



Growing demand:
increased use of health
and protection services
in 2022

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*The ABI is the voice of the UK's world-leading insurance and long-term savings industry, which is the largest sector in Europe and the third largest in the world. We represent more than **300 firms within our membership**, including most household names and specialist providers, providing peace of mind to customers across the UK.*

*We are a purpose-led organisation: **Together, driving change to protect and build a thriving society**. On behalf of our members, we work closely with the UK's governments, HM Treasury, regulators, consumer organisations and NGOs, to help ensure that our industry is **trusted by customers**, is **invested in people and planet**, and can **drive growth and innovation through an effective market**.*

*A productive and inclusive sector, our industry supports towns and cities across Britain in building a balanced and innovative economy, employing over **300,000** individuals in high-skilled, lifelong careers, two-thirds of whom are outside of London. Our members manage investments of **£1.5 trillion**, pay over **£17.2 billion** in taxes to the Government and support communities and businesses across the UK.*

Growing demand: increased use of health and protection services in 2022

Executive summary

The impact of long-term illness on the workforce presents a considerable social and economic challenge for the UK.

An increasing number of people are unable to participate in the labour market because they are ill, recently hitting a record 2.8 million.¹ Since 2020, working age sickness has cost the economy an extra £16 billion in welfare spending and lost tax. The Office for Budget Responsibility (OBR) expects this trend to persist with more sick workers relying on incapacity benefits.²

While accelerated by the pandemic, the UK workforce has been getting sicker for more than a decade, and the prevalence of conditions that limit peoples' ability to work has risen fastest among younger workers. A 16–34 year old employee today is as likely to report a work limiting illness as someone aged 45–54 years 10 years ago.³

Without the right government interventions to prevent health-related economic inactivity, these trends are likely to continue. This would create worse outcomes for working people, businesses and the economy.

International examples are instructive. In response to a threefold increase in disability benefit claims, the Netherlands gradually reconfigured and strengthened statutory sick pay requirements. It also stimulated the private insurance market to embed prevention, early intervention and effective return to work planning into workplaces.⁴ This helped to reduce the number of people claiming disability benefits by 60%.⁵

The insurance model for workplace health is highly effective because of a strong alignment of interests between workers, employers and insurers which also benefits the state. It is in the economic interest of insurers to avert long-term sickness absence and the need for further treatment, through early intervention and prevention, and effective return-to-work support. This benefits workers who want to stay healthy and employers who want to avoid disruption. In turn, the state benefits because fewer people too unwell to work means higher income tax receipts and lower social security payments.

The economic and business benefits of using insurance are substantial. Analysis by WPI Economics showed that the use of health services through insurance in 2021 increased labour supply by 12,500 full time equivalent workers and prevented around 14 million days of long-term sickness absence. This generated £6.1 billion in financial benefits across businesses, the wider economy and the Exchequer.⁶

Insurance is an important part of the solution to the sickness crisis in the UK labour market. The findings published in this report demonstrate the scale of coverage across the UK population. The products in scope are health insurance, income protection, life, and critical illness insurance, purchased by businesses for their employees or directly by individuals. It's now normal for all of these products to come with a package of health services. Our data shows the increasing number of times customers accessed health services through these policies in 2022.

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<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjustedinac01sa>

2 https://obr.uk/docs/dlm_uploads/E03057758_OBR_EFO-March-2024_Web-AccessibleFinal.pdf

3 <https://www.health.org.uk/publications/long-reads/what-we-know-about-the-uk-s-working-age-health-challenge#:~:text=The%20rate%20of%20work%2Dlimiting,54%20years%2010%20years%20ago.>

4 https://www.frisch.uio.no/publikasjoner/pdf/rapp12_02.pdf

5 <https://wol.iza.org/uploads/articles/324/pdfs/privatizing-sick-pay-does-it-work.pdf?v=1>

6 <https://www.abi.org.uk/globalassets/files/publications/public/health/abi-and-wpi-economics-futureproofing-workplace-health-report.pdf>

Key findings

New data presented in this report shows that demand for health services through insurance is accelerating. Growth is being driven in part by take-up of mental health and virtual GP appointments, mainly through employer-provided policies.

It is becoming more commonplace for people to turn to the health services available through their insurance policies, particularly where they are offered as an employee benefit. As evidenced elsewhere, this generates substantial gains for businesses and the economy.⁷

Our data shows that:

- Customers accessed **1.2 million** mental health counselling or therapy appointments in 2022. That's almost **3,300 per day** and more than **double** the amount in 2019. **94 per cent** were offered through a workplace insurance policy.
- Take-up of Virtual GP appointments through insurance has rapidly increased, with **1.4 million** appointments in 2022. **3,900 per day** and **nine times** more than 2019. **87 per cent** were offered through workplace schemes.
- Customers accessed primary prevention services through their insurance **nearly 1 million times - three quarters** through a workplace policy. Prevention services include fitness and nutrition support as well as health checks to understand personal risk factors and catch illness early.
- Overall, **1.8 million** customers accessed health services through insurance more than 8.4 million times in 2022 – **56 per cent** more than in 2021.

