SCOTTS INTERNATIONAL

United Kingdom Health And Medical Insurance - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-06-01 | 150 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00
- Team License (1-7 Users) $5250.00
- Site License $6500.00
- Corporate License $8750.00

Report description:

United Kingdom Health And Medical Insurance Market Analysis

The United Kingdom health and medical insurance market stood at USD 11.03 billion in 2025 and is forecast to reach USD 13.78 billion by 2030, registering a 4.54% CAGR, underscoring steady progression despite economic headwinds. Persistent National Health Service (NHS) delays have altered patient behavior, steering record numbers toward private cover as many households accept self-financed care as a new normal. Employers amplify this pull by expanding health benefits to attract and retain younger staff, while digital-first platforms reduce purchase friction and broaden distribution reach. The United Kingdom health and medical insurance market also benefits from an aging population that raises chronic disease risk and from employer salary-sacrifice schemes that deliver tax-efficient access to private cover.

United Kingdom Health And Medical Insurance Market Trends and Insights

Prolonged NHS waiting lists fuelling demand for private medical insurance

In 2024, NHS waiting lists surged to 7.6 million cases, significantly surpassing pre-COVID levels. This prolonged strain on public healthcare services has driven households to pursue quicker treatment options through private healthcare providers. In the first three quarters of 2024, private hospital admissions saw a 7% uptick, with insurance-funded treatments approaching record levels. Concurrently, the NHS allocated GBP 3.5 billion for outsourced procedures, underscoring its growing dependence on the private sector to mitigate backlogs and address capacity constraints. A notable example of this trend is cataract operations: 60% are now performed in private clinics, a marked increase from just 24% five years ago. This shift highlights a structural transformation in healthcare delivery and underscores a robust and growing demand for health and medical insurance in the UK, as individuals and institutions increasingly turn to private solutions to bridge gaps in public healthcare services.

Expansion of employer-sponsored health benefits post-COVID-19

In the UK, a significant shift has occurred: 95% of employers now prioritize workforce wellbeing, a notable rise from 70% in 2020. This commitment has led to an expansion in private medical insurance offerings, reflecting a broader recognition of the importance of employee health. For Gen Z and millennial employees, health coverage has emerged as a paramount employment criterion. In fact, 71% of these younger workers express hesitance to change jobs if such benefits were to be rescinded, highlighting the critical role of health benefits in talent retention. Leading the charge, financial services firms have been at the forefront, with 81% bolstering health benefits in 2024. Their enhancements include added mental health support, longer maternity leave, and other initiatives aimed at addressing diverse employee needs. Employers are not just offering these benefits out of goodwill; they cite tangible returns, boasting a productivity gain of GBP 4.70 for every GBP 1 channeled into mental health initiatives. Such trends underscore the growing corporate demand and solidify the UK's health and medical insurance market as a pivotal tool for employee rewards and organizational success.

Premium inflation outpacing wage growth

In the last policy cycle, UK health insurance premiums surged at double-digit rates, significantly outpacing the 6% average wage increases and putting considerable pressure on affordability for consumers. Broader insurance trends provide a cautionary benchmark: motor premiums experienced a sharp 25% increase in 2024, following a 12% rise the previous year. At the same time, home insurance faced mounting challenges, with combined ratios reaching 118%, which led to further premium hikes to offset losses. Although some insurers have reported a slowdown in claims inflation due to advancements in automation and process efficiencies, the persistent cost-income gap remains a significant barrier. This gap continues to limit the acquisition of new policies, thereby tempering the growth momentum in the United Kingdom health and medical insurance sector, which is already grappling with affordability concerns and competitive pressures.

