

Healthcare Deposit Account

Private medical insurance with a fresh difference



| An introduction

About us

As a friendly society and a mutual, we use our profits to benefit our members

National Friendly is a healthcare provider with over 140 years of experience. We were formed way back in 1868, long before there was a National Health Service. In fact, we were asked by the government to help run state healthcare from 1912, and then later in 1948 help set up the NHS as we know it today.

As a friendly society, we do not have any shareholders. Instead we use our profits to benefit our customers, who are our members. By working solely for our members, we can focus on providing only the best services possible.

Which is why, when you open a Healthcare Deposit Account, you enjoy all the advantages membership brings.

National Friendly is an award winning private medical insurance provider

At the Health Insurance Awards 2009, National Friendly scooped the much coveted Best Individual PMI Provider.

The award was voted for by the readers of Health Insurance magazine, and was independently overseen by Deloitte.



This brochure is an overview of our Healthcare Deposit Account. If you'd like more information, please read the 'Your policy explained' document.



Why do I need private medical insurance?

Getting quick and easy access to the right health cover when you need it is essential. While the NHS aims to treat everyone as quickly as they can, sometimes they are so overstretched that this isn't always possible. That's where private medical insurance can help.

Private medical insurance can provide peace of mind along with freedom of choice when it comes to both your health and the health of your family. For an agreed monthly payment you get quick access to a wide range of treatments at clean, private hospitals, anywhere in the country.

4 reasons for choosing private medical insurance

When you consider the benefits of private medical insurance against the reality of state healthcare, private medical insurance really does start to make sense.

1 Treatment in comfort

In a survey conducted in August 2009, patients gave the risk of infection, and hospital cleanliness as their biggest concern about NHS treatment. Cases of MRSA and C.Difficile in private hospitals are extremely low.¹

2 Access to treatment quickly

The government has stated that no one should have to wait more than 18 weeks from referral to treatment on the NHS². However, feeling unwell or being in pain for 18 weeks can be too long to bear for many. Private medical insurance gives you access to treatment promptly after diagnosis, eliminating the anxiety of waiting for medical care.

3 Private facilities

When you choose to have your treatment in a private hospital, you can enjoy the privacy of your own en-suite room.

4 Choice about where you are treated

As a private patient, you'll have more choice about where you want to be treated, who treats you and when you want the treatment to take place.

¹http://www.hi-mag.com/healthinsurance/article.do?articleid=20000164181&adname=his_search&term=mrsa

²http://www.dh.gov.uk/en/News/Recentstories/DH_109880

What makes the Healthcare Deposit Account unique

Traditionally, private medical insurance has been considered by some as expensive and restrictive when it comes to claims, and even wasteful with some people being covered for an amount far greater than they need.

That's why the Healthcare Deposit Account has been created. It provides fast and comprehensive healthcare when you need it most, but in a very different way. Unlike other policies, your premiums won't increase each year and you'll build a cash fund which you'll use towards each claim. The way the plan is set up keeps your premiums to a minimum, making this cover very affordable.

Problems with traditional cover	The benefits of the Healthcare Deposit Account
<p>Yearly premium increases Each year your premiums are reviewed based on your current age and health, so they're likely to increase.</p>	<p>Fix your premiums for 5 years The premiums you choose will be fixed for 5 years, no question. At the end of every 5 years of the plan we will review your monthly premium.</p>
<p>Reduced premiums may mean reduced cover Reducing the cost of premiums usually means limiting the number of benefits you can claim for.</p>	<p>Comprehensive cover No matter which premium you choose your cover is fully comprehensive and includes consultations, surgery, recognised alternative therapies, cancer and heart treatment.</p>
<p>Annual renewals If your health has deteriorated, it's possible that you will find your current cover difficult to renew for the following year.</p>	<p>Cover for as long as you want it Your Healthcare Deposit Account continues for as long as you want, we'll simply write to you every 5 years to confirm your premium and whether you want to stay with us.</p>
<p>Excess to pay when you claim You suddenly need cash to fund towards your claim.</p>	<p>You simply pay your share and no more This is a simple deduction from the balance you have built with us.</p>
<p>Limited choice of treatment location You may have to use treatment providers that have already been designated.</p>	<p>Choose where you have your treatment You have an unrestricted choice of UK¹ private hospitals and treatment locations, as well as the option to use the NHS.</p> <p><small>¹For the purposes of our plan this means England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.</small></p>
<p>More cover than you need Some minimum levels of annual cover are sometimes unnecessarily high, which may increase premiums.</p>	<p>You select your level of cover and premium The minimum premium you are entitled to is based on your joining age, but you're free to take cover up to £100,000.</p>

