

## Private Medical Insurance

### Target Market Statement – Freedom Essentials (for broker use only)

This statement has been prepared by Freedom Healthnet Ltd to provide an overview of our Freedom Essentials product. It is intended to help brokers understand the identified target market for this product. Further details of all our products can be found on our website at [freedomhealthinsurance.co.uk](https://freedomhealthinsurance.co.uk).

Product name	Freedom Essentials
<b>What is Freedom Essentials?</b>	<p>Freedom Essentials is designed as a cost-conscious, retail private medical insurance product. It is designed to provide a good basic level of core cover which gives fast access to inpatient and daypatient treatment with the option to add cover for outpatient treatment along with some useful cash plan benefits.</p> <p>Unlike other more traditional private medical insurance products, it provides a fixed cash benefit towards the cost of inpatient and daypatient treatment which is paid to the consumer so they can arrange treatment directly with a hospital of their choice, either in the UK or overseas, under a self-pay contract.</p> <p>Examples of the benefit amounts we pay can be found on our website at <a href="https://freedomhealthinsurance.co.uk/essentials/procedure-payment-guide">freedomhealthinsurance.co.uk/essentials/procedure-payment-guide</a>.</p>
<b>Who is Freedom Essentials designed for?</b>	<p>Freedom Essentials is designed for individual consumers between the ages of 18 and 70 years (at policy inception) who are permanently resident in the UK or the Channel Islands. They can include their partner and children on their policy. Children can be covered up to the age of 25 years.</p> <p>There is a broad range of consumers for whom Freedom Essentials may be suitable and of particular interest:</p> <ol style="list-style-type: none"><li>1. A consumer who does not have private medical insurance and wishes to protect themselves against the cost of private medical treatment but has a limited budget and a more comprehensive product would be unaffordable.</li><li>2. A consumer who is legally resident in the UK but has come into the country from overseas and, if they need inpatient treatment, would prefer to receive a cash benefit which would enable them to pay for their treatment in their home country as they have family there and it would make their recovery more comfortable. They may also feel more at ease if they are able to speak to the specialist in their native language.</li><li>3. A consumer who lives in an area where NHS waiting periods for inpatient and daypatient treatment are not particularly long and who would be happy to use the NHS for such treatment in exchange for a tax-free cash sum which can be used for any purpose.</li></ol> <p>However, these broad categories these are not exclusive. Anyone looking to purchase private medical insurance for the first time may be interested in Freedom Essentials.</p>

**Are there any specific characteristics, including, customer vulnerability, to be aware of?**

Consumers who may be under financial or personal strain due to the impact of pandemic may not be able to afford premiums on an ongoing basis. However, they will still be able to use the NHS for their medical treatment.

Consumers who have ongoing or recent medical symptoms, whether they have seen a doctor or been diagnosed with a specific condition or not, are unlikely to be able to use this product to receive private treatment for those symptoms.

Consumers who have ongoing or recent medical conditions and are currently going through or have recently been through, medical treatment are unlikely to be able to use this product to receive private treatment for those conditions.

**Who is Freedom Essentials not designed for, or are there any types of consumers for whom it would not provide the intended value?**

Freedom Essentials can be sold to a wide range of consumers, but there are a few types of consumers for whom it is either not suitable or available.

- Freedom Essentials cannot be sold to consumers younger than 18 years or older than 70 years at policy inception. This includes dependants.
- Freedom Essentials cannot be sold to consumers who live outside the UK or Channel Islands.
- Certain high-risk occupations will not be covered such as asbestos workers, members of the armed forces and professional sportspersons.
- In keeping with other products of a similar nature, no cover is provided for pre-existing medical conditions so Freedom Essentials may not be suitable for those with a significant medical history.
- Freedom Essentials may be suitable for consumers with some medical history, but consideration needs to be given as to whether full medical underwriting or moratorium underwriting would be more suitable.
- Freedom Essentials may not be suitable for consumers with existing private medical insurance as it does not offer a 'switch' option.
- Freedom Essentials provides a fixed cash benefit towards the cost of inpatient and daypatient treatment to enable the consumer to arrange their own treatment on a self-pay basis, but we do not guarantee the cash benefit will always be sufficient to cover the cost of every treatment. Therefore, Freedom Essentials will not be suitable for consumers who are not prepared to invest time and effort in shopping around for the best deal or who want the certainty that their inpatient and daypatient treatment costs will always be paid in full by the insurance company directly to the hospital.
- Freedom Essentials does not provide cover for cancer in the way a traditional private medical insurance does. It provides a fixed cash benefit towards the cost of inpatient and daypatient treatment and a cash benefit if the consumer needs chemotherapy or radiotherapy, but it does not settle the costs directly with the provider. Therefore, although Freedom Essentials provides cancer cover, we would not describe Freedom Essentials as having 'full cancer cover' in the way traditional private medical insurance uses that term. If a consumer requires 'full

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cancer cover' as part of their private medical insurance policy, Freedom Essentials is unlikely to be suitable for that consumer.

- It is expected consumers requiring cancer treatment will primarily use the NHS for their treatment. If a consumer is unwilling or unlikely to use the NHS for cancer treatment, Freedom Essentials is unlikely to be suitable for that consumer.

In more general terms, as with all products, you should consider whether the product and underwriting approach is suitable for consumers you identify as being vulnerable.

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**What are the key value elements of Freedom Essentials which are important for the target market?**

- The consumer receives a fixed cash sum according to the inpatient or daypatient treatment required which they then use to arrange their own treatment on a self-pay basis.
- Unlike traditional private medical insurance, the consumer can use any hospital in the world – they are not restricted by a pre-set hospital list.
- If the treatment costs less than the cash benefit paid, the policyholder keeps the balance to use as they wish. If the treatment costs more than the cash benefit paid, the policyholder is responsible for paying the difference.
- If the consumer receives their inpatient or daypatient treatment on the NHS free of charge, they receive 50% of the available cash benefit.
- Cash benefits are paid tax-free.
- UK-based claims team.
- No claim forms.
- Access to a 24-hour GP helpline at no additional cost.