Other drivers and restraints analyzed in the detailed report include:

Ageing population & chronic disease prevalence / Rapid uptake of digital-first, app-based policy administration / Market consolidation reducing consumer choice /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Group and corporate policies generated 68.3% of the United Kingdom health and medical insurance market in 2024. This dominance, especially pronounced among major players in financial services, technology, and professional services, is bolstered by economies of scale, tax efficiency, and heightened expectations for well-being. These policies are particularly attractive to employers as they help enhance employee satisfaction, improve retention rates, and align with corporate wellness initiatives. While this segment is projected to grow at a 3.9% CAGR, it's slightly trailing the overall market as penetration nears saturation within blue-chip workforces. However, opportunities may still exist in mid-sized enterprises and emerging industries looking to adopt similar benefits.

Individual policies represent 31.6% of premium volume yet advance at a 6.50% CAGR to 2030 as prolonged NHS delays normalize the self-pay culture among households. Salary-sacrifice wrappers, direct-to-consumer digital journeys, and modular add-ons such as mental-health wallets make individual products more attainable for mid-income earners. Insurers deploy lifestyle and wearables-based rewards to deepen engagement and manage risk, while challenger brands target gig-economy workers through subscription-like monthly plans. The convergence of corporate schemes and portable individual options creates space for hybrid propositions that allow employees to take employer-subsidized cover with them when changing jobs, potentially smoothing churn within the United Kingdom health and medical insurance market.

In 2024, comprehensive in-patient and out-patient contracts accounted for 60.1% of premium revenue in the United Kingdom health and medical insurance market. These policies, favored by high-income professionals and multinational employers aiming for global mobility standards, offer features like consultant choice, private-room accommodation, advanced cancer drugs, and overseas treatment extensions. The flexibility and extensive coverage provided by these contracts make them a preferred choice for individuals and organizations seeking premium healthcare solutions. With claims severity remaining high, the market sees ongoing product innovations, including excess-tier pricing and six-week wait options, which help offset costs without compromising perceived value. Insurers are also focusing on enhancing customer experience and tailoring policies to meet the evolving demands of this segment, ensuring sustained growth and competitiveness in the market.

Health cash plans emerged as the fastest-growing segment, boasting a 7.20% CAGR. Their rise is driven by affordability and a focus on everyday needs, such as dental, optical, and physiotherapy services. Employers leverage cash plans to extend benefits beyond just senior staff, while individuals often view them as an entry point to private healthcare. These plans now include features like virtual GP access and mental-health triage, effectively bridging gaps in primary care and enhancing their perceived value. The tiered architecture of cash plans enables insurers to upsell diagnostic bundles, highlighting the cross-selling potential within the United Kingdom health and medical insurance landscape. Furthermore, dental-specific covers, frequently combined with orthodontic and cosmetic add-ons, are drawing families who seek predictable budgeting for oral care, especially in light of NHS dentistry shortages.

The United Kingdom Health and Medical Insurance Market is Segmented by Policy Type (Individual Policies, Group/Corporate Policies), Coverage Type (In-Patient Only, Comprehensive, and More), Distribution Channel (IFAs, Direct-To-Consumer, Bancassurance & Affinity Partnerships, and More), End User (Individuals & Families, Smes, and More), and Region. The Market Forecasts are Provided in Value (USD).

List of Companies Covered in this Report:

Bupa / AXA Health / Aviva / VitalityHealth / WPA / Simplyhealth / Benenden Health / The Exeter / Freedom Health Insurance / Healix Health Services / Cigna Global / Allianz Care / Aetna International / National Friendly / CS Healthcare (Bupa) / April UK / Saga Health Insurance / Equipsme / AXA PPP International / Zurich International /

Additional Benefits:

 The market estimate (ME) sheet in Excel format /
3 months of analyst support /

Table of Contents:

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com

United Kingdom Health And Medical Insurance - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-06-01 | 150 pages | Mordor Intelligence

To place an Order with Scotts International:
- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.
** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*		Phone*	
First Name*		Last Name*	
Job title*			
Company Name*		EU Vat / Tax ID / NIP number*	
Address*		City*	
Zip Code*		Country*	
		Date	2026-02-28
		Signature	

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com