Problems with traditional cover (continued)	The benefits of the Healthcare Deposit Account (continued)
<p>No claims discount They always sound good, but if you claim even a small amount you lose your no claims discount and premiums can increase substantially.</p>	<p>Your health is important Your health is too important so we never discourage you from claiming.</p>
<p>Limits on certain claims You may only be covered up to a certain amount each year for some conditions/treatments.</p>	<p>No limits for separate procedures All claims can be made from your annual allowance.</p>
<p>Compromise on how quickly you can get cover Some less expensive policies only allow you to go private if you have to wait a certain number of weeks for NHS treatment.</p>	<p>You'll be seen straight away With the Healthcare Deposit Account you have the flexibility to go private or to opt for NHS treatment, whichever you prefer. To help you decide, our claims process is managed by doctors and nurses who'll give you professional medical guidance.</p>

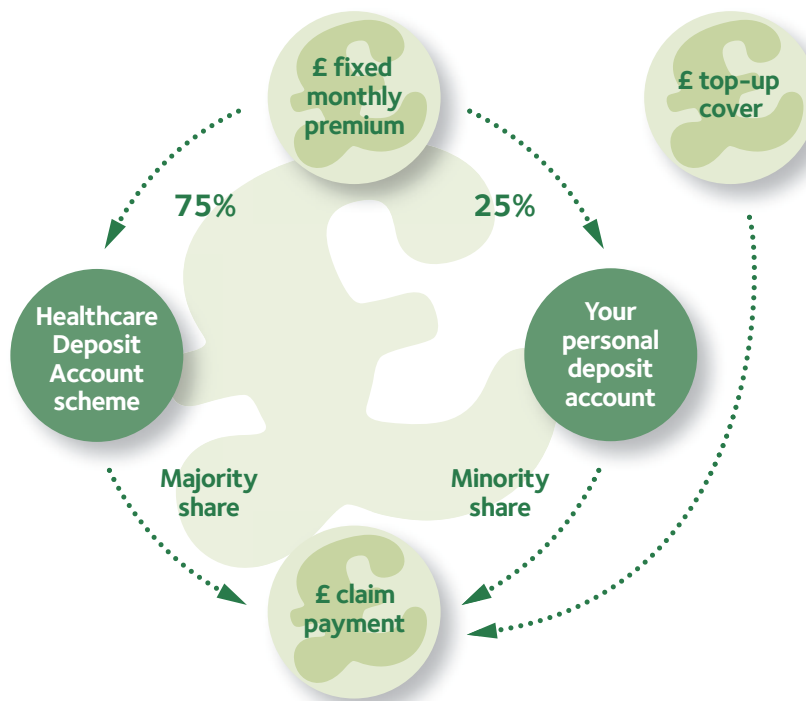
Plus extra benefits

- Your individual premium is based on your choice – you don't have to choose the same cover as everyone else.
- Cash back for NHS stays. If you decide to have treatment in an NHS hospital you can claim cash back for up to 10 covered day cases or overnight stays.



How our plan works

- Choose a monthly premium based on your age and individual needs. (Premiums are detailed on page 8).
- 75% of your monthly premium goes into running the scheme and the other 25% goes into your own personal deposit account.
- If you need to make a claim, a percentage of the cost (this is detailed on page 10) comes from your personal deposit account, while the majority of the payment comes from the scheme.



