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MEDIA RELEASE – FOR IMMEDIATE USE

Total NZers with health insurance passes 1.4 million for first time in decades

Health insurers have recorded continued growth in lives covered and claims paid for the September 2018 quarter, bringing the number of New Zealanders with health insurance up past the 1.4 million mark for the first time in more than two decades.

A record additional 26,530 lives covered in the year to September 30 brings the overall total past the previous high of 1.392 million in December 2009, the latest industry data reveals.

Health Funds Association (HFANZ) chief executive Roger Styles said this was the fourteenth straight quarterly increase in lives covered, with 2017-18 recording the strongest growth in lives covered since 2001.

Mr Styles said the bulk of the increase was again in the working age group, reflecting the continued growth in employment numbers and indicating workers were opting for health insurance packages that were partly funded by their employers.

“These latest figures take us back to levels higher than before the 2008 global financial crisis and hark back to 20 years ago when close to half the population had health insurance. Back then most policies were comprehensive cover and offered reimbursements for things like GP and dental visits. Now around 70 percent of policies are for major medical or surgical and specialist cover, with insurers funding an increasing range of treatments,” he said.

Claims paid for the September quarter totalled \$342 million, up 6.7 percent on the September 2017 quarter, and brought the total for the 12 months to the end of September to \$1.263 billion, up \$89 million or 7.6 percent, on the September 2017 year.

Mr Styles said claims paid had effectively doubled over the past decade as people accessed both a greater volume and a wider range of services and treatments through health

insurance, and the public system had struggled to keep pace with demand growth, especially for elective surgery.

The growth in healthcare claims paid was reflected in the growth in premiums over the same period. Premium income for the September 2018 quarter totalled \$391 million, up by \$8 million on the June quarter. Annual premium for the year ended September 30, 2018 was \$1.516 billion, up 7.4 percent or \$105 million on the September 2017 year.

ENDS (three-page statistical summary follows)

For further information, contact:

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

Media advisor Andrea McKay - 027 555 7783.

Quarterly statistical summary: September 2018

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.