These findings demonstrate the important role of insurers procuring health and return-to-work services for employers to help them meet the needs of the working population. The predictable costs of insurance make these solutions well suited to small businesses without dedicated HR. The industry is committed to making sure policies are simple to administer for all sizes and types of businesses.

The UK needs a proportionate response to its working age sickness crisis. Health and Protection insurance have a key role in helping businesses procure health services that meet the needs of their employees.

Recommendations

The Dutch experience evidences that more generous sick pay systems strengthen the workforce and reduce welfare spending when coupled with support for businesses to invest in prevention, early intervention and rehabilitation services.⁸

We recommend:

- Increasing the rate of statutory sick pay, making it payable from day one of sickness absence and available to workers earning less than the current lower earnings limit (LEL) of £123 per week.
- Embedding 'phased returns to work' in the sick pay system. Returning to work on reduced hours is an important part of rehabilitation after long-term illness.
- Allowing SMEs to claim back a proportion of sick pay costs if they have effective provisions in place to support workers' health and returns to work after sickness absence.

Currently, the tax burden on purchasing health and income protection insurance reduces their affordability

⁷ <https://www.abi.org.uk/globalassets/files/publications/public/health/abi-and-wpi-economics-futureproofing-workplace-health-report.pdf>

⁸ <https://ec.europa.eu/social/BlobServlet?docId=8291&langId=en>

for businesses and low-earning workers.

We recommend:

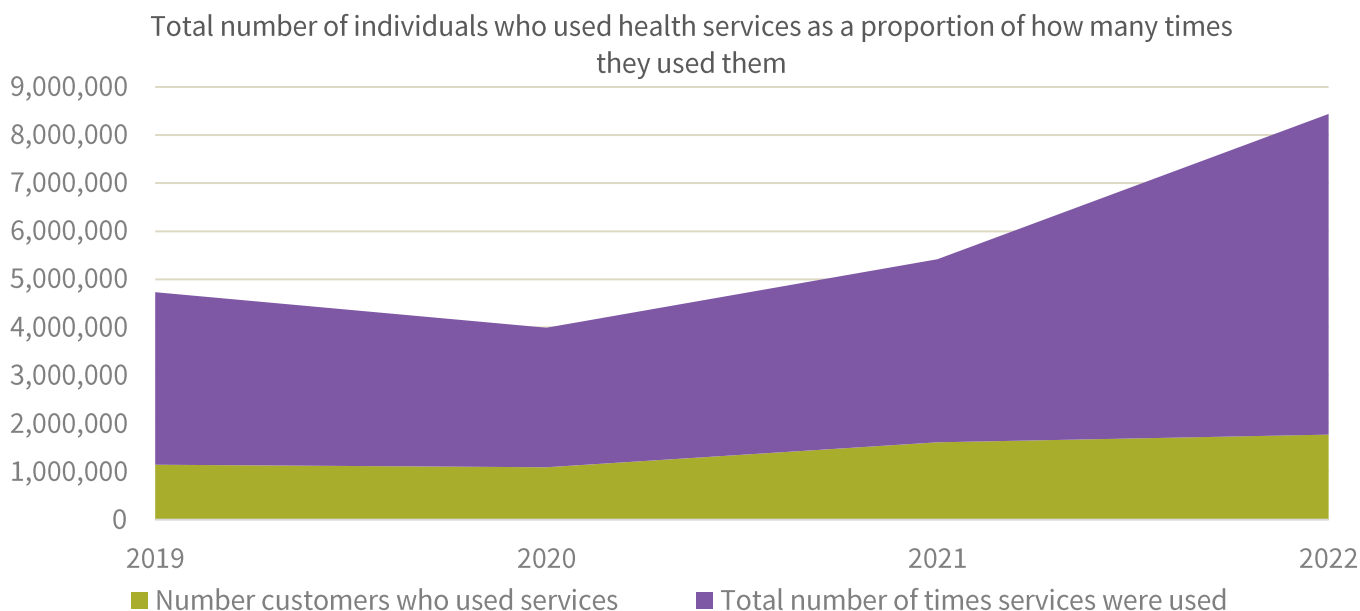
- Cutting the standard rate of IPT (12 per cent) and employer paid Class 1A National Insurance Contributions (13.8 per cent) for health insurance.
- Exempting health insurance premiums from income tax. This is particularly important for basic rate taxpayers, and it could be done by extending Benefit in Kind tax exemption.
- Stopping the double taxation of group income protection (GIP) cover purchased through salary sacrifice.

These measures would create better incentives for employers to invest in the health of their employees and make effective investment more affordable.

