Dear Practice Manager

In December 2015 RSA – which insures over a million cats and dogs in the UK – launched a preferred veterinary referral network.

The Network was created in response to RSA's growing concern and customer complaints about the rising cost of pet insurance. Only one in four dogs and one in seven cats are insured in the UK and RSA wants to ensure that pet insurance remains affordable for the many, not just the few.

The development of the network was undertaken in consultation with a number of key stakeholders including the veterinary trade bodies – the Royal College of Veterinary Surgeons (RCVS) and the British Veterinary Association (BVA).

RSA underwrites pet insurance policies for a number of retail brands and owns the consumer brand MORE THAN. The referral network is now in place for pet insurance customers for MORE THAN, Tesco Bank, John Lewis Insurance and Argos.

Customers, whose pets have a non-emergency referral, have the option of using one of RSA's referral vets. This enables RSA to control its claims costs and offers the customer greater value on their cover limits.

Background – Why does the system need to change?

- Sales of pet insurance premiums are static yet, according to the ABI, pet insurers paid out 15% more in claims for 2014 than in the previous year – £602 million or £1.65 million a day.
- Rising cost of claims over recent years is now threatening the sustainability of affordable pet insurance provision. These soaring costs have not only directly impacted on customer premiums and the amount of excess paid, but also co-insurance, which is becoming more prevalent and is where owners have to pay a percentage of every claim.
- Last year over 30 referral practices participated in an RSA benchmarking exercise to identify the comparative cost of treating the same presenting cases. This showed that costs can vary by as much as 62% for equivalent levels of expertise or approach, depending upon which referral practice provides the treatment.
- The aim of the RSA Referral Network is to address this substantial variability in costs. While less than 2% of RSA customers have a referral claim, RSA has chosen to try to control the costs of non-emergency referrals which are just 9% of its total claims, but represent a quarter of its claims expenditure.
● Customers now have the choice about where their pets are treated for non-emergency referrals. Should a customer choose a partner from the Network, RSA expects costs to be lower, allowing customer benefit to go further.

**What is the RSA Referral Vet Network?**

● The primary aim of the Network is to provide customers' pets with the highest standards of veterinary treatment and care but with partners who are willing to control costs. This not only helps RSA manage claims inflation, but also maximises policy limits for customers. Practices are staffed by Royal College of Veterinary Surgeons (RCVS) registered practitioners with postgraduate veterinary qualifications in their chosen disciplines.

● The Network does not impact treatment protocols, methodology or approach. These elements rightly remain under the control of each clinician, based on clinical experience and competence and in line with the RCVS Code of Conduct.

● The Network consists of RCVS registered vets working in independent practices, trusts, universities and corporate groups with the capability to provide treatments which primary veterinary practices cannot.

● The Network is currently under development. RSA expects the majority of the Network development to be complete by the end of 2016.

**How does the process work?**

For non-emergency claims only, the primary vet will assess and agree an appropriate referral practice with the customer as normal. Please note that this does not apply to complementary or behavioural therapy.

● If there is a practice on the Network which can undertake the necessary treatment and the customer chooses to go elsewhere, that customer may need to pay towards the referral practice bill themselves. This payment would be in addition to any policy excess. Policy wording explains that customers who do not wish to use a referral practice from the Network for non-emergency cases need to contact the insurer before proceeding with the claim, or the customer may need to pay towards the referral practice bill. **Please note that John Lewis Insurance customers will not be affected by this additional payment.**

Guidance is provided below to explain the approach that will apply for typical scenarios:

● Where the primary vet selects a referral practice from the Network, there is no change to the standard process. The vet can continue to directly appoint the practice as they would do today.

● Where the primary vet has a personal preference for using a particular referral practice that is not on the Network, the customer will be advised that they may need to pay towards the referral practice bill.

● Where other challenges are cited as a factor we will discuss this directly with the customer on a case-by-case basis and apply a pragmatic approach to decide whether the customer may need to pay towards the referral practice bill.

An example of pragmatic approach: The introduction of an additional flat fee may apply when a customer with a non-emergency referral choses to use an alternative referral practice when one of ours is within 60 miles or 60 minutes of them. Every case will be looked at in detail on a case by case basis to consider any mitigating circumstances.

N.B. This new term and condition is just one part of our strategy to keep pet insurance affordable while offering our customers more choice about where their cover is spent and better value on their cover limits.

**When does this come into effect?**

The Network is live and will be significantly enhanced by the addition of a number of practices in July 2016. The network will continue to be refined over time – see July 2016 update below.