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**What customer need is met by Freedom Essentials?**

Freedom Essentials is a cost-conscious health insurance product for individuals who would like immediate access to healthcare services without having to wait for an NHS appointment but perhaps cannot afford a traditional fully comprehensive policy. Therefore, Freedom Essentials could be suitable for consumers on a budget.

Like traditional private medical insurance, Freedom Essentials enables access to private healthcare services including prompt referrals to specialists, helping to fund an admission to hospital for inpatient and daypatient treatment as a self-pay patient, and necessary follow-up treatment on discharge from hospital, all at a convenient time and place. Therefore, Freedom Essentials could be suitable for individuals who want greater control over their medical treatment without having to rely solely on the NHS.

Freedom Essentials allows consumers to arrange their inpatient and daypatient treatment at any hospital in the world without being restricted by a pre-set hospital list. Therefore, Freedom Essentials could be suitable for consumers who want greater flexibility and freedom to choose where and

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when they have treatment compared to that offered by traditional private medical insurance.

Private medical insurance is a premium product, providing an alternative to free healthcare services offered by the NHS. Therefore, whilst Freedom Essentials is intended to be a cost-conscious product designed for consumers on a budget, it is still most likely to be suitable to those consumers with higher disposable incomes.

**Can Freedom Essentials be sold without advice?**

Freedom Essentials should be sold in line with FCA regulations and can be sold with or without advice.

**How can Freedom Essentials be sold?**

We suggest Freedom Essentials can be sold to individuals face to face, over the telephone, via email or digitally via the broker portal on our website.

**Fair Value Assessment**

Freedom Health Insurance are joint product manufacturers with our underwriters Allianz Worldwide Partners P&C SA. We are obliged to make available all relevant information required to assist in understanding the provision of fair value by our products.

Freedom products are distributed through brokers with commission. A fair value assessment of the Freedom Essentials product has been carried out and it is believed that inclusive of commission the products offer fair value. No additional fees should be charged with the sale of Freedom Health Insurance products without customers being aware of the added value being provided over and above that available from the product alone and the product also being available without additional services.

Freedom Health Insurance is one of the smaller PMI providers and focusses on the provision of competitively priced products, backed by first class customer service and personal interaction with customers. In assessing customer value, we have considered the cover provided, the premium collection processes, the value of claims paid under each product, the average and maximum value of claims and the numbers of claims paid. We have also considered volumes of complaints and feedback through root cause analysis. The consideration of these matters is an ongoing process, the latest assessment was completed in Q3 2023.

## Freedom Essentials benefits

Product cover	Cover available	What is covered	Who could this be suitable for?
Core cover	All Freedom Essentials policies include the core cover as standard.	<p>A fixed cash benefit towards the cost of inpatient and daypatient treatment arranged as a self-pay patient.</p> <p>The core cover also includes certain pregnancy complications and dental surgical procedures, MRI, CT and PET scans and an NHS cash benefit.</p> <p>The core cover also includes a cancer cash benefit but does not pay the full cost of cancer treatment in the same way a traditional medical insurance policy does.</p> <p>The core cover also includes access to a 24-hour GP helpline.</p>	<p>Consumers who choose the core cover only will want reassurance of having cover for inpatient and daypatient treatment of an acute condition, in a private hospital of their choosing, under the care of a specialist without having to wait for an NHS appointment.</p> <p>Consumers will be prepared to arrange their own inpatient and daypatient treatment as a self-pay patient, using the fixed cash benefit provided. This means they will need to contact several hospitals, including NHS hospitals which offer private patient services, to find the best possible price.</p> <p>This might also be suitable for consumers who would prefer to travel back to their home country, outside the UK, for inpatient and daypatient treatment using the cash benefit provided to help meet the cost of treatment in their home country.</p> <p>Consumers will also be prepared to pay for their own outpatient treatment, including specialist consultations, diagnostic tests, and physiotherapy, or to use the NHS for such services.</p>

Additional cover options – these come at an extra cost and can be added to the core cover to provide a more comprehensive policy			
Product cover	Cover available	What is covered	Who could this be suitable for?
Outpatient treatment	One option which covers all elements listed.	<p>Provides cover for outpatient treatment including:</p> <ul style="list-style-type: none"> <li>• diagnostic tests (excluding MRI, CT and PET scans) requested by a GP (up to £500);</li> <li>• specialist consultations and diagnostic tests, and physiotherapy on GP or specialist referral (up to £500 or £1.500 depending on the level of cover chosen);</li> <li>• outpatient procedures carried out by a specialist (fixed cash sum depending on the procedure);</li> <li>• reimbursement of routine dental costs (up to £150);</li> <li>• reimbursement of routine optical costs up to £150; and</li> <li>• maternity cash benefit (£150 per child).</li> </ul> <p>Cover for physiotherapy on GP referral is limited to a maximum of six sessions.</p> <p>MRI, CT and PET scans are covered in full under the core cover.</p> <p>There is no cover for treatment not recommended by a GP or a specialist.</p>	<p>Consumers who add this cover want reassurance of having prompt access to diagnostic tests if they have symptoms which their GP believes need investigating.</p> <p>They will also want peace of mind of having some cover for outpatient treatment (including diagnosis) of an acute condition provided by a specialist when referred by a GP.</p> <p>Consumers who add this cover may also incur regular dental and optical costs each year and so this cover could be suitable for consumers who want to be able to claim a contribution towards these costs.</p>

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