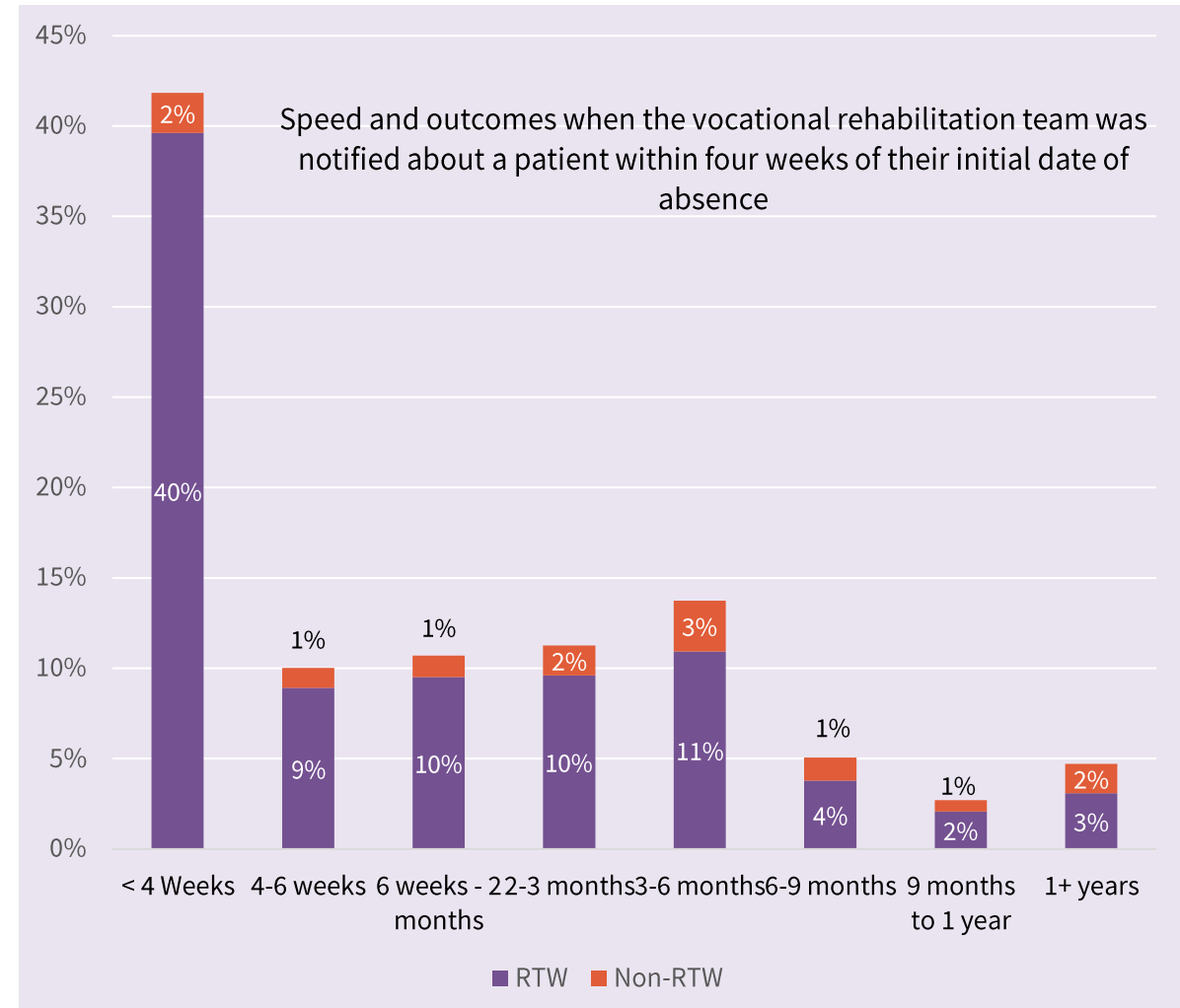
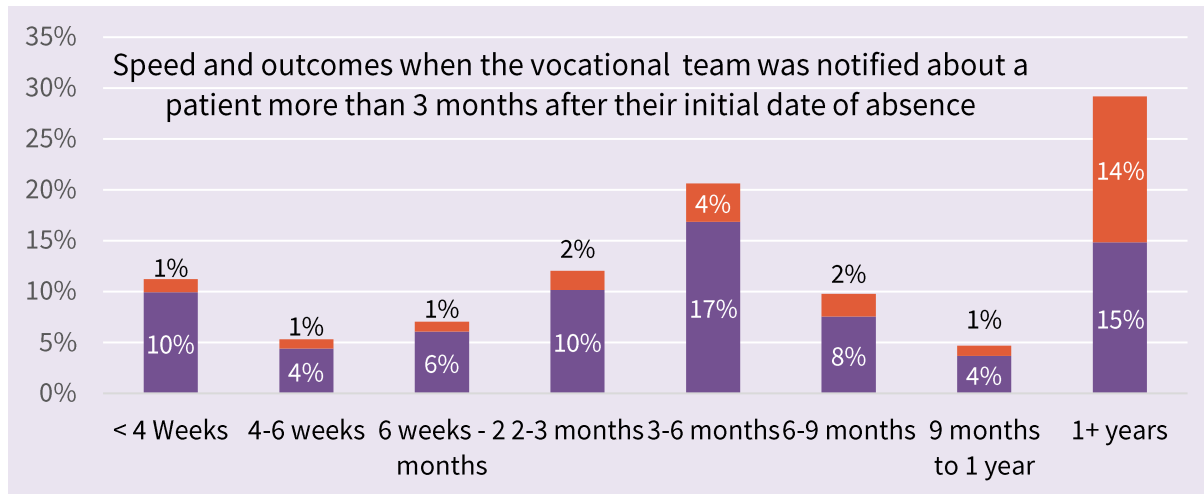
# Early notification speeds up treatment and can improve health outcomes for employees