2022 data on the use of health services through insurance

Health and Protection

- 1.77 million people accessed health services through health and protection insurance in 2022. Steadily increasing, this is 10 per cent more than in 2021 and 55 per cent more than in 2019.
- Customers accessed services 8.44 million times in total in 2022. This is a sharp increase of 56 per cent in just one year since 2021, and 78 per cent since before the pandemic.



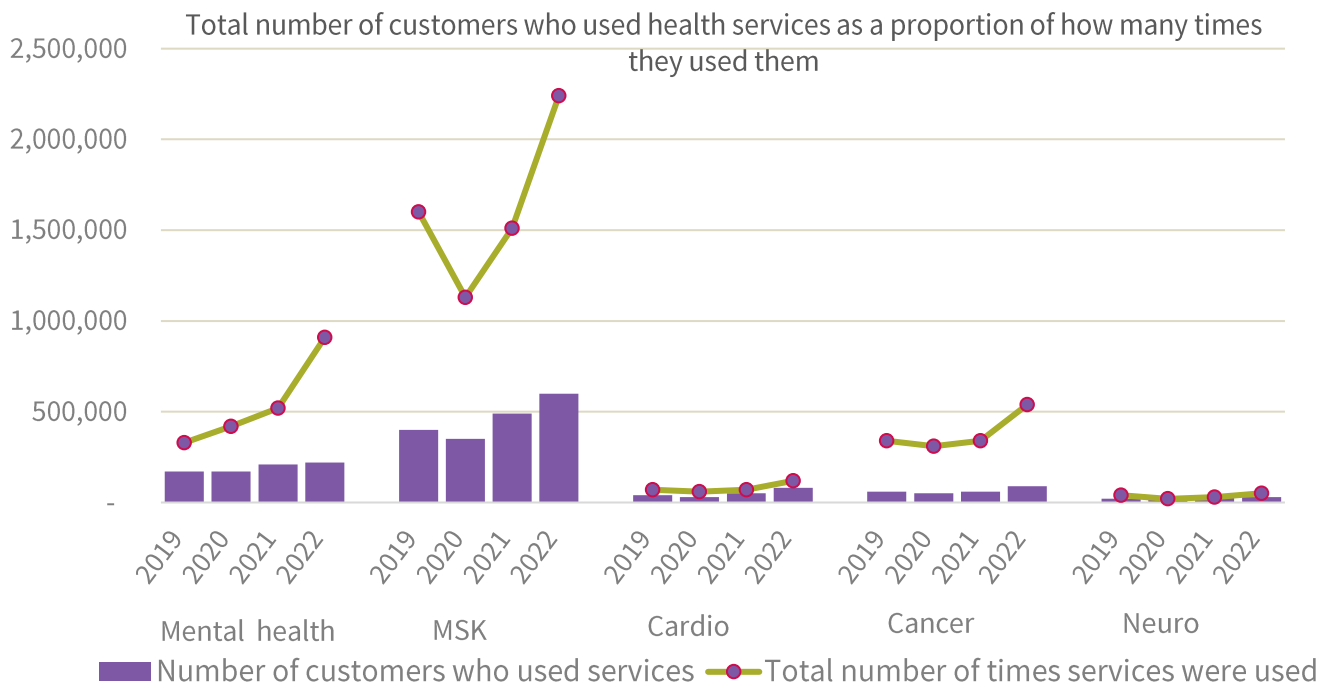
The most common recorded reason customers accessed a health service through their insurance policy was for a musculoskeletal (MSK) condition. In 2022, 600,000 customers accessed support for a MSK condition 2.84 million times – 4.7 times per person on average. That’s 22 per cent more than 2021 and 50 per cent more than 2019.

The second most common recorded reason was mental health. The number of mental health counselling or therapy appointments reached 1.2 million in 2022. That’s 64 per cent more than take-up of mental health services in 2021, and

140 per cent more than in 2019. Customers accessed mental health appointments 5 times on average per person in 2022.

Our data also shows an increasing number of customers seeking cancer support through their insurance. In 2022, 90,000 customers accessed services for cancer 630,000 times in total – 58 per cent more than in 2021. Customers who accessed support for cancer did so 7 times each on average per year.

We collected data on a number of specific services – summarised in the next sections. These include virtual GP, mental health counselling and therapy, primary prevention, and physiotherapy services. Yet there are many other important services offered through insurance that support individuals and employers and help to reduce pressure on the wider health system, including everyday services such as optical and dental.



Virtual GP appointments

Virtual GP services are offered with many health, life, critical illness, and income protection policies. They allow customers to speak to a private GP remotely by video or telephone. Appointments are usually available 24/7 and can often be booked for the same or next day.

Take-up of virtual GP appointments through insurance has increased exponentially since 2019.

