

# Group Healthcare Deposit Account

Making a difference to your future



| Employer

# Introducing the Group Healthcare Deposit Account

**The ideal way to keep your staff healthy and happy  
A PMI plan which benefits your staff if they claim and you if they don't**

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Today's employees can expect more than just a salary to reward their efforts; they also look for an employer who cares for their wellbeing.

The Group Healthcare Deposit Account from National Friendly doesn't just benefit your employees. It also gives you, the employer, the opportunity to get money back.

The Group Healthcare Deposit Account is a healthcare policy which benefits employees and employers, and is available to groups with a minimum of 3 members.



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**7 key benefits you and your employees can look forward to include:**

- 1** This plan gives you, the employer, the opportunity to get money back
- 2** You can add dependants of employees if you want to.
- 3** Fixed monthly premiums for 5 years at a time.
- 4** Extra medical cover, especially useful if your employees need to make a claim early on.
- 5** No need to renew the policy each year.
- 6** A range of dental and optical cover, including laser eye treatment.
- 7** An unrestricted choice of private and treatment locations, as well as the option to use the NHS.

**Don't forget**

This brochure gives an overview of the Group Healthcare Deposit Account. It highlights the main points of the plan and covers its many benefits for you and your employees.

If you'd like more detailed information, please read the 'Your policy explained' document before you apply.

# How the plan works

## Make life easier with premiums fixed for 5 years

Premiums are fixed for periods of 5 years at a time and then they will be reviewed. The review will look at the claims experience of your group, and of the healthcare policy as a whole over the preceding 5 years. Only if claims or other costs across the scheme are higher than were anticipated when priced, or if medical advances specifically merit a change, will we increase your premium at a 5 year review.

As an employer, you pay for your employees' policy, selecting their premium and top-up at a level which you feel will provide sufficient cover. The premium is split into two parts, 75% going to the cost of running the scheme and paying the majority share of each claim. The other 25% goes into the employees' Personal Deposit Account, where it is used to pay 10% of any claim the employee makes.\* Any money left in the account when the employee leaves the scheme will be returned to you.

## 3 steps to show the account in action

### STEP 1 - Setting up the account

You choose which type of account and how much cover your employees have

#### Choosing your employees' account type

- Individual
- Couple - 2 x employee rate
- Individual + children - 1.5 x employee rate
- Couple + children - 2.5 x employee rate

#### Your employees' level of cover

- £15,000 - £100,000 medical cover annually
- £450 - £3,000 dental and optical cover
- £300 - £2,000 for NHS overnight stays

