

## Quarterly statistical summary: December 2017

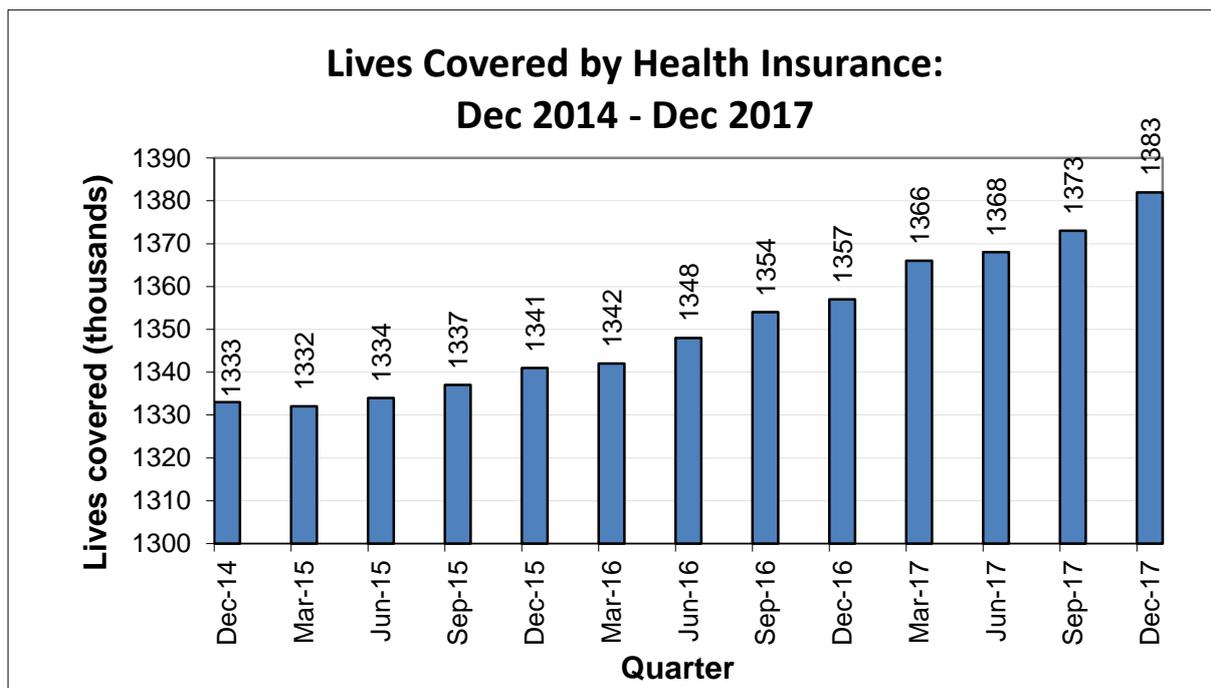
This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

### Headline changes

- △ Lives covered up 9,100 (0.7 percent) for the quarter; up 25,900 or 1.9 percent for the year;
- △ Premium income of \$369 million for the quarter, up \$11m on September quarter; annual premium \$1.431 billion, up \$74m (5.4 percent) on December 2016 year;
- △ Claims paid for quarter of \$309 million, up 4.0 percent on previous December 2016 quarter; annual claims paid for December year of \$1,185 million up \$57m (5.0 percent) on December 2016 year claims.

### Lives covered

There was an increase of 9,100 lives covered over the December 2017 quarter. Total lives covered as at 31 December 2017 stood at 1.383 million. On an annual basis, lives covered have increased by 25,900 or 1.9 percent for the year ending December 2017. This is the eleventh straight quarter of growth in lives covered, with 2017 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.

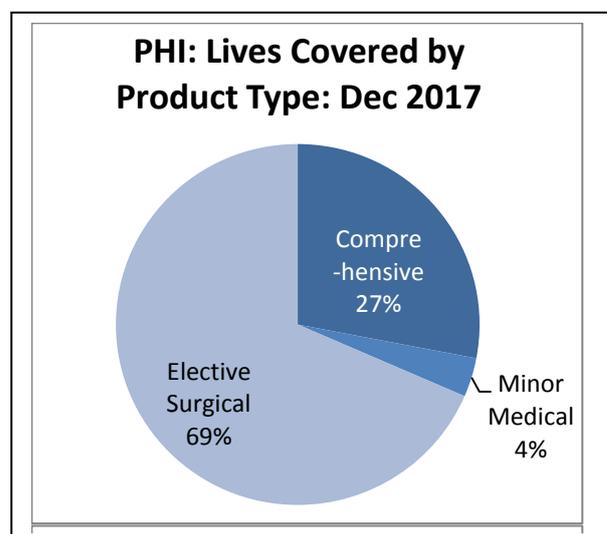


## Lives covered by product type

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 50,000 lives covered – or less than 4 percent of the total lives covered.

Most of the growth in lives covered over the past year has been in policies providing elective surgical cover.



## 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	Dec 2016	Dec 2017	Change	Percent
0–4	60,765	60,900	135	0.2%
5–9	83,657	84,056	399	0.5%
10–14	83,970	85,811	1,841	2.2%
15–19	84,449	84,073	-376	-0.4%
20–24	76,983	77,428	445	0.6%
25–29	76,477	80,747	4,270	5.6%
30–34	88,384	92,796	4,412	5.0%
35–39	96,057	100,243	4,186	4.4%
40–44	109,255	107,925	-1,330	-1.2%
45–49	118,559	120,837	2,278	1.9%
50–54	118,478	118,527	49	0.0%
55–59	111,600	114,198	2,598	2.3%
60–64	91,500	93,634	2,134	2.3%
65–69	67,834	68,292	458	0.7%
70–74	40,255	42,830	2,575	6.4%
75–79	25,068	26,356	1,288	5.1%
80–84	13,395	13,700	305	2.3%
85–89	7,601	7,662	61	0.8%
90+	3,071	3,249	178	5.8%
<b>total</b>	<b>1,357,359</b>	<b>1,381,514</b>	<b>24,155</b>	<b>1.8%</b>

## 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 19,000 of the 25,900 additional lives covered were in the 20-64 age group, with around half (12,900) 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 December 2017 quarter totalled \$369 million – up by \$11m on the September quarter. Annual premium for the year ended 31 December 2017 was \$1.431 billion, up 5.4 percent or \$74m on premium income for the December 2016 year.

## Claims paid

Claims paid for the December 2017 quarter were \$309 million up 4.0 percent on the previous December 2016 quarter. Total claims paid for the 12 months ending 31 December 2017 were \$1,185 million, up 5.0 percent – or \$57 million – on December 2016 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.