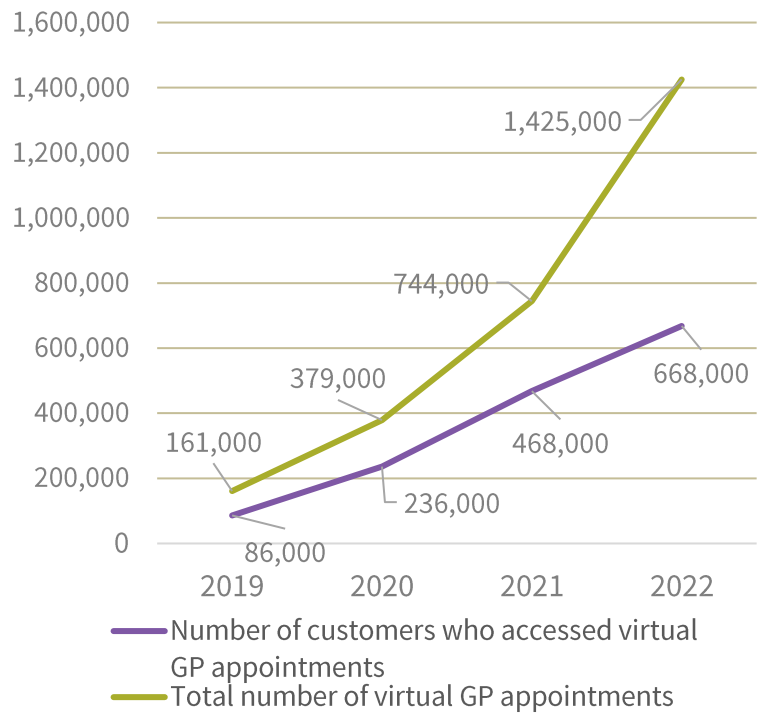
1.42 million appointments took place in 2022. That's 3,900 per day – up almost ninefold (785 per cent) since 2019.

Almost nine in ten (87 per cent) appointments were booked through a workplace policy. This strengthens the case for the importance of employers in promoting good health.

With patients experiencing barriers to accessing primary care, it is likely that more are seeking easier access through insurance and 'pay as you go' schemes.

NHS figures show that 53 per cent of appointments at GP practices took place the same day or within one day of booking in January 2024, and 16 per cent took over 2 weeks.⁹ But evidence suggests patients experience poor access before the point of booking. Data from the Royal College of General Practice (RCGP) 2022 GP Patient Survey shows that more than a quarter of patients who needed an appointment in the last 12 months avoided making one because they found it too difficult.¹⁰

While virtual GP appointments can significantly improve access to primary care, it is also important to recognise some of the risks. Digital exclusion makes these services less accessible to segments of the population, including patients with disabilities and impairments such as deafness or poor mobility.¹¹ Remote consultations also carry more risks of inaccurate diagnoses for certain urgent conditions.¹²



⁹ <https://digital.nhs.uk/data-and-information/publications/statistical/appointments-in-general-practice/january-2024>

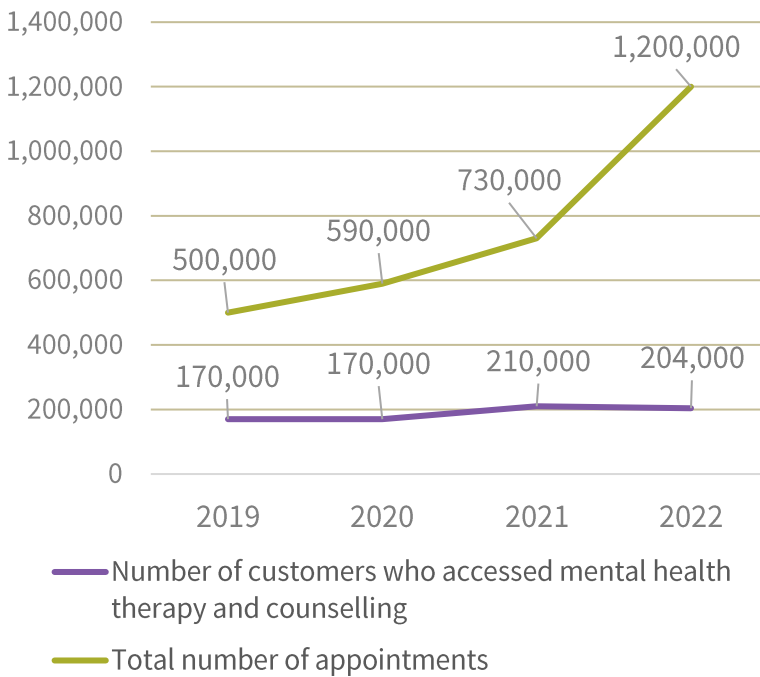
¹⁰ https://www.gp-patient.co.uk/downloads/2022/GPPS_2022_National_report_PUBLIC.pdf

¹¹ https://url.uk.m.mimecastprotect.com/s/WStCCA6XQSWqW8IG_Dsj?domain=healthinnovationnetwork.com

¹² <https://qualitysafety.bmj.com/content/early/2023/11/26/bmjqs-2023-016674>

Mental health therapy and counselling

Our data shows that customers accessed mental health therapy and counselling much more frequently, with



1,200,000 appointments in 2022. The use of mental health services through insurance has more than doubled since before the pandemic, increasing by 140 per cent.

