



August 25, 2017

MEDIA RELEASE – FOR IMMEDIATE USE

Health insurance numbers up more than 20,000 in June year

Health insurance numbers have risen for the ninth quarter in a row, with an extra 20,500 New Zealanders taking out cover in the year to June, according to statistics released today by the Health Funds Association (HFANZ).

HFANZ chief executive Roger Styles said it had been another positive year for health insurance, one of the strongest since 2001, with lives covered in the year to June 30 up 1.5 percent to 1.368 million.

“This has been mainly on the back of strong employment growth and growing interest from employers in providing health insurance options for their staff as part of their commitment to health and safety,” he said.

As well as growth in the 25-39 year working age group, Mr Styles said New Zealand’s ageing population had seen the ranks of the over-65s with health insurance swell by around 14,000 over the year, up 9.5 percent.

“A growing number of those aged over 65 are retaining health insurance for peace of mind and prompt access to treatment if and when they need it. With more of the population reaching this age group, we now have around 159,000 New Zealanders over the age of 65 covered.”

HFANZ said claims paid in the June 2017 quarter totalled \$297 million, up 2.4 percent on the June 2016 quarter. For the year to June 30, 2017, claims paid totalled \$1.152 billion, up \$76 million or 7.1 percent on the June 2016 year.

ENDS (three-page statistical summary follows)

For further information, contact:

Chief executive Roger Styles ph 04 499 0834 or 027 480 0072

Media advisor Andrea McKay ph 027 555 7783.

Quarterly statistical summary: June 2017

This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

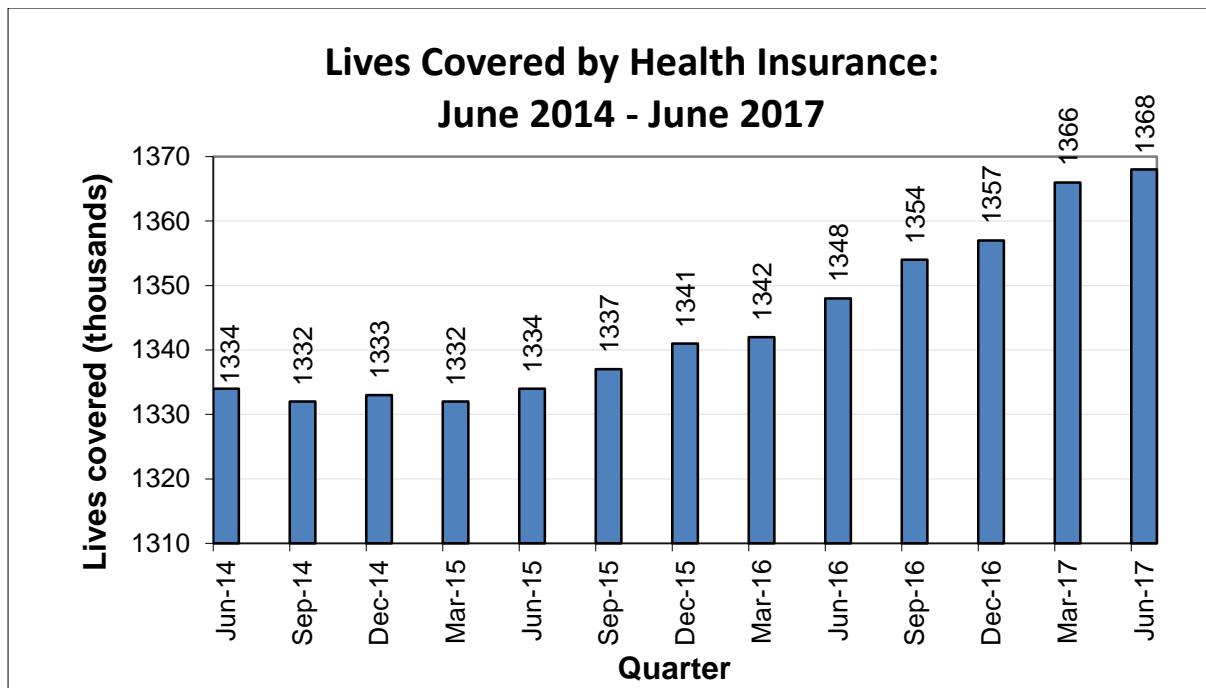
Headline changes

- ▲ Lives covered up 2700 (0.2 percent) for the quarter; up 20,500 or 1.5 percent for the year;
- ▲ Premium income of \$354 million for the quarter, up \$4 million on March quarter; annual premium \$1.395 billion, up \$76 million (5.8 percent) on June 2016 year;
- ▲ Claims paid for quarter of \$297 million, up 2.4 percent on previous June 2016 quarter; annual claims paid for June year of \$1152 million up 7.1 percent on June 2016 year claims.

