



August 28, 2018

MEDIA RELEASE – FOR IMMEDIATE USE

500 people a week taking out health insurance - stats

A record additional 26,500 lives covered in the year to the end of June 2018 means 500 more people have been taking out health insurance each week, the latest industry data reveals.

Health Funds Association (HFANZ) chief executive Roger Styles said today a large proportion of this growth seemed to be among businesses focused on the wellbeing of their employees.

“Health insurance offered as part of an employment package is often partly or fully subsidised by employers, and we have seen another year of positive employment growth playing a part in this,” he said.

“Health insurance is increasingly forming part of employers’ overall wellness packages, and is commonly sought by employees as something they expect and value as part of the job.”

Southern Cross Health Society CEO Nick Astwick agreed, saying that, alongside a rise in the number of businesses insuring the health of their people, it had seen an upsurge in interest from employers in the area of wellness.

“We know, from research such as the Wellness in the Workplace* survey, that Kiwi businesses recognise the need to support the wellbeing of their people,” he said. “Health insurance is an important part of that. In addition there is growing demand for holistic workplace wellbeing programmes like BeingWell.”

Overall health insurance coverage had risen consistently over the past three years, with around 60,000 more people covered than in June 2015. Mr Styles said it was not just the working age population causing the rise – an increasing number of those aged over 65 were continuing to maintain health insurance cover as they aged.

He said there was evidence those over 65 were retaining health cover because they saw the value in it, together with the certainty that they could access timely healthcare treatment if and when they needed it.

“In the year to June, the number of people aged 65-plus with health insurance increased by 5400, or 3.4 percent to 164,000. At the same time, healthcare claims for those 65-plus jumped by 9.7 percent to \$403 million, which shows the significant contribution private health insurance makes to funding healthcare for older New Zealanders,” Mr Styles said.

Key stats:

- Lives covered up 9100 (0.7 percent) for the quarter; up 26,500 or 1.9 percent for the year;
- Premium income of \$383 million for the quarter, up \$10 million on March 2018 quarter; annual premium \$1.483 billion, up \$88 million (6.3 percent) on June 2017 year;
- Claims paid for quarter of \$331 million, up 10.4 percent on previous June 2017 quarter; annual claims paid for June year of \$1.242 billion, up \$89 million (7.8 percent) on June 2017 year claims.

ENDS (three-page statistical summary follows)

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*The Wellness in the Workplace survey is a biennial survey conducted by BusinessNZ and Southern Cross Health Society. The last was conducted in 2017.

Quarterly statistical summary: June 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.

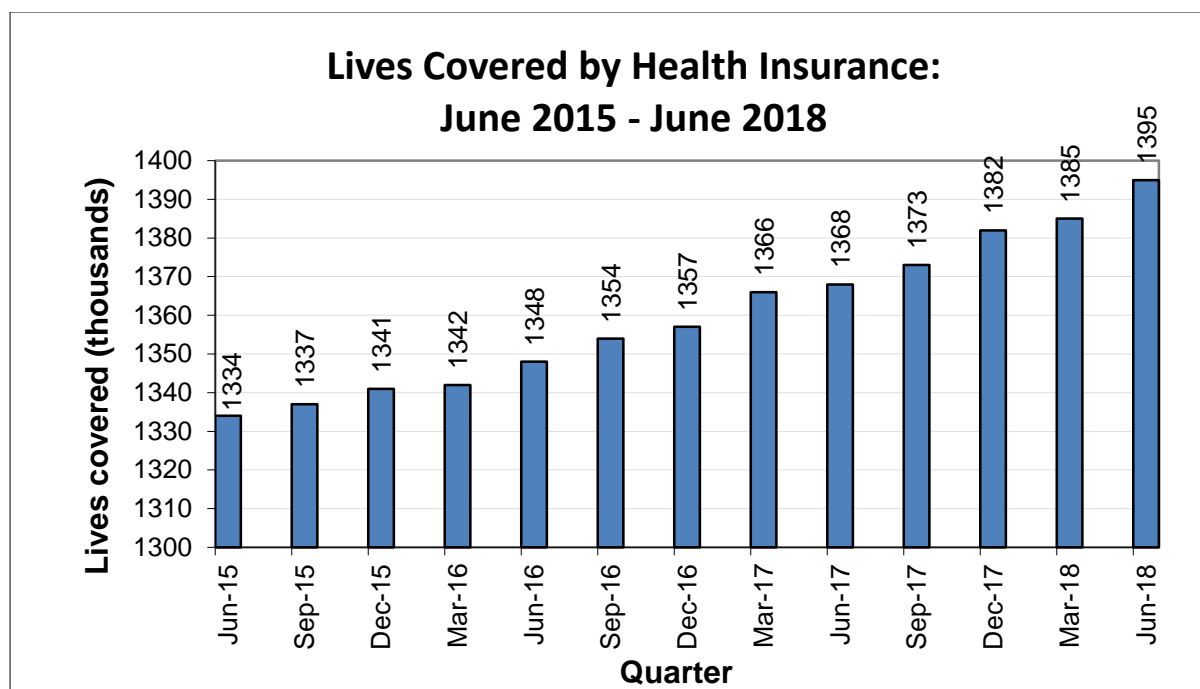
Headline changes

- ▲ Lives covered up 9100 (0.7 percent) for the quarter; up 26,500 or 1.9 percent for the year;
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Lives covered

There was an increase of 9100 lives covered over the June 2018 quarter. Total lives covered as at 30 June 2018 stood at 1.395 million. On an annual basis, lives covered have increased by 26,500 or 1.9 percent for the year ending June 2018. This is the thirteenth straight quarter of growth in lives covered, with 2017-18 showing the strongest annual growth in lives covered since 2001.