Top up cover

- The more money you have in your personal deposit account, the more of your chosen level of cover you'll be able to claim.
- If you need to make a significant claim at the start of your policy, it's possible that you won't have enough money in your personal deposit account to pay your share of the claim. To cover you for this, we provide built in top-up cover to give you easy access to extra medical cover.

Boosting your balance

- You can make additional deposits at any time for use towards claims you may need to make in the future. None of these additional deposits go towards the cost of running the scheme; they all go into your personal deposit account.

What we cover - a summary

With the Healthcare Deposit Account you can feel reassured that the competitive monthly premiums you'll pay will provide the comprehensive cover you'd expect.

This is a brief summary of what we do and don't cover. For full details please read pages 12-14 in the 'Your policy explained' document.

Included	Excluded
Annual cover	Annual cover
✓ Hospital charges	✗ Conditions specifically excluded on your policy schedule based on health problems disclosed on joining, or, pre-existing conditions which fall within the two year exclusion period for moratorium underwriting
✓ Consultant fees	✗ Costs in relation to childbirth or fertility treatment
✓ Radiotherapy and chemotherapy	✗ Cosmetic treatments
✓ Cancer treatment	✗ GP charges
✓ Heart surgery	✗ HIV or AIDS related conditions
✓ Other surgery (including minor and oral)	✗ Long-term conditions
✓ Psychiatric treatment (acute)	✗ Out-patient drugs and dressings
✓ Specialist consultations	✗ Overseas treatment
✓ MRI, CT PET scans	✗ Dental and optical treatments other than for conditions which require surgical intervention
✓ Other diagnostic tests e.g. blood tests	
✓ Physiotherapy	
✓ Chiropody/podiatry	
✓ Chiropractic/osteopathic	
✓ Alternative therapies e.g. homeopathy, acupuncture	
✓ Nursing at home	
✓ Private ambulance	
NHS hospital payments	
✓ £150 for an adult	
✓ £50 for a child	



Choosing the right level of cover for you

What our cover costs

The Healthcare Deposit Account gives you the freedom to decide how much cover you need for the fixed monthly premium you can afford.

You simply look up your age, choose how much cover you require and this tells you how much your monthly premium will be. Your premiums are fixed for 5 years so you won't be affected by annual premium rises associated with most private medical insurers.

Your premium							Your cover			
5 year fixed monthly premium based on your joining age							10 year top-up premium	Annual cover	10 year top-up cover	NHS payments
Age	0-17	18-29	30-49	50-60	61-64	65-70				
£10	✓	X	X	X	X	X	Either £10, £15 or £20 each month	£5,000	Either £30,000, £45,000 or £60,000	£50 for a child, £150 for an adult. Maximum 10 cash back payments.
£20	✓	X	X	X	X	X		£10,000		
£30	✓	✓	X	X	X	X		£15,000		
£40	✓	✓	✓	X	X	X		£20,000		
£50	✓	✓	✓	✓	X	X		£25,000		
£60	✓	✓	✓	✓	✓	X		£30,000		
£70	✓	✓	✓	✓	✓	✓		£35,000		
£80	✓	✓	✓	✓	✓	✓		£40,000		
£90	✓	✓	✓	✓	✓	✓		£45,000		
£100	✓	✓	✓	✓	✓	✓		£50,000		
£120	✓	✓	✓	✓	✓	✓		£60,000		
£140	✓	✓	✓	✓	✓	✓		£70,000		
£150	✓	✓	✓	✓	✓	✓		£75,000		
£200	✓	✓	✓	✓	✓	✓		£100,000		

Premiums are also available at £10 increments from £100 to £200. Listed premiums inclusive of Insurance Premium Tax at 5%.