Our data shows that 94% of the mental health therapy and counselling appointments were accessed through employer provided schemes.

Mental health is a key driver of the growing number of people not participating in the labour market. In the last decade, there has been a significant rise in young people with work limiting conditions, mainly relating to mental health. Analysis by the Health Foundation shows that a 16-34 year old employee in 2023 is as likely to report a work limiting condition as a 45-54 year old was 10 years ago.¹³

The challenge this trend poses for our future workforce cannot be understated. It is vital that employers of all sizes create supportive environments for the growing number of people likely to enter the workforce with a mental health condition.

This is the first year we collected data specifically on 'mental health therapy and counselling' services. Data on mental health therapy and counselling from 2022 is compared 2019-21 broader data on health services used for a mental health issue.

Primary prevention

For the first time, the ABI collected data about the use of primary prevention services through insurance. These include fitness and nutrition support, mental wellbeing services, and health checks.

Our data shows that in 2022, 228,000 people used prevention services nearly 1 million times in total. That's 4.3 times per person on average. 73 per cent of primary prevention take-up was through employer provided insurance schemes.

It is widely recognised that the UK needs to shift towards a health system that focuses on prevention and tackling the social determinants of health. These include employment and education, housing, diet, and social connections.¹⁴

Given the considerable amount of time people spend in a work setting, employers could play a vital role helping their workers adopt healthier behaviours.

Before the pandemic only 4 per cent of government spending on healthcare was used for prevention. Responsibility for public health sits mainly with local authorities but is centrally funded by government – this funding has dropped by 28 per cent per person in real terms over the last 10 years.¹⁵

¹³ <https://www.health.org.uk/publications/long-reads/what-we-know-about-the-uk-s-working-age-health-challenge#:~:text=Labour%20Force%20Survey,-,Work%2Dlimiting%20health%20condition,may%20not%20be%20in%20work.>

¹⁴ <https://www.health.org.uk/topics/social-determinants-of-health>

¹⁵ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant-what-it-is-and-why-greater-investment-is-needed>

In this context, there is a clear case for harnessing the potential for the wider private sector to play a part in the prevention effort. As our data shows, insurance is a key part of that.

Physiotherapy

In 2022, 263,000 customers accessed physiotherapy services through their insurance. That's 27,000 (11 per cent) more than in 2021 and 87,000 (49 per cent) more than in 2019. Customers had 4.8 physiotherapy appointments each on average in 2022, compared to 5.6 each in 2019.

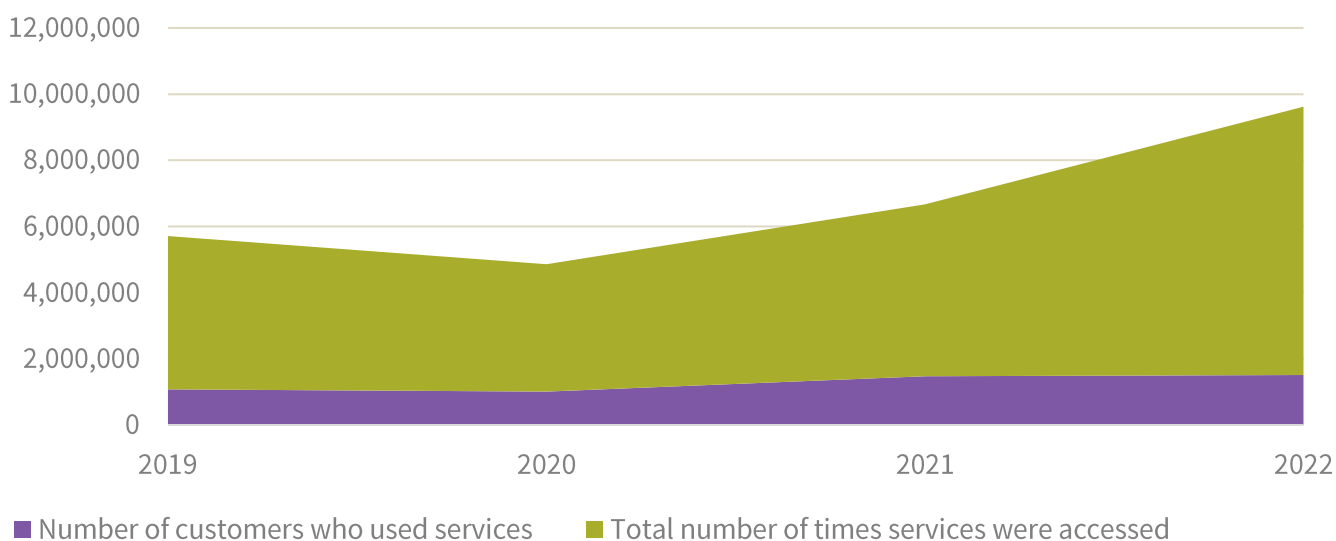
There were 1.26 million physiotherapy appointments booked through insurance in 2022. That's 273,000 (28 per cent) more appointments than in 2021 and 271,000 (27 per cent) more than in 2019.

