


# How is the National Health Service (NHS) waiting list impacting insurance?

28 March 2024  Tim Johnson

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Financial Conduct Authority enforcement to go public – a step too far?

Data released by the Office for National Statistics (ONS) at the end of January 2024 on NHS waiting lists and on the Labour Market in February 2024 highlights the interconnection between health and economic policy.

[The impact of winter pressures on different population groups in Great Britain: NHS waiting lists](#)

[Labour market overview, UK: March 2024](#)

Long term sickness remains at historically high levels. One quarter of adults surveyed said that they were currently waiting for a hospital appointment, test or to start receiving medical treatment through the NHS. Of those currently waiting for a hospital appointment, test or to start receiving medical treatment through the NHS, 29% of employed adults reduced their working hours. Many report that waiting for tests or treatment is badly affecting them or even making their illness worse.

A [report by Resolution Foundation](#) has found that 1 in 20 young people (5%) were economically inactive due to ill health in 2023. The report finds young people to have the poorest mental health of any age group - a reversal from two decades ago when they had the [lowest incidence of common mental disorders](#).

## What does this mean for insurers?

Like many businesses, insurers are struggling with recruitment. Delays in NHS treatment are contributing to increases in the number of people who are not able to work because of long-term illness. This adds to issues in filling vacancies. The number of people who are not working due to long term sickness has increased by more than 200,000 in the last year. Many people are also working whilst having health issues and are more likely to remain in the workforce if they receive appropriate support.

Many people on the NHS waiting list are planning overseas holidays. However, those waiting for a condition to be diagnosed find it particularly difficult to find appropriate travel insurance. Insurers tend to be unwilling to take such risks on due to the uncertainty involved. Those with diagnosed medical conditions are likely to need to take out specialist cover due to pre-existing medical condition exclusions in travel policies. 1 in 5 people who are waiting for treatment are [planning to holiday overseas this year without travel insurance](#). In doing so, they are [risking healthcare fees](#) whilst they are overseas. Those with heart, blood pressure issues or musculoskeletal issues reportedly have the most difficulty in finding insurance.

In 2021 the Financial Conduct Authority introduced requirements to help consumers with more serious medical conditions navigate the travel insurance market. Insurers that offer retail travel insurance must signpost consumers to one of two directories of specialist firms that

provide insurance cover for people with pre-existing conditions. These directories are MoneyHelper which is provided by the Money and Pensions Service and BIBA.

The Financial Ombudsman Service Plans and Budget Consultation 2024/ 2025 anticipates complaints about travel insurance to remain high, given the impact of flight cancellations in 2023/ 2024. It also anticipates complaints relating to consumers taking steps to reduce the cost of their insurance premiums without appreciating the impact doing so may have on the type or level of cover provided. An uptick in complaints about ‘hollowed out insurance’ could be contributed to by pre-existing conditions exclusions on travel insurance policies (<https://www.financial-ombudsman.org.uk/files/324385/Financial-Ombudsman-Service-Plans-and-Budget-Consultation-2024-25.pdf>).

Difficulties accessing NHS care is causing an increase in people obtaining medical insurance. The ONS reports that 13% of adults said that they have paid for private medical care, 5% of which used private insurance and 7% paid for the treatment themselves.

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