- You need to choose how much top-up cover you'd like. You have the choice of either:
 - £10 a month which gives you an extra £30,000 over 10 years
 - £15 a month which gives you an extra £45,000 or
 - £20 a month which gives you £60,000.
- Your personal deposit account balance will be used towards the claim, before the top-up is used. Your top-up cover will reduce each time you use it.
- The top-up covers all claims, NHS cash back payments made by us are not subject to own share and don't come from the top-up.

Please note, that in our experience, females tend to claim more than males. You may wish to bear this in mind when choosing your level of cover.

5 year review

Every 5 years we review the claims experience of people who have held similar policies to you and adjust premiums to reflect any required increase. These premiums will then be used for all policy holders, old and new.

- We will never refuse to cover you after the 5 year review, this policy is designed for life.
- Top-up is designed to last for 10 years, but we'll also conduct a top-up premium review after 5 years at which point you can assess how much cover you have left and decide how best to continue. After 10 years, we will offer you the chance to extend your top-up cover for a further 10 years, but the premium and level of cover applicable at that date may be different from those currently available. For full details please read page 7 in the 'Your policy explained' document.

Do you need to switch from your current provider?

If the answer is yes, you don't need to worry about waiting for your next renewal date – you can easily switch to the Healthcare Deposit Account at any time, you just need to be able to answer 'no' to 4 simple questions and send us your certificate of insurance from your current provider. If you're switching from a joint or family policy you'll each be given an individual policy with individual personal deposit accounts and top-up cover.

How much cover do you need

If you've never had cover before or never needed to make a claim, it can be difficult to know how much cover you might need. By looking at the examples below you can see just how much typical treatments can cost when you go private. Costs do vary between hospitals and can depend on the complexity of the treatment. These figures can be used as a general guide¹, they reflect typical prices for patients paying their own bills, prices for insurers will be higher.

Treatment	From	To
Breast lump removal	£1,530	£2,500
Coronary angioplasty	£8,800	£14,175
Hernia surgery	£1,650	£3,800
Hip replacement	£8,200	£10,300
Knee arthroscopy	£1,650	£3,150
Prostate surgery	£4,050	£5,100
Varicose vein treatment (one leg)	£1,650	£2,300
Cataract removal	£1,700	£3,250
Hysterectomy	£5,000	£6,700
Carpal tunnel release	£900	£2,100
Colonoscopy (bowel examination)	£1,100	£1,650
Knee replacement	£9,300	£14,600

¹<http://www.spirehealthcare.com/Patient-Information/Paying-for-treatment/Guide-prices-for-Spire-treatments/> correct as at December 2009.

Making a claim

When it comes to claiming for treatment you want to know you are in safe hands. Should you need to make a claim, you will speak directly to a member of our specialist medical claims team who can guide you through the process step by step.

Our team includes qualified doctors and nurses so you know the advice you are receiving is coming from the professionals.

We aim to make the claims process as quick and easy as possible whilst ensuring that you receive the best advice and your individual circumstances are taken into account.

One of the key attractions of the Healthcare Deposit Account is that you remain in control of your cover. If, for instance, you wanted to make an appointment with a specialist consultant through your Healthcare Deposit Account but chose to receive the ongoing treatment from the NHS you could.

Our team will be able to advise and guide you along the best route possible based on your needs and the level of cover you have.

Working out how much you can claim

The amount you can claim is based on:

- How much cover you have chosen.
- How much money you have in your personal deposit account.
- Your share of each claim.
- How much top-up cover you have.

Please note: If you have already been paid, or you're due to be paid in full by another insurer, we will not pay for the same claim.