#### Your monthly premium

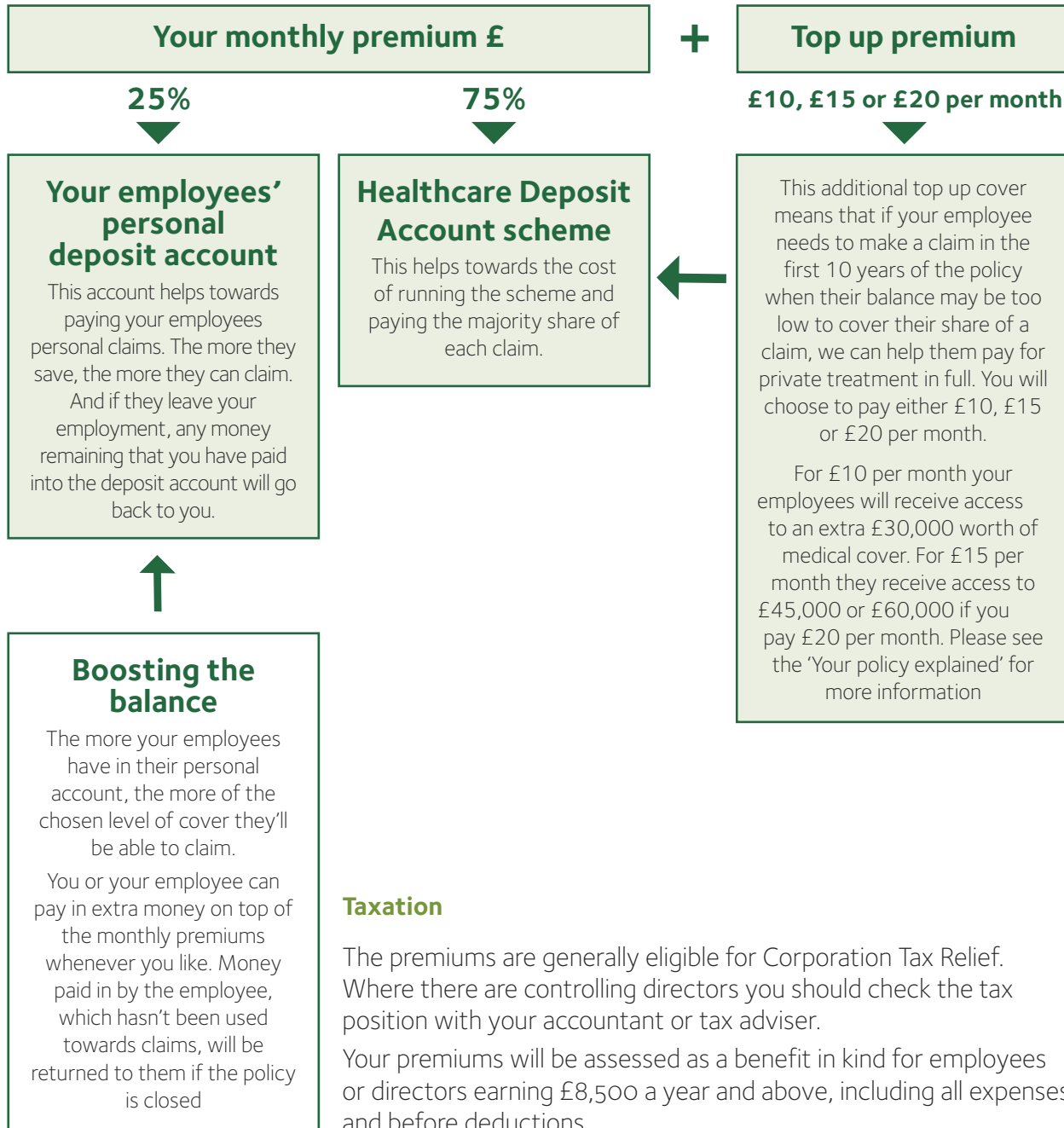
##### Depends on:

- Your employees' age when the plan starts
- The level of cover you want
- Compulsory top-up of £10, £15 or £20 a month buys extra cover of £30,000, £45,000 or £60,000 respectively. See 'Your policy explained' for more information.

\* own share percentage is subject to review and can change in the future

## STEP 2 - Paying into your employees' account

Your monthly premium is in two parts. On top of your monthly premium you pay either £10, £15 or £20 a month top-up premium.



### STEP 3 – Making a claim

Your employees' personal accounts will pay a set percentage of the cost and we'll pay the rest.

**Healthcare Deposit Account  
scheme pays 90% of each  
claim payment**

**Your employees' personal  
deposit accounts pays 10%  
of each claim payment**

#### Your employees' claim payment depends on:

- How much cover you have chosen for them.
- The top-up cover available.
- How much money your employees have in their personal deposit account.
- Your employees' share of each claim from their personal deposit account.

#### Working out how much your employees' can claim

Simply multiply the personal deposit account balance by ten.

##### For example:

Ms Potter is aged 46 and has a balance of £200 in her personal deposit account and her share is 10%

$$\text{£}200 \times 10 = \text{£}2,000$$

The maximum you can claim depends on the maximum amount of cover you have chosen for your employees plus whichever top-up cover you have chosen.

Please see page 28 of the 'Your policy explained' document.

# The cost of treatment

This table gives you an idea of how much private medical treatment can cost.

Treatment	Cost	
	From	To
Breast lump removal	£1,530	£2,500
Coronary angioplasty	£8,800	£14,175
Hernia surgery	£1,650	£3,800
Haemorrhoids removal	£1,575	£3,075
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
Cruciate ligament repair	£3,675	£6,400
Hysterectomy	£5,000	£6,700
Carpal tunnel release	£900	£2,100
Colonoscopy (bowel examination)	£1,100	£1,650
Knee replacement	£9,300	£14,600

The costs shown reflect typical prices for patients paying their own bills. Prices for insurers will be higher but you should get an idea of costs involved.

<sup>1</sup> [www.spirehealthcare.com/Patient-Information/Paying-for-treatment/Guide-prices-for-Spire-treatments/](http://www.spirehealthcare.com/Patient-Information/Paying-for-treatment/Guide-prices-for-Spire-treatments/)

If you've never had private medical treatment before, it's difficult to know how much a treatment can cost. So you may question how much cover your employees will need? However, looking at the figures above you

can see just how much the cost of treatment is. Prices do vary between hospitals and will depend on the complexity of the treatment, but this gives you a general guide<sup>1</sup>.