Lives covered

There was an increase of 2700 lives covered over the June 2017 quarter. Total lives covered as at 30 June 2017 stood at 1.368 million. On an annual basis, lives covered have increased by 20,500 or 1.5 percent for the year ending June 2017. This is the ninth straight quarter of growth in lives covered, with 2017 seeing some of the strongest annual growth in lives covered since 2001.

Much of this growth appears to have come from an increase in the numbers of people with employer-subsidised health insurance as part of an increased focus on wellness in the workplace.

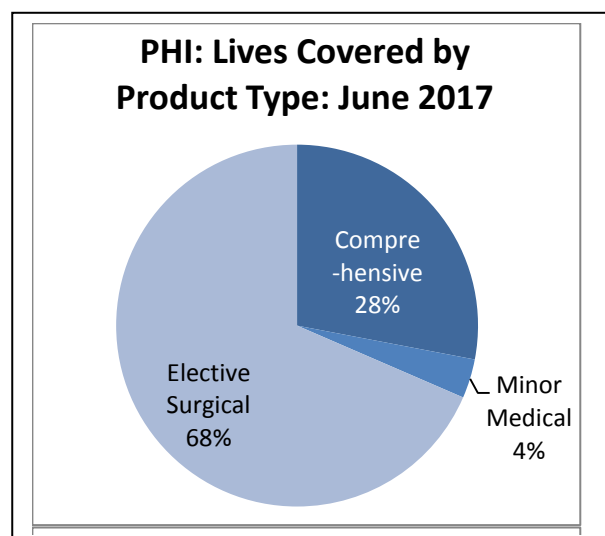


Lives covered by product type

Historically, statistics published by HFANZ have reported two categories of health insurance – elective surgical and comprehensive. In 2016, HFANZ began separating out a third category which is labelled ‘minor medical’. These policies are more limited in terms of the level of cover, and less expensive. While such policies typically provide for reimbursements of day to day expenses, such as GP visits, physio and the like, they will usually have restricted or no cover for major surgery.

Most health insurers in New Zealand offer a product which meets the definition of minor medical. Minor medical policies account for around 48,000 lives covered – or just 3.5 percent of the total lives covered.

Until the change, minor medical policies had generally been counted in the comprehensive category. The proportions of each product type are shown in the adjacent chart.



Changes in lives covered by age group

The table below gives a breakdown of the changes in lives covered over the past year by age group.

Table: Change in lives covered by Age: June 2017 year

Age	Jun 2016	Jun 2017	Change	Percent
0–4	69,361	60,943	-8418	-12.1%
5–9	84,272	83,705	-567	-0.7%
10–14	83,180	85,071	1891	2.3%
15–19	85,080	84,354	-726	-0.9%
20–24	76,929	77,367	438	0.6%
25–29	74,703	78,761	4058	5.4%
30–34	88,111	90,450	2339	2.7%
35–39	94,971	97,846	2875	3.0%
40–44	112,477	108,299	-4178	-3.7%
45–49	117,490	119,993	2503	2.1%
50–54	119,398	117,900	-1498	-1.3%
55–59	108,166	112,581	4415	4.1%
60–64	88,525	92,092	3567	4.0%
65–69	64,302	67,576	3274	5.1%
70–74	37,585	41,185	3600	9.6%
75–79	21,831	25,846	4015	18.4%
80–84	12,531	13,462	931	7.4%
85–89	6552	7646	1094	16.7%
90+	2273	3191	918	40.4%
Totals	1,347,738	1,368,269	20,531	1.5%

The lives covered in the over-65 age group has grown significantly as more people move into that age group and significant numbers of older New Zealanders are retaining their health insurance so they can access prompt treatment if and when needed. The annual growth in lives covered in the 65+ age group of around 14,000 (+9.5 percent) takes the total number of 65+ persons with health insurance to 159,000.

Also of note is the significant increase of around 9000 lives covered in the 25-39 age group – up by over three percent for the year. The stronger growth in the working age population with health insurance comes amid renewed interest from employers in group health plans, and the benefits which flow from a greater focus on wellness in the workplace.

Premium income

Premium income for the June 2017 quarter totalled \$354 million – up by \$4 million on the March quarter. Annual premium for the year ended 30 June 2017 was \$1.395 billion, up 5.8 percent or \$76 million on premium income for the June 2016 year.

Claims paid

Claims paid for the June 2017 quarter totalled \$297 million, up 2.4 percent on the previous June 2016 quarter. Total claims paid for the 12 months ending 30 June 2017 were \$1152 million, up 7.1 percent – or \$76 million – on June 2016 year claims.