The continued growth in employment levels has helped increase PHI uptake, with 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	Jun 2017	Jun 2018	Change	Percent
0-4	60,943	61,145	202	0.3%
5-9	83,705	84,359	654	0.8%
10-14	85,071	86,973	1,902	2.2%
15-19	84,354	84,822	468	0.6%
20-24	77,367	77,922	555	0.7%
25-29	78,761	81,868	3,107	3.9%
30-34	90,450	94,469	4,019	4.4%
35-39	97,846	101,561	3,715	3.8%
40-44	108,299	107,772	-527	-0.5%
45-49	119,993	121,216	1,223	1.0%
50-54	117,900	118,443	543	0.5%
55-59	112,581	115,280	2,699	2.4%
60-64	92,092	94,671	2,579	2.8%
65-69	67,576	68,368	792	1.2%
70-74	41,185	44,414	3,229	7.8%
75-79	25,846	26,585	739	2.9%
80-84	13,462	13,982	520	3.9%
85-89	7,646	7,601	-45	-0.6%
90+	3,191	3,316	125	3.9%
Totals	1,368,269	1,394,768	26,499	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. The year saw numbers boosted by both general employment growth, as well as growth in the availability of employer-subsidised health insurance as part of a broader focus on wellness in the workplace.

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

Part of the growing interest from employers and employees appears to be coming from the new workplace health and safety responsibilities. While traditionally safety aspects have been forefront, the impact of health is now receiving greater attention – not just the impact of the workplace on 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.

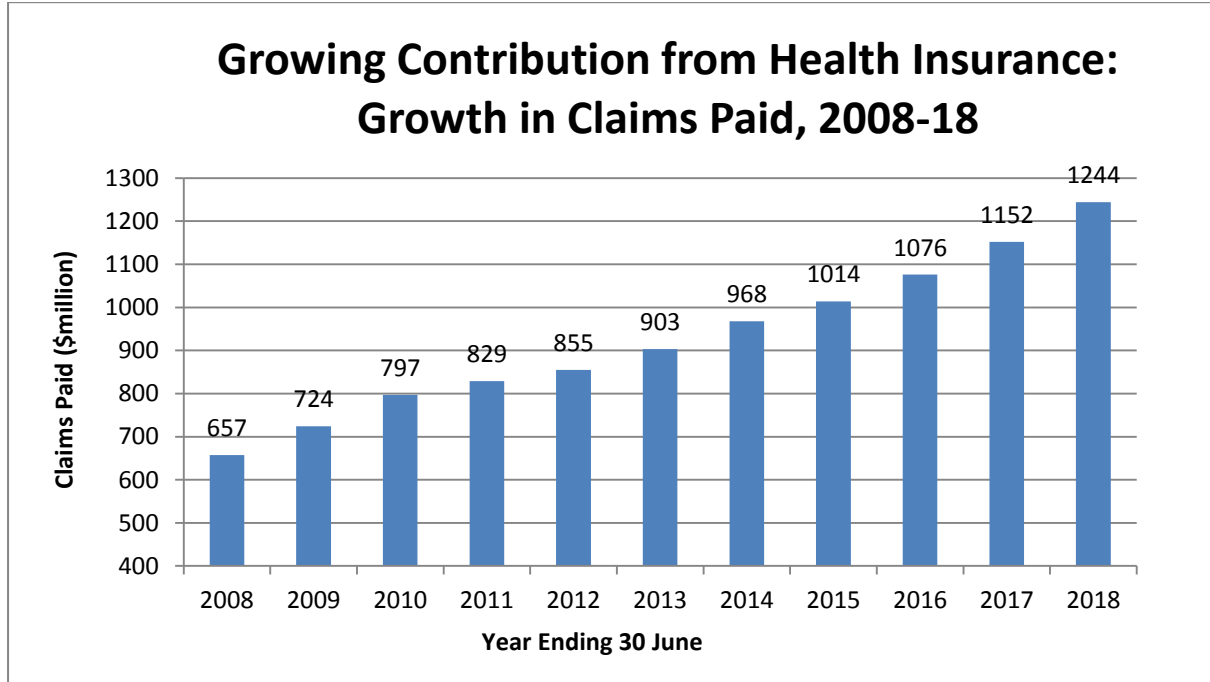
Premium income

Premium income for the June 2018 quarter totalled \$383 million, up by \$10 million on the March quarter. Annual premium for the year ended 30 June 2018 was \$1.482 billion, up 6.3 percent or \$88 million on premium income for the June 2017 year.

Claims paid

Claims paid for the June 2018 quarter were \$331 million, up 10.4 percent on the previous June 2017 quarter. Total claims paid for the 12 months ending 30 June 2018 were \$1.242 billion, up 7.8 percent – or \$89 million – on June 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.