# Choose your employees' level of cover

**This determines how much cover they get, as shown in the table below**

Start by deciding on the level of cover you think your employees will need. Then select a suitable monthly premium.

Employees/dependants must be UK residents- and under 70 when they join the scheme. Once they reach 70, or leave the company they can contact us or a suitable healthcare intermediary and we'll arrange individual cover for them if they require it.

## Your payments

Your monthly premiums are paid by Direct Debit. The level of premium depends on your employees' age when they join and the level of healthcare cover you want. We do ask that you let us know when staff join or leave, so we can adjust your Direct Debit accordingly.

Employee's age	Minimum payments
under 40	£30 a month + £10 top-up
40-49	£40 a month + £10 top-up
50-59	£50 a month + £10 top-up
60-64	£60 a month + £10 top-up
65-69	£80 a month + £10 top-up

The above are minimum premiums only – you can choose higher premiums and cover if you wish.

The maximum premium for all age ranges for an employee is currently £200 a month. Please choose the level of cover that suits your company's needs from the table opposite.

## Family multiples

Employees' dependants can be added at the following multiples of the employees' premium selected. **Couple** 2 x employees' rate, **Single parent** 1.5 x employees' rate, **Family** 2.5 x employees' rate.

Premium you pay		Maximum level of cover you get			
Your monthly premium	10 year top-up premium	Annual medical cover	10 year top-up cover	Annual dental & optical cover	NHS hospital stay payments per night
£30	<b>Either: £10, £15 or £20pm</b>	£15,000	<b>Either: £30,000, £45,000 or £60,000</b>	£450	£30
£40		£20,000		£600	£40
£45		£22,500		£675	£45
£50		£25,000		£750	£50
£60		£30,000		£900	£60
£70		£35,000		£1,050	£70
£75		£37,500		£1,125	£75
£80		£40,000		£1,200	£80
£90		£45,000		£1,350	£90
£100		£50,000		£1,500	£100
£105		£52,500		£1,575	£105
£120		£60,000		£1,800	£120
£125		£62,500		£1,875	£125
£140		£70,000		£2,100	£140
£150		£75,000		£2,250	£150
£175		£87,500		£2,625	£175
£200		£100,000		£3,000	£200

All limits are per plan and not per family member. Listed premiums are inclusive of Insurance Premium Tax at 5%.

**Please note:**

- The maximum employee premium for all accounts at whatever age you join is £200 a month.
- These are the maximum levels of cover available a year. But the amount employees claim depends on their personal account balance.
- Employees\* can only make one optical claim every other year.
- Employees\* can only claim a maximum of ten NHS hospital overnight stays each year.
- Both your fixed monthly premium and your top-up premium will be reviewed every 5 years
- As employees\* deposit balances take time to build up, you pay an additional top-up premium of £10 a month to cover medical claims totalling £30,000 in the first ten years on top of the annual allowance. Top-up does not cover NHS payments or dental & optical claims.
- If you want higher cover of £45,000 per employee during this period, you can pay a top-up premium of £15 a month. For the highest cover of £60,000 per employee you can pay a top-up premium of £20 a month.

\* or their dependants

# Employees' health cover

## What's covered and what's not

This scheme covers the cost of private medical treatment for conditions developed after joining.

Here is a summary of what is and isn't included.

Please see pages 19-22 in the 'Your policy explained' document for full details.

Inpatient Care	Maximum Annual Level of Cover
Surgical operations	Claims paid in full*
Cancer treatment	Claims paid in full*
Heart surgery	Claims paid in full*
Outpatient Care	Maximum Annual Level of Cover
Consultations	Claims paid in full*
Physiotherapy	Claims paid in full*
Diagnostic investigations	Claims paid in full*
Chiropody	Claims paid in full*
Acupuncture	Claims paid in full*
Homeopathy	Claims paid in full*
Counselling	Claims paid in full*
Dental Cover	Maximum Annual Level of Cover
Bridges	Claims paid in full*
Crowns	Claims paid in full*
Dentures	Claims paid in full*
Fillings	Claims paid in full*
Optical Cover	Maximum Annual Level of Cover
New contact lenses	Claims paid in full*
New glasses	Claims paid in full*
Repairs	Claims paid in full*
Laser eye treatment	Claims paid in full*
Eye tests	Claims paid in full*
Prescription sunglasses	Claims paid in full*

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Other Benefits	Maximum Annual Level of Cover
Health screening	£350 stand-alone benefits which can be claimed once every 3 years
NHS hospital payments	Up to 10 overnight stays per annum. Each payment equal to monthly premium
Ambulance fees	Claims paid in full*

\*Up to your claim benefit level, assuming sufficient deposit and/or top-up cover is available.