When an insurer's vocational rehabilitation team was notified about a patient within 4 weeks of their initial date of absence

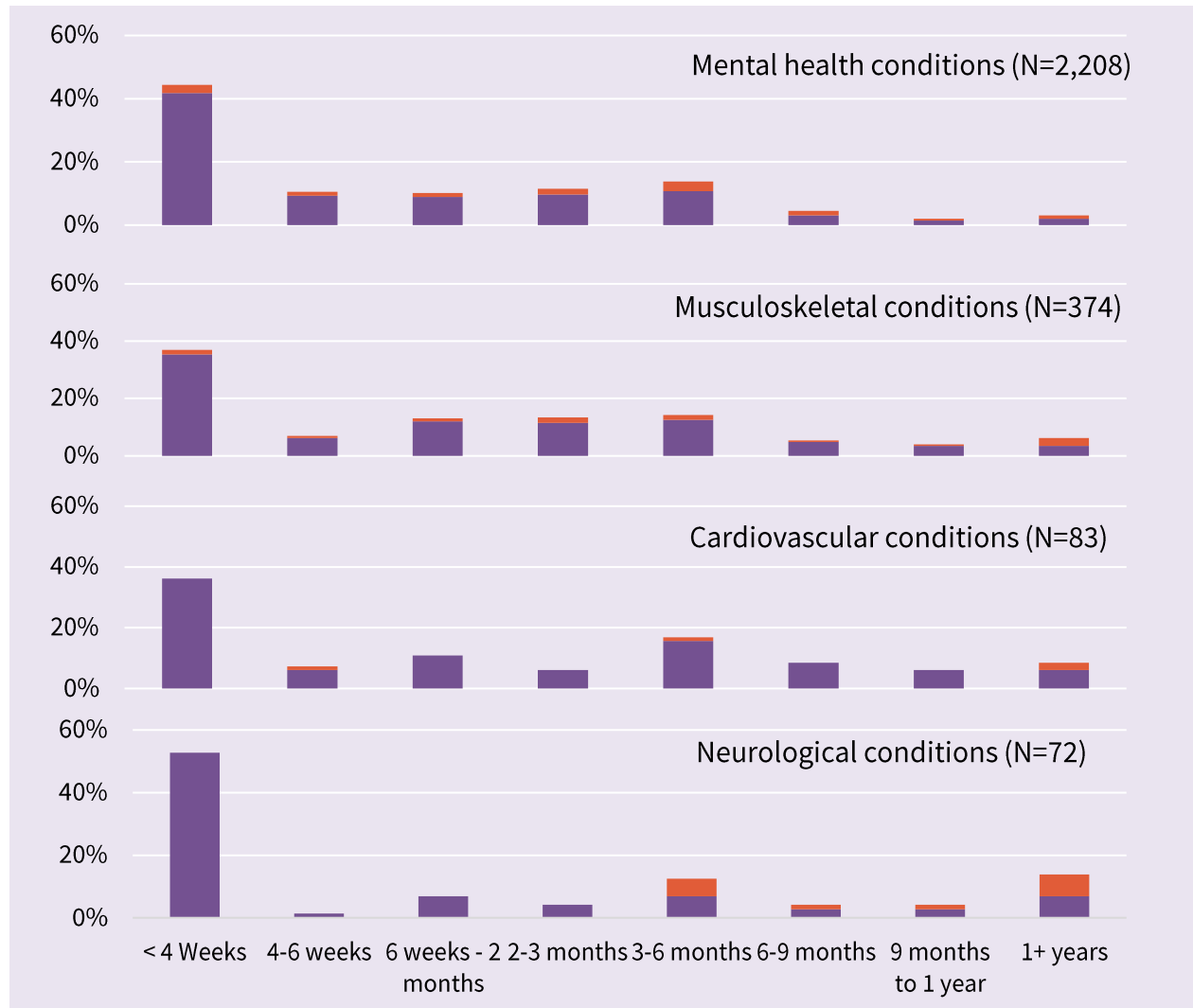
- Nearly 9 in 10 (88%) people were supported to return to work overall.
- 2 in 5 (40%) returned to work in under 4 weeks.
- 4 in 5 (80%) returned to work in under 6 months.