A look at health insurance

The number of customers who accessed health services through a health insurance policy increased by 3 per cent between 2021 and 2022 to 1.51 million.

The number of times customers used the services in total increased by 55 per cent to 8.11 million. This is a significant increase, from 3.5 times per person on average in 2021 to 5 in 2022. Employer-provided health insurance accounts for three quarters of the use of health services.

These findings show that customers are using the health services available to them through insurance more often. A key driver is customers seeking support for mental health conditions, reflecting the mental health crisis in the working age population and particularly young adults.



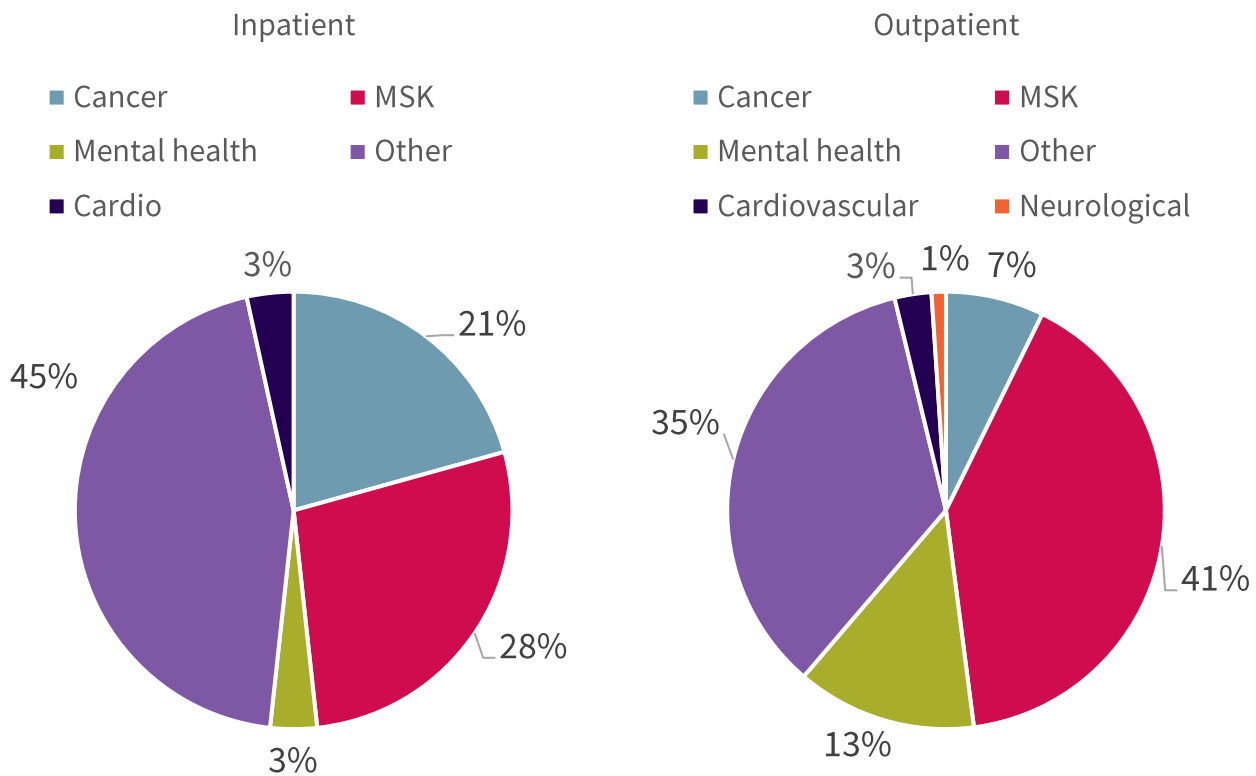
Inpatient and outpatient care

Outpatient care is much more common through health insurance and across the wider health system. NHS England data from 2022/23 shows that inpatient care admissions remain below pre pandemic levels.¹⁶

In 2022, 160,000 customers received in-patient care through health insurance, accessing inpatient services 290,000 times in total. Of the total, almost half are related to MSK (80,000) and cancer (60,000).

