

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.

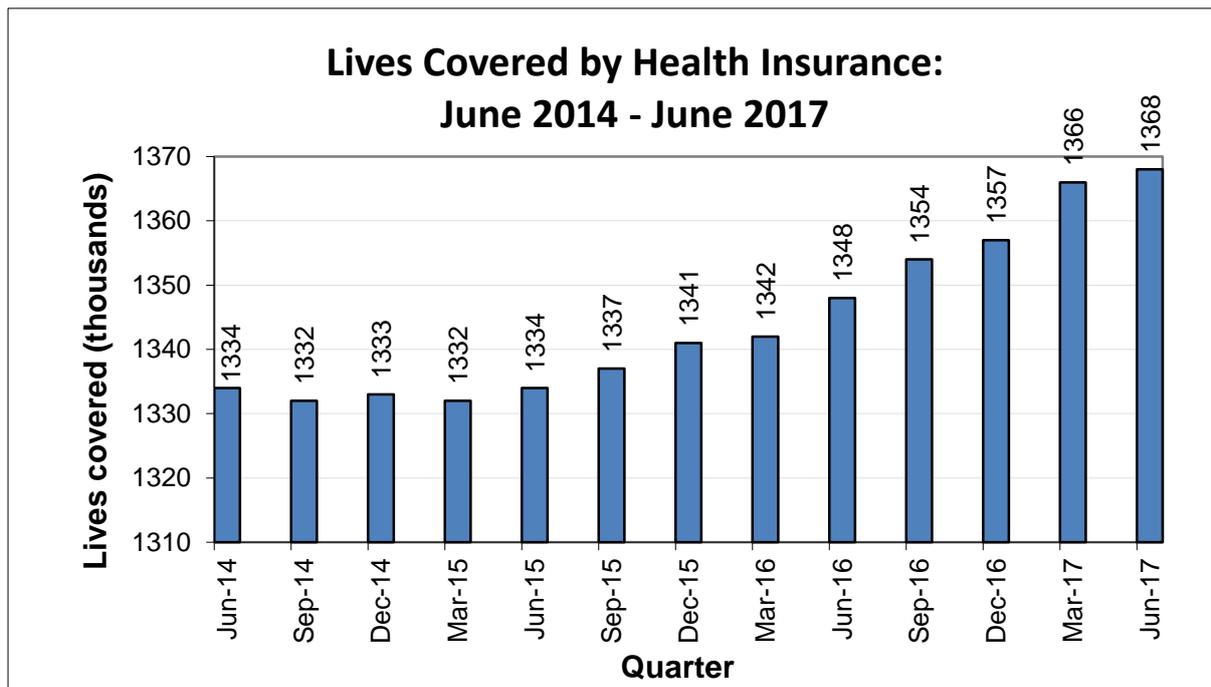
Headline changes

- △ Lives covered up 2,700 (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 \$4m on March quarter; annual premium \$1.395 billion, up \$76m (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 \$1,152 million up 7.1 percent on June 2016 year claims.

Lives covered

There was an increase of 2,700 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.

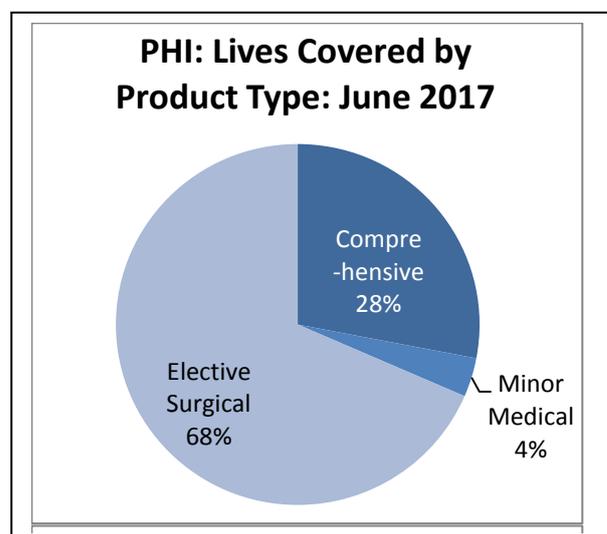


Lives covered by product type

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% 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	-8,418	-12.1%
5–9	84,272	83,705	-567	-0.7%
10–14	83,180	85,071	1,891	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	4,058	5.4%
30–34	88,111	90,450	2,339	2.7%
35–39	94,971	97,846	2,875	3.0%
40–44	112,477	108,299	-4,178	-3.7%
45–49	117,490	119,993	2,503	2.1%
50–54	119,398	117,900	-1,498	-1.3%
55–59	108,166	112,581	4,415	4.1%
60–64	88,525	92,092	3,567	4.0%
65–69	64,302	67,576	3,274	5.1%
70–74	37,585	41,185	3,600	9.6%
75–79	21,831	25,846	4,015	18.4%
80–84	12,531	13,462	931	7.4%
85–89	6,552	7,646	1,094	16.7%
90+	2,273	3,191	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 9,000 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 June 2017 quarter totalled \$354 million – up by \$4m on the March quarter. Annual premium for the year ended 30 June 2017 was \$1.395 billion, up 5.8 percent or \$76m 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 \$1,152 million, up 7.1 percent – or \$76 million – on June 2016 year claims.