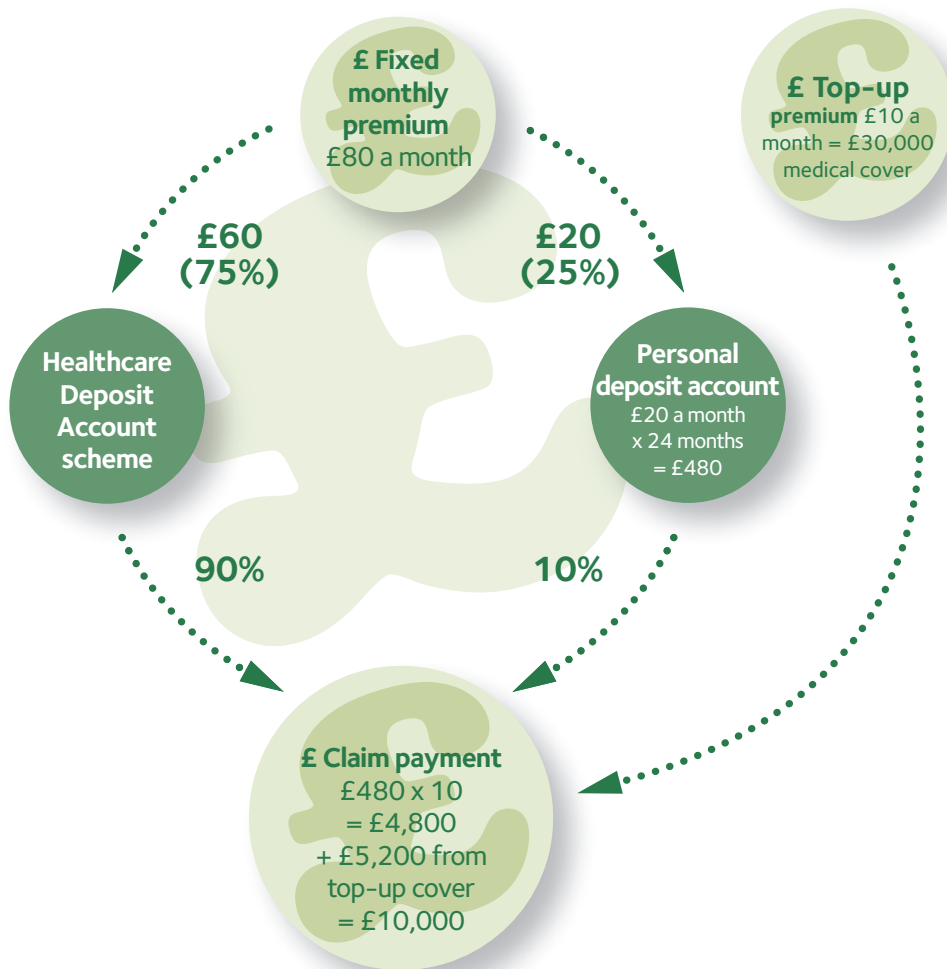
NHS claims are paid entirely by National Friendly. No money is taken from your personal deposit account.

Your age	How much can you claim?	How much does your personal deposit account pay?
Under 65	10 x your personal deposit account (+ top-up cover)	10% of each claim
65 or over	4 x your personal deposit account (+ top-up cover)	25% of each claim

The percentage you pay towards each claim is not fixed forever and we reserve the right to change them. However, we will only change them in exceptional circumstances, for example if claims across the scheme turn out to be significantly higher than expected. And we will never change this figure as a result of an individual making a large number of claims.

A claim in action

- Miss Lane is 55 years old
- She pays £80 a month and £10 top-up premium
- She's been a policy holder for 2 years and has made no claims
- She has her full £30,000 top-up available
- She needs to make a claim for £10,000



Miss Lane's bill is paid in full and her £30,000 top-up is reduced by £5,200 to £24,800.

Next steps


If you'd like to go ahead and take out our comprehensive cover, first please read 'Your policy explained' which includes the policy summary and then simply:

- Select your monthly premium and top-up premium based on how much cover you need
- Complete the application form that best meets your needs and return it to us in the pre-paid envelope provided
- If you have any questions please speak to your healthcare adviser

If you have any questions, please:

 **Call 0800 195 9245**
(8am-6pm weekdays)

 **Email enquiries@nationalfriendly.co.uk**

 **Speak to your healthcare adviser**



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