In 2022, 1.3 million customers accessed outpatient care services 6.61 million times in total. Of this total 41 per cent (2.69 million) were recorded as related to MSK, 13 per cent (880,000) to mental health, and 7 per cent (480,000) to cancer.

¹⁶ <https://digital.nhs.uk/data-and-information/publications/statistical/hospital-admitted-patient-care-activity/2022-23>



Health conditions

In 2022, 1.1 million mental health counselling or therapy appointments were provided through health insurance to 135,000 people. That’s over 8 appointments per person on average throughout the year. 94 per cent of the appointments were offered through a workplace scheme.

590,000 people accessed support for a MSK issue 2.83 million times – 4.8 times each on average in one year - increasing sharply by over 41 per cent compared to 2021. 78 per cent of the of the total number of MSK services were provided through a workplace scheme.

Demand for cancer support through health insurance has also risen sharply. The total number of times people accessed health services for cancer remained flat at 400,000 in 2019 and 2021 before growing by 230,000 (57 per cent) to 630,000 in 2022. Customers accessing services for cancer did so 7 times each on average throughout the year.

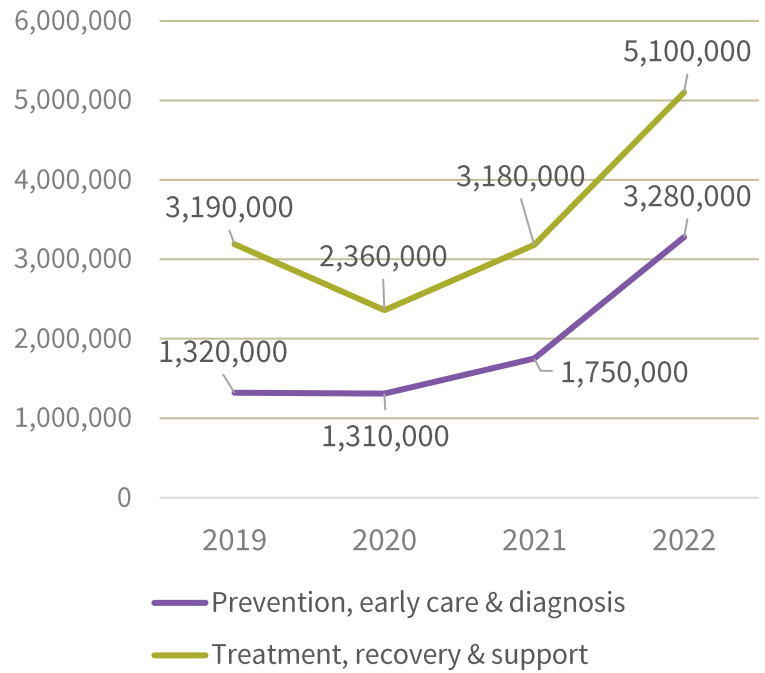
Demand for cardiovascular support through health insurance has continued to rise year on year except for a dip in 2020, likely due to the pandemic. In 2022 70,000 customers accessed health services for a cardiovascular issue 200,000 times in total. The number of times customers sought cardio support increased by 67 per cent in 2022 compared to 2021, and 81 per cent since before the pandemic.

Types of services

Overall, the majority of health insurance services were accessed for treatment recovery and support (60 per cent), compared to prevention, early care, and diagnosis (39 per cent).

The number of times people accessed treatment, recovery and support services increased by 60 per cent in 2022, compared to 2021. However, the number of times people accessed prevention, early care and diagnosis services more than doubled in the same period, rising by 87 per cent.

This may be partly attributable to improved reporting as well as the overall rise in the number of times people are using health services through insurance.

