

INSURANCE

Criticism remains for RSA's referral network despite cost of claims falling

INSURANCE group RSA has said that average claims for clients using its Preferred Referral Network are considerably lower after the first 18 months of operation.

The company launched the network in December 2015 for underwritten pet policies at Tesco Bank, MORE TH>N, John Lewis and Argos, which sparked criticism from some referral clinics.

But RSA said its customers are 'delighted' with the change and that claims cost on average £385 'when customers use our network partners – making their cover limits go further.'

Industry average claims costs analysed by the Association of British Insurers for 2016 were £757, making RSA 50 per cent cheaper according to its calculations.

'By managing our claims costs through the network we will ultimately help to keep pet insurance affordable and sustainable,' said a spokesman.

There are currently 58 partner practices in the network and the company said 80 per cent of its customers are within a 60 minute drive of a network partner.

RSA faced tough criticism when it announced the network in 2015, with 11 veterinary referral centres setting up opposition group 'Vets for Choice'. Including Anderson Moores Veterinary Specialists, Davies Veterinary Specialists, Fitzpatrick Referrals and Dick White Referrals, the group argued that it should be the absolute right of pet owners, in conjunction with their first-opinion vet, to select the referral centre that is most appropriate for each individual case.

Willows Veterinary Centre and Referral Service in the West Midlands was one of the 11 referral clinics that was against RSA's Preferred Referral Network.

Willows business development manager Will Awde said the main reason for its opposition remaining is that the network imposes limitations on vets' clinical freedom.

'We believe the vet responsible for a pet's primary care is the person best placed to recommend the most appropriate referral centre,' he said.

'When an animal is seriously ill, they should have access to the best care available without having to make clinical compromises to avoid a penalty charge.'

Awde said RSA's referral network does not distinguish between services provided by different referral centres.

'Larger centres with diploma-holding specialists, a multidisciplinary team and highly advanced equipment will be able to provide the highest level of clinical care possible and can offer more complex procedures which can positively impact patient outcomes,' he said.

'There are many practices on the list that do not employ recognised specialists.'

Further charges could also be imposed for insured clients who insist on using practices not approved by RSA, he added.

'Clients limited by the Preferred Referral Network will have less choice if the penalties for referring off-network are enforced by RSA,' said Awde.

'We are pleased to hear that some brands underwritten by RSA, for example M&S, continue to offer their customers the freedom to take their pets to a referral centre of their choice.'

M&S Bank pet insurance policies are underwritten by RSA but when asked why it offered pet owners a choice of referral clinics, a spokesman would only confirm that it was 'not part of the Preferred Referral Network'.

Rob Foale, clinical director of Dick White Referrals, said the referral network effectively reduces owners' and vets' choices.

He said: 'When primary care vets advise their clients on the most suitable referral practice, their recommendation should be based purely on clinical considerations. They will assess which specialist centre can provide the expertise and facilities required; and this judgement can only be made on an individual, case by case basis. The Preferred Referral Network effectively reduced the choices available to pet owners and their vets by introducing financial penalties when referrals are made outside this network.'

When asked about their members' response to RSA's referral network, the BVA and BSAVA issued a joint statement.

'When RSA announced its preferred referral scheme, our respective members expressed strong concerns about the impact on their ability to exercise clinical judgement to get the best outcomes for their patients.'



Both BVA and BSAVA, the statement said, held conversations with RSA emphasising that treatment decisions should be made in the best interests of the pet.

'To uphold the important vet-client relationship, vets must be able to make decisions based on clinical indication and not be driven by imposed restrictions.'

It continued: 'This resulted in RSA's agreement to make the list of preferred referral practices freely available in order to keep the decision-making authority with vets and provide more flexibility and transparency in the referral process than the original proposals.'

'BVA and BSAVA continue to recognise the need for a sustainable pet insurance market that supports access to high standards of veterinary care, and we continue to gather and convey our members' views and experiences to insurers about how the new policy is working in practice.'

Junior vice-president of the Veterinary Practice Management Association Julie Beacham said there had been concerns among members when RSA touted the idea in 2015, but the association was not aware of a negative response from practices since.

'Feedback from several board members to date is that, within their practices, things have run pretty much to normal on this: clients generally want to follow the vet's recommendation for where their pets should go, and those warned that they may have to pay a £200 excess for not using an RSA-approved centre have generally gone ahead regardless,' she said.

'We aren't aware of a rise in premiums – clients haven't reported issues.'