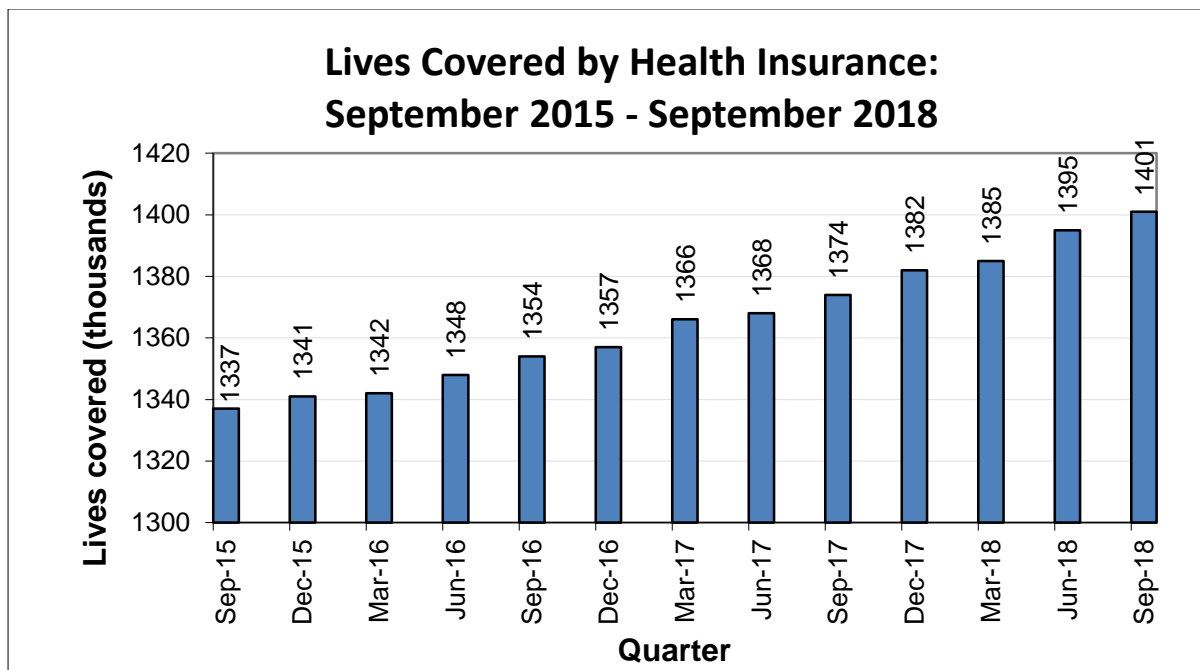
Headline changes

- ▲ Lives covered up 5900 (0.4 percent) for the quarter; up 26,500 or 1.9 percent for the year;
- ▲ Premium income of \$391 million for the quarter, up \$8 million on June quarter; annual premium \$1.516 billion, up \$105 million (7.4 percent) on September 2017 year;
- ▲ Claims paid for quarter of \$342 million, up 6.7 percent on previous September 2017 quarter; annual claims paid for September year of \$1.263 billion up \$89 million (7.6 percent) on September 2017 year claims.

Lives covered

There was an increase of 5900 lives covered over the September 2018 quarter. Total lives covered as at 30 September 2018 stood at 1.401 million. On an annual basis, lives covered have increased by 26,500 or 1.9 percent for the year ending September 2018. This is the fourteenth straight quarterly increase in lives covered, with 2017-18 showing the strongest growth in lives covered since 2001.

PHI uptake has been boosted by the continued growth in employment levels and an increase in the number of people opting for health insurance cover which is partly funded by their employer.



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.

Age	Sep 2017	Sep 2018	Change	Percent
0-4	61,264	61,324	60	0.1%
5-9	83,716	84,494	778	0.9%
10-14	85,588	87,473	1,885	2.2%
15-19	84,047	84,902	855	1.0%
20-24	77,478	78,129	651	0.8%
25-29	79,765	82,861	3,096	3.9%
30-34	91,454	95,491	4,037	4.4%
35-39	99,009	102,884	3,875	3.9%
40-44	108,090	107,838	-252	-0.2%
45-49	120,203	121,542	1,339	1.1%
50-54	117,833	118,327	494	0.4%
55-59	112,950	115,720	2,770	2.5%
60-64	92,491	94,941	2,450	2.6%
65-69	67,681	68,377	696	1.0%
70-74	41,968	44,712	2,744	6.5%
75-79	26,201	26,755	554	2.1%
80-84	13,560	14,066	506	3.7%
85-89	7,629	7,563	-66	-0.9%
90+	3,228	3,286	58	1.8%
Total	1,374,156	1,400,686	26,530	1.9%

Increase in working-age population with health insurance

Most of the annual growth in lives covered has come from the working age population, as interest continues to grow in employer-subsidised health insurance for staff. As well as general employment growth, numbers were boosted in the year by increased availability of employer-subsidised health insurance as part of a broader focus on wellness in the workplace.

△ *Around 18,500 of the 26,500 additional lives covered were in the 20-64 age group, with almost half (11,000) being aged 25-39.*

Employers and employees are increasingly aware of their workplace health and safety responsibilities, and there is an increased interest now on the health perspective, not only on how the workplace affects employee health but the impact of employee health on the workplace, such as through productivity and absenteeism. Health insurance is increasingly seen as having a role as part of a broader focus on wellness in the workplace.

Premium income

Premium income for the September 2018 quarter totalled \$391 million – up by \$8 million on the June quarter. Annual premium for the year ended 30 September 2018 was \$1.516 billion, up 7.4 percent or \$105 million on premium income for the September 2017 year.

Claims paid

Claims paid for the September 2018 quarter were \$342 million up 6.7 percent on the previous September 2017 quarter. Total claims paid for the 12 months ending 30 September 2018 were \$1.263 billion, up 7.6 percent – or \$89 million – on September 2017 year claims.

Annual claims paid have effectively doubled over the past decade, as people have accessed both a greater volume and a wider range of services and treatments through health insurance.

The growth in healthcare claims paid has been reflected in the growth in premiums over the same period. While claims costs can demonstrate a little more volatility, premium adjustments tend to be smoother, with the increase in both being very similar over time.