What we don't cover	
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	Laser eye treatment in the first twenty-four months of the policy
Dental & optical claims in the first six months of the policy	Health screening in the first six months
Dental check-ups	GP charges
Cosmetic treatments	HIV or AIDS related conditions
Long-term or chronic conditions	Overseas treatment
Pregnancy or fertility-related treatments	Surgical or medical appliances

# Choosing the right application

## How your choice of application affects their cover

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You can choose from four types of application. Each offers a different way of dealing with any past and current health problems your employees\* may have when they join. These are called pre-existing conditions. We also deal with new health problems caused by pre-existing conditions in the same way.

There are some medical problems that will always be excluded no matter which option you choose. As a mutual, we believe in being fair to our members and so make sure that fair risks are introduced into the scheme.

### Option 1

#### The shorter application for Moratorium

This is the easiest and most common way of applying for private medical insurance. Perfect for people who are generally well and have no pre-existing conditions. Employees don't have to give any medical history details, but if they've had any signs, or experienced any symptoms in the last five years, the conditions they relate to will not be covered for at least the first two years of your employees' policy. If they have no more symptoms in these first two years, they will then be covered for the pre-existing condition from the third year onwards. If they do have more symptoms, then the two-year symptom-free period will start again from the date of their last consultation, treatment or symptom.

### Option 2

#### Continued Personal Medical Exclusions (Company sign-off)

For groups comprising 5-50 employees. If your employees were covered by another private medical insurer, we will not cover any conditions excluded by that insurer. A few simple questions will be asked on the group application form to ensure that no serious treatment is pending for any of your employees. A Company Secretary or member of HR can sign the form on behalf of the group

### Option 3

#### Continued Personal Medical Exclusions (Individual)

If your employees were covered by another Private Medical Insurer we will not cover any conditions excluded by that insurer. We'll also ask questions of each employee to ensure that no serious treatment is pending. Rest assured, we'll let your employees know if there is any condition we won't cover when they join.

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\*and any covered dependants.

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#### **Option 4** **The longer application using Full Medical Underwriting**

Here, your employees tell us their full medical history when they join. This means that they will know right from the start if they are covered for any pre-existing conditions. If we're not able to cover any, either for a fixed period or indefinitely, we will list it on their personal policy schedule.



#### **Here's an example**

A member of staff called Mr Berry has had a painful knee joint on and off. You are about to offer him a Group Healthcare Deposit Account.

#### **If you choose the shorter application for Moratorium cover**

Mr Berry doesn't need to mention his knee problem on his application form. If he claims later for treatment for his knee, we'll ask his doctor for the date when the problem started. If it was within the five years prior to starting his Group Healthcare Deposit Account, then the knee condition won't be covered during the first two years of Mr Berry joining. If the problem returns during this time, there'll need to be another two year period when Mr Berry has no problems with his knee before it can be covered.

#### **If you choose CPME (options 2 and 3)**

If Mr Berry has an appointment booked for treatment on his condition, we may decide to exclude it. If claims for his knee were excluded by his existing insurer, we also would not cover it. If neither of the above applies, we'll cover all treatments.

#### **If you choose the longer application using Full Medical Underwriting**

Mr Berry includes the problem with his knee on his application form. We consider how severe the condition is, and may get expert advice. If we can we will include it in his cover. But if it seems like a problem that is likely to return, we may have to tell Mr Berry that we can't cover any related knee joint problems. At least until enough time has passed for us to be sure that his knee problem is very unlikely to come back.

# Your questions answered

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## How much will I pay?

That's up to you. Our premium tables are linked to different levels of cover. There are minimum premiums for different age bands, so your workforce will in part determine your total premium.

You will pay an additional £10 a month for all employees for the first 10 years. This provides an extra £30,000 of medical cover while your employees build up their deposit balance. If you want higher additional cover, £45,000 or £60,000 per employee, you will pay £15 or £20 a month instead of £10.

