

## Quarterly statistical summary: September 2017

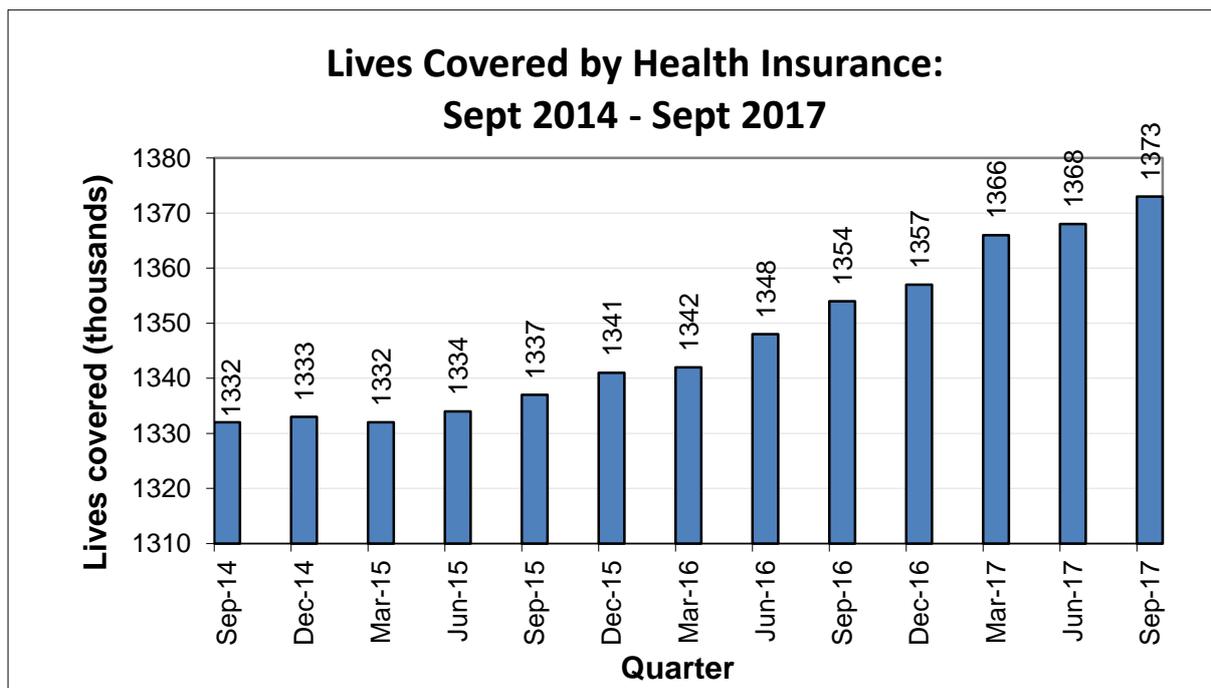
This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

### Headline changes

- △ Lives covered up 5,000 (0.4 percent) for the quarter; up 18,900 or 1.4 percent for the year;
- △ Premium income of \$357 million for the quarter, up \$2m on June quarter; annual premium \$1.410 billion, up \$71m (5.3 percent) on September 2016 year;
- △ Claims paid for quarter of \$321 million, up 7.3 percent on previous September 2016 quarter; annual claims paid for September year of \$1,174 million up 6.7 percent on September 2016 year claims.

### Lives covered

There was an increase of 5,000 lives covered over the September 2017 quarter. Total lives covered as at 30 September 2017 stood at 1.374 million. On an annual basis, lives covered have increased by 18,900 or 1.4 percent for the year ending September 2017. This is the tenth 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.

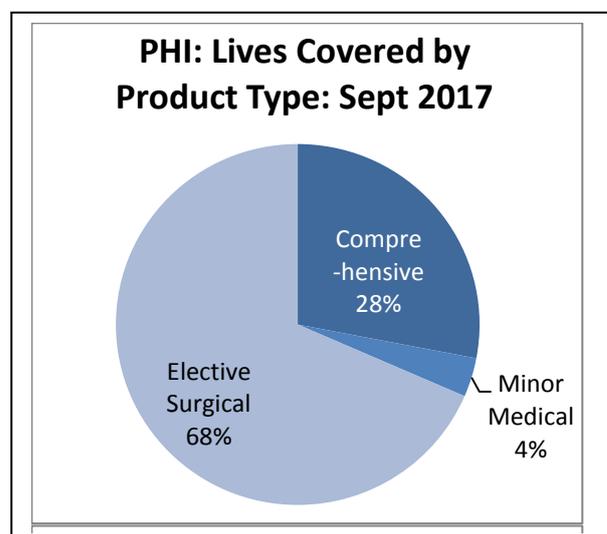


## Lives covered by product type

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 49,000 lives covered – or less than 4 percent of the total lives covered.

Numbers have been relatively stable over the year – with a net increase of just 300 lives covered during the year. Most of the growth has been in elective surgical.