When the vocational rehabilitation team was notified after 3 months

- Nearly 3 in 4 (74%) people returned to work overall.
- 1 in 10 (10%) returned to work in under 4 weeks.
- Nearly half (47%) returned to work in 6 months.



# Over one third of musculoskeletal patients returned to work in under 4 weeks when their insurer was notified soon after absence



For those who accessed vocational rehabilitation for mental health conditions:

- Nearly 9 in 10 (87%) people returned to work overall.
- Over 2 in 5 (42%) returned to work in under 4 weeks.
- More than 4 in 5 (81%) returned to work in under 6 months.

For musculoskeletal conditions:

- Nearly 9 in 10 (89%) returned to work overall.
- Over one third (35%) returned to work in under 4 weeks.
- More than 3 in 4 (77%) returned to work in under 6 months.

For cardiovascular conditions:

- 19 in 20 (95%) returned to work overall.
- Over one third (36%) returned to work in under 4 weeks.
- 3 in 4 (75%) returned to work in under 6 months.

For neurological conditions:

- Around 6 in 7 (85%) returned to work overall.
- Over half (53%) returned to work in under 4 weeks.
- Nearly three quarters (72%) returned to work in under 6 months.

*\* Note the small sample sizes for some conditions in the analysis.*



Annex 1 – how many people use insurer-provided health services

# Considerations and definitions

## Considerations

- Not all insurers writing health and protection insurance in the UK are included in this data collection (see page 56).
- Data has not been extrapolated to include non-participating companies, however ratios and percentage breakdowns will be representative of the broader market
- Estimations have been used throughout this data. These are typically based upon available data within this collection or other data sources.
- The quality of the data is better for 2021 compared to 2020 and 2019
- The ABI have rounded the data and there may be small rounding errors visible.
- The Customer Journey Buckets have been grouped from more granular but less comprehensively reported data.
- Insurers were allowed to list more than one customer journey buckets and/or conditions. This can see the aggregate journey buckets and/or conditions being greater than the total service users and/or usage.

## Definitions

‘Prevention, early care, diagnosis’ and ‘treatment, recovery and support’ are groupings of buckets based on the stage someone accesses a health service.

**Prevention** means stopping health issues arising, and if they do arise, treating them quickly and effectively to reduce the impact of their lasting effects. This includes decreasing the risk factors for ill-health, detection and support for pre-symptomatic ill-health, reducing the impact of ongoing illness or injury that has lasting effects.

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**Early care** means early activity/intervention undertaken with the objective of supporting someone when a problem first emerges.

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**Diagnosis** means diagnosis of ill health, or a second opinion on a diagnosis.

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**Treatment** involves the reactive management and care of an individual to treat illness or injury.

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**Recovery services** support people to improve their health after illness or injury.

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**Support** means supporting someone with long term health problems as a result of illness or injury.

# Participating companies

- AIG Life Limited
- Aviva
- AXA PPP Healthcare Limited (Corporate Business only)
- Bupa Insurance Limited
- Canada Life
- MetLife Europe d.a.c.
- Royal London Mutual Insurance Society Limited
- Unum Limited
- Vitality Health Limited
- Wesleyan Assurance Society
- Western Provident Association Limited
- Zurich Assurance Ltd





## Annex 2 - vocational rehabilitation

# Considerations and methodology

## Considerations

This return-to-work collection is the first of its type run by the ABI and demonstrates the industry's advancements in data structures. While this data offers unprecedented insight in to health outcomes derived from income protection insurance, there are several areas of consideration.