## How do I pay?

By Direct Debit on the 1st of each month. We ask you to keep us informed of staff turnover so we know which staff members are on or off cover.

## Will premiums go up?

All premiums will be reviewed every 5 years and could go up as a result. If you want, you can increase your premium to increase your employees' level of cover. Premiums may be increased by one level each year without the need for further underwriting. You can also pay extra into your employees' deposit accounts – it's up to you.

## What will my employees receive?

They'll get a literature pack and a policy schedule. It's important they understand how the policy works, how claims are made and how they can manage their personal deposit account. We'll help you keep them informed and will send them updates on their account.

## Who is covered?

Your staff. You can include dependants at extra cost.

## What about tax?

The benefits of this plan are not taxable. However, as you're paying for this on behalf of your staff, they may have to pay tax as a benefit in kind. Please see the section on taxation on page 5.

## How will claims work?

Medical benefit claims start with a trip to the GP. Once the GP knows an employee\* has PMI cover, they will recommend, either from the private sector or within the NHS, a consultant or treatment provider. Then the employee\* should call us to get treatment pre-authorised. The process for each type of claim is listed in the 'Your policy explained' document.

\*or any covered dependants.

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### **How do benefits run?**

The annual limits run on a policy year

### **What happens when employees reach 70?**

To continue to receive cover, employees must take out an individual plan with us, which will be at the same premium level. The proportion of each claim paid from an account under an individual plan will increase. Any sum remaining of the money you have paid into the employees' deposit account will be returned to you. Any sum remaining that has been paid in by the employee will be returned to them

### **How do we pay for treatment?**

Whenever possible, we pay for treatment direct after establishing agreement with the provider. This is true for everything except dental and optical claims. Here the employees pay the bill and then we reimburse them. We do this with BACS transfers straight into their account as these are faster than a cheque.

# Here's a summary

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## What we do for you as an employer

- We provide you with a comprehensive PMI plan which gives employees private medical treatment when they need it. This includes common costs such as dental and optical benefits.
- By providing prompt treatment, we help reduce absenteeism and promote better health, leading to greater productivity.
- We offer a counselling helpline so staff have someone to talk to if they are affected by stress.
- Monthly premiums and top-up premiums are fixed for 5 years at a time, so you can budget effectively.
- If an employee leaves the scheme, any unused deposit balance goes to you, less any money the employee has paid in.
- Staff have a degree of ownership.
- By taking out a Group Healthcare Deposit Account, you are showing responsible care.

## What we do for your employees

- We provide outstanding private medical care.
- We give peace of mind.
- They can be involved, not only in their plan, but also as a member of National Friendly.
- We keep them informed and offer a personal service.

# We're here to help

## Rest assured you'll always be in safe hands

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Even though private healthcare is more expensive than ever, the Group Healthcare Deposit Account gives you peace of mind that as long as your employees' personal deposit account meets 10% of the cost of a claim, we'll always pay the other 90%, subject to their annual limit\*.

Our experienced customer support team are always happy to help with any aspect of the account. And if one of your employees needs to claim, we'll be on hand every step of the way. From filling in paperwork to finding a suitable surgeon or specialist, we'll give them the help they need, whenever they need it.

### Next steps

Thank you for taking the time to read this booklet. If you're interested in taking out a Group Healthcare Deposit Account:

- Please read the 'Your policy explained' document for full details.
- Select a monthly premium based on the level of cover you want your employees to have.
- Decide which form of underwriting is best for you and complete the direct debit.

\*own share percentages may be subject to review and can change in the future

# A friend you can trust

**As a Friendly Society and a mutual,  
we use our profits to benefit our members**

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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, as someone with a Group Healthcare Deposit Account, we're pleased to welcome you as one of our members, with all the advantages this brings.

## Other products available

### Savings & Investments

- Tax-Free Savings Plan
- Investment ISA
- With-Profits Bond

### Health & Life Cover

- 50+ Life Plan

**If you have any questions call us on**

# 0800 195 9245

(8am–6pm weekdays, calls are recorded for quality purposes)

**E-mail** [enquiries@nationalfriendly.co.uk](mailto:enquiries@nationalfriendly.co.uk)

Or alternatively contact your healthcare intermediary

**[www.nationalfriendly.co.uk](http://www.nationalfriendly.co.uk)**

## NOTES

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**For extra information on this product or to request  
a copy in Braille, large print or audio please call us on:**

**0800 195 9245**

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