## 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: September 2017 year**

Age	Sep 2016	Sep 2017	Change	Percent
0–4	60,756	61,226	470	0.8%
5–9	83,593	83,662	69	0.1%
10–14	83,586	85,534	1,948	2.3%
15–19	84,534	83,994	-540	-0.6%
20–24	77,552	77,419	-133	-0.2%
25–29	76,159	79,714	3,555	4.7%
30–34	87,663	91,393	3,730	4.3%
35–39	95,617	98,939	3,322	3.5%
40–44	109,731	108,017	-1,714	-1.6%
45–49	118,299	120,125	1,826	1.5%
50–54	118,542	117,757	-785	-0.7%
55–59	111,167	112,882	1,715	1.5%
60–64	91,299	92,437	1,138	1.2%
65–69	67,827	67,640	-187	-0.3%
70–74	39,619	41,947	2,328	5.9%
75–79	24,581	26,190	1,609	6.5%
80–84	13,315	13,555	240	1.8%
85–89	7,600	7,627	27	0.4%
90+	2,991	3,228	237	7.9%
90–94	2,558	2,753	195	7.6%
<b>Totals</b>	<b>1,354,432</b>	<b>1,373,287</b>	<b>18,855</b>	<b>1.4%</b>

## Older Age groups retaining health insurance

Significant numbers of older New Zealanders are retaining their health insurance so they can access prompt treatment if and when needed. An additional 5,400 lives covered aged 60+ over the year means there are now over a quarter of a million New Zealanders aged over 60 with health insurance (252,600).

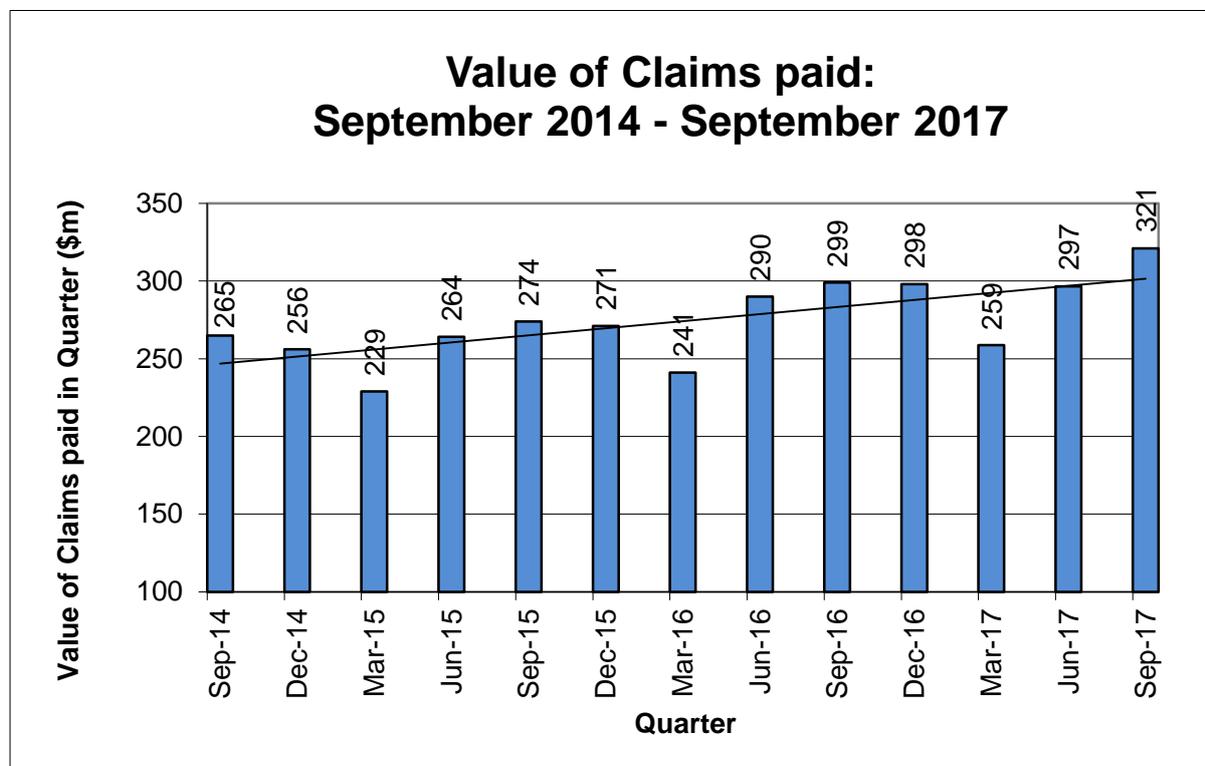
Also of note is the significant increase of around 10,000 lives covered in the 25-39 age group – up by over three percent for the year. The stronger growth in the working age population with health insurance comes amid renewed interest from employers in group health plans, and the benefits which flow from a greater focus on wellness in the workplace.

## Premium income

Premium income for the September 2017 quarter totalled \$357 million – up by \$2m on the June quarter. Annual premium for the year ended 30 September 2017 was \$1.410 billion, up 5.3 percent or \$71m on premium income for the September 2016 year.

## Claims paid

Claims paid for the September 2017 quarter hit a record \$321 million – the first time quarterly claims paid have exceeded \$300 million – pushed higher by an increase in lives covered and procedures funded. September quarter claims paid are up 7.3 percent on the previous September 2016 quarter. Total claims paid for the 12 months ending 30 September 2017 were \$1,174 million, up 6.7 percent – or \$74 million – on September 2016 year claims.



### Older Age groups accessing more treatment through health insurance

Health insurance claims paid for the over 60s age group jumped 7.7 percent (\$38 million) over the year to top the half billion dollar mark for the first time, with health insurance funding \$532 million in health care for over 60s in the September year.

Health insurance is funding significant volumes of health care for older New Zealanders – particularly for elective surgery – with all indications pointing to continued increases in coming years.

The growing numbers of over 60s retaining their health insurance, combined with increased volumes of treatments funded, mean health insurance will be funding well in excess of \$2 billion in healthcare costs for over 60s over the next four years.