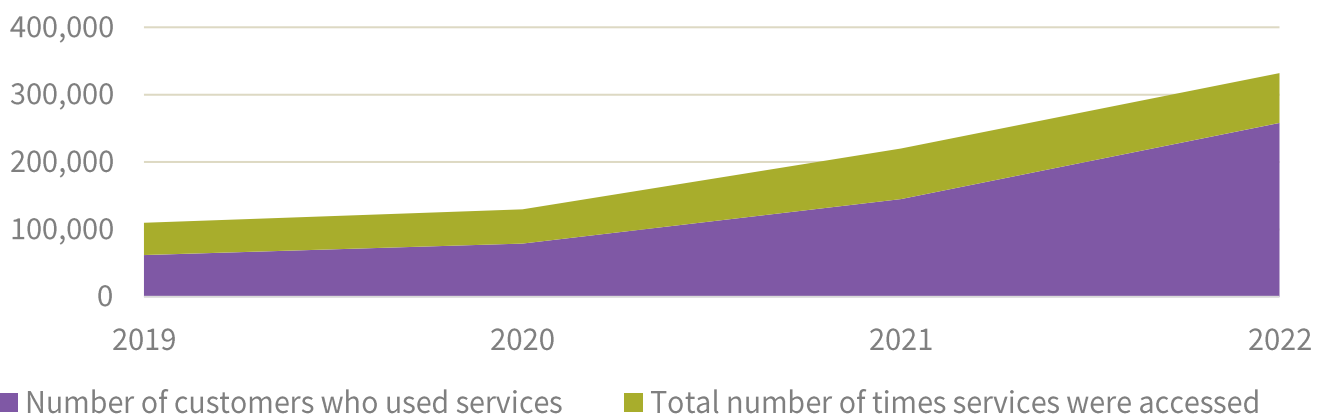


A look at protection

78 per cent more customers used health services through protection insurance in 2022 compared to 2021, rising to a total of 258,000. That's four times more than in 2019. The total number of times they accessed services through protection insurance has also grown quickly, reaching 332,000 in 2022. That's 50 per cent more than in 2021.

These sharp increases coincide with the pandemic which brought about a boom in remote healthcare.¹⁷ Many of the health services offered through protection insurance products operate through a digital front-door and can be delivered remotely. As a result, the market was well set up for the changing healthcare needs of the population during the pandemic as face-to-face care became more challenging.

Over time, the protection market has seen a proliferation of long-term insurance products that offer health services. It's financially preferable for insurers to reduce the likelihood of claims occurring, for example mortality for life insurance or incapacity for income protection.



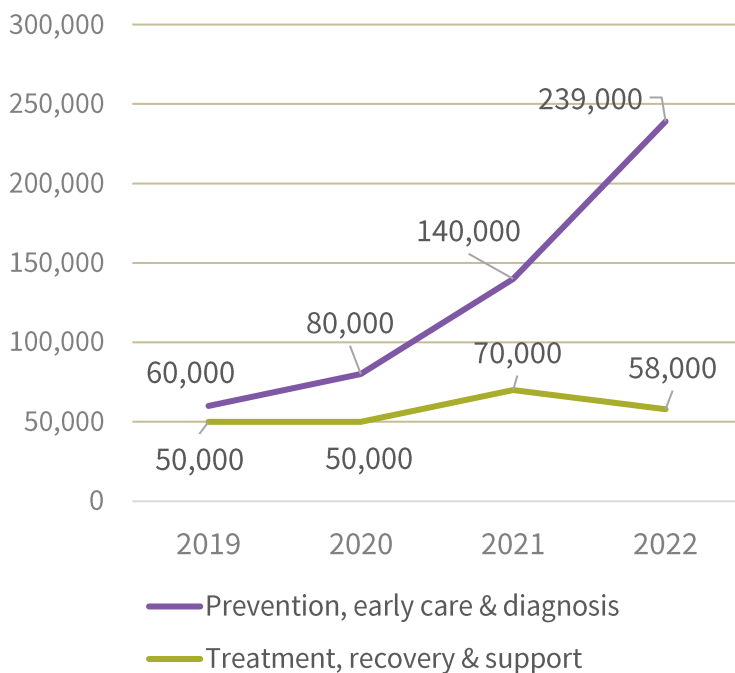
¹⁷ <https://www.nuffieldtrust.org.uk/sites/default/files/2020-12/QWAS/digital-and-remote-care-in-covid-19.html#4>

The role of employers

For the first time, we split our data by group (employer schemes) and individually purchased protection policies. We found that 9 in 10 (89 per cent) of customers who accessed health services through protection insurance did so through an employer group scheme. This may be due to the greater size of the group market, as well as the important role employers play raising awareness about services available to workers.

Health conditions

32 per cent of the total number of services accessed by customers were for a mental health issue (119,000 in total) and 3 per cent for MSK support (11,000). For 57 per cent of services, the reason for using the services were reported to us as 'other'.



Types of services

72 per cent (239,000) of the total number of times services were accessed was for prevention, early care, & diagnosis, compared to 17 per cent (58,000) for treatment, recovery and support.

The number of services used for prevention, early care and diagnosis has increased exponentially since before the pandemic. The number of people accessing services for treatment, recovery and support has remained relatively flat.

Data considerations

This is a new data collection and includes estimations – therefore it is subject to potential change in the future. We believe the data is reflective of the activity taken by insurers but some of the trends observed in the data may be partially attributable to improved reporting for 2022.



Conclusion

The UK workforce is getting sicker, and the needs of the workforce are becoming more acute. The government must act to ensure employers are better supported to invest in the health of the workforce.

In 2022 there were nearly nine times more virtual GP appointments through insurance than in 2019 before the pandemic. Nearly 9 in 10 were accessed through employer-provided insurance. In the same period, mental health counselling and therapy appointments more than doubled with nearly 19 out of every 20 booked through an employer scheme.

The data published in this report illustrates the continued acceleration of demand for the health services available through health and protection insurance policies. Our findings demonstrate both the crucial role of employers providing valuable health services to their employees, and the importance of insurance as a way to procure those services alongside important financial support.