- The collection focuses purely on vocational rehabilitation and does not reflect all of the health services provided through insurance.
- Data was collected from five insurers, making up a significant proportion of the group income protection market.
- Firms sometimes have different criteria for offering vocational rehabilitation. This means that data is not completely comparable between firms, and not perfectly comparable with other return-to-work rates.
- There are instances where the data is imperfect due to different internal data processes and changes in data collection over time. This will have a marginal impact on some analysis, where the sample size will be smaller and we will highlight this when required.
- Data doesn't account for the severity of illnesses.
- The data does not capture multi-morbidity. Conditions captured are the recorded 'main condition'. However, often individuals suffer with co-morbidity. Particularly older patients and those undergoing treatment for cancer.
- In some cases the stayed-in-work metric was inconsistent with other dates collected, most likely due to recording errors.

## Methodology

The data collected focuses on rehab services provided through an insurer.

The data includes cases in which rehab support ceased due an outcome or closed claim between 1st January 2019 to 31st December 2021.

The variables in the scope of this collection are:

**Outcomes:** Return-to-Work (RTW), Stayed-in-Work (SIW) and Non-RTW.

### Key dates in the patient's journey:

- Date of notification to VR team
- VR intervention commencement date
- Initial date of absence
- Date of the outcome
- Date of closed case

**Conditions that were the main reason for rehabilitation:** Cancer, Cardiovascular, Covid-19, Mental Health, Musculoskeletal, Neurological or Other.

**Age groups:** 16-24, 25-34, 35-49, 50-64 and 65+ years old.

**Policyholder Organisation Size:** Individual, SME (1 to 249 employees) and Large (250+ employees).

# Definitions

<b>Agreed Outcome</b>	Was the recorded outcome agreed between the rehab provider and patient? An agreed outcome includes: <ul style="list-style-type: none"> <li>The individual leaving employment, where this was agreed as a desirable outcome between the rehab provider and individual. For example, where the individual was not medically able to return to work.</li> </ul>
<b>Date of the outcome</b>	The date from which the stated outcome was recorded.
<b>Was date of the outcome within the deferred period</b>	Please answer either Yes or No, or leave cell blank if unknown.
<b>Date of closed case</b>	The date that the rehab team ceased to provide vocational rehabilitation services to the individual. This can include: <ul style="list-style-type: none"> <li>Date of rehab intervention ceasing</li> <li>Date of the insurer closing the claim</li> </ul>
<b>Patient age cohort</b>	Includes the following age brackets: <ul style="list-style-type: none"> <li>16-24</li> <li>25-34</li> <li>35-49</li> <li>50-64</li> <li>64+</li> </ul>
<b>Policyholder organisation size</b>	The organisation size of the patient's employer, measured by number of employees. Includes: <ol style="list-style-type: none"> <li>SME - for policyholder organisations with 1-249 employees</li> <li>Large - for policyholder organisations with 250+ employees</li> <li>Individual - for cases of VR provided through Individual Income Protection where the organisation size is not known</li> </ol>

<b>VR closed case</b>	The rehab team ceases to provide vocational rehabilitation services to the individual. Closed cases include: <ul style="list-style-type: none"> <li>Rehab intervention ceasing</li> <li>The insurer closing the claim</li> </ul>
<b>Date of notification to VR team</b>	The date that the rehab team received notification of the claim from the policyholder. Note that we treat notification date and 'referral' date as the same. The terms are used interchangeably in this document.
<b>Cause of notification to VR team</b>	The type of condition that was the reason for the individual to be provided VR services. Please only use the following classifications. <ul style="list-style-type: none"> <li>Mental Health</li> <li>MSK</li> <li>Cancer</li> <li>Cardiovascular</li> <li>Covid-19</li> <li>Neurological</li> <li>Other</li> </ul>
<b>VR intervention commencement date</b>	The date that the vocational rehabilitation intervention started.
<b>Initial date of absence</b>	The date from which the specified individual was first absent from work.
<b>Outcome</b>	The outcome. Please choose from the following three options: <ul style="list-style-type: none"> <li>'RTW'- 'Return To Work'. The employee returns to work after absence. This includes returning to work on a part-time basis.</li> <li>'SIW'- 'Stayed In Work'. The employee does not fall out of work. This includes staying in work on a part-time basis.</li> <li>'Non-RTW' - 'Non-Return To Work'. The individual does not return to work. This includes leaving the business or death during VR support. This does not include reducing hours to part time.</li> </ul>

# Participating companies

- Aviva
- Canada Life
- MetLife Europe d.o.c.
- Unum Limited
- Zurich Assurance Ltd

## Get in touch



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Together, we are securing futures