**Gaps in the Network – geographical and clinical**

When RSA announced the introduction of the Network, we explained that it would be built in phases and that until the it was complete, each claim would be reviewed on an individual basis to ensure customers were not inconvenienced.
The introduction of an additional flat fee may apply when a customer with a non-emergency referral chooses to use an alternative referral practice when one of ours is within 60 miles or 60 minutes of them. We say may, as each claim is looked at on a case by case basis and there will be exemptions – for example this could apply if someone has mobility issues.

Until we had referral network partners in Northern Ireland, there was no change for our customers there. However, we have now signed a new referral partner in Northern Ireland for Phase 2, so we would apply the above guidance.

**How will customers find out about the Network?**
We will tell customers about the changes at the time of taking out a new policy.

For existing customers, the initiative is being rolled out across certain RSA underwritten policies and policyholders will be informed when their policy is affected. We will repeat the information when we get in touch with customers through the life of their policy and at renewal.

Currently, the Network is available for pet insurance customers with **MORE THAN** Tesco, John Lewis Insurance and Argos.

**July 2016 Update**
RSA has completed phase 1 of the Network which consists of 28 practices which serve approximately half of our current (pre Network) referral volume.

Phase 2 of the Network goes live on July 13th. RSA has added another 24 partners to its Network. This larger group of 52 practices will serve circa 60% of RSA's current (pre Network) referral volume. The new additions will broaden the geographical coverage and also add referral capability. Details of all 52 referral practices can be found on the brand partner website below (see “Contact Us” section).

Phase 3 will be completed before the end of 2016. This final phase will consist of RSA selecting key referral practices which offer some of the more unique referral capabilities, or for areas where we lack coverage.

We recognise the important role that a practice like yours plays in directing clients and their pets to the most appropriate referral provider. Working in partnership with practices across the country to help to control the cost of referral claims will enable our customers, your clients, to obtain more treatment under their insurance cover. It will also allow us to keep our products competitive and sustainable.

A further 24 practices have agreed to join the Network, taking the total number of Network practices to 52.

Across the Network, our customers will have access to a combined total of 388 clinicians with post graduate qualifications in a relevant small animal discipline. The clinicians at the practices hold the following qualifications:

- 211 'Specialists' as recognised by the RCVS;
- 11 'Specialists' as recognised by the European or American Boards;
- 36 Diploma holders, and
- 130 Certificate holders / Advanced Practitioners.

Our claims data shows that 78% of customers live within a 60 minute drive of the Network practices and 96% within a 90 minute drive. Primary vets referred over 30,000 RSA customers to the 52 Network practices in the last 12 months, demonstrating that these practices are tried and trusted.
Contact Us
To help to ensure that our customers have the best possible experience, can we ask you to review the Network practices that are listed below on the brand partner websites and consider these practices where possible.

Argos:  www.argospetinsurance.co.uk/how-to-claim/  
MORE TH>N:  www.morethan.com/pet-insurance/make-pet-claim  
Tesco Bank:  www.tescobank.com/pet ‘Find Out How to Make a Claim’

We recognise that your customers may have enquires about the vets listed. If this is the case, we will be happy to assist with any questions about location, availability or any other element regarding the Network. The helpline details are below:

Argos Pet Claims Helpline  0345 078 7500  
John Lewis Insurance Vet Referral Helpline  0330 100 6483  
MORE TH>N Vet Referral Helpline  0330 100 6445  
Tesco Bank Vet Referral Helpline  0330 100 6460

Should you have any questions please don’t hesitate to contact us at rsa.pet@uk.rsagroup.com

Appendix – Information about the claim process to vets.
We are currently looking at ways to enhance the customer experience when making a pet insurance claim, to provide a swift and uncomplicated claims process.

We aim to offer our customers the best support when they make a claim, as we understand that this may be an emotional or stressful time. We want to be able to help answer their questions and provide guidance when submitting and processing a claim.

We know that the initial cost of veterinary treatment required can be of financial concern to customers; if we can help process their claims more speedily this burden is reduced; in terms of claims paid to you, a quicker turnaround also helps reduce your outstanding invoices.

To help us achieve this, we have looked at where excess time and correspondence occurs in processing claims and related enquiries. One of the key areas involves our request for additional information when we are in receipt of a claims form.

It would help you and our mutual customers, if you could check that all necessary information, history and clinical notes accompany fully completed claims forms. This will not only help us process them more quickly, but also prevent delays. For claims where the customer has asked us to pay you directly, this will also enable faster payment.

The Pet Insurance Team  
RSA