

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.

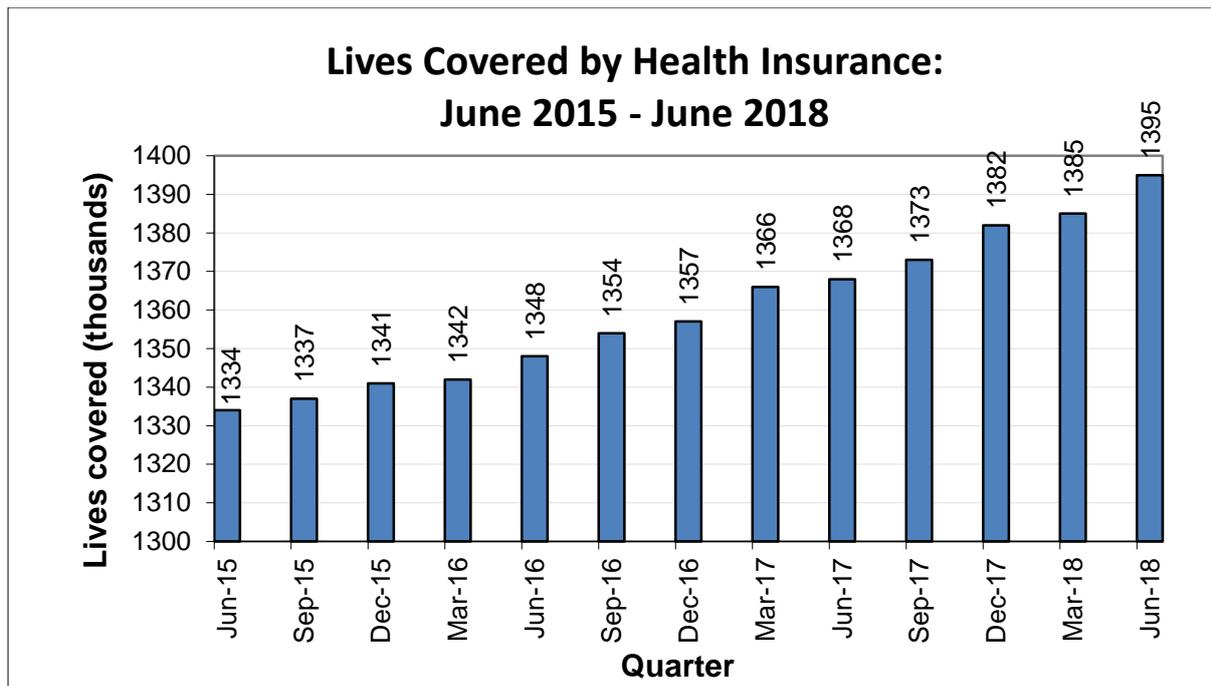
Headline changes

- △ Lives covered up 9100 (0.7 percent) for the quarter; up 26,500 or 1.9 percent for the year;
- △ Premium income of \$383 million for the quarter, up \$10 million on March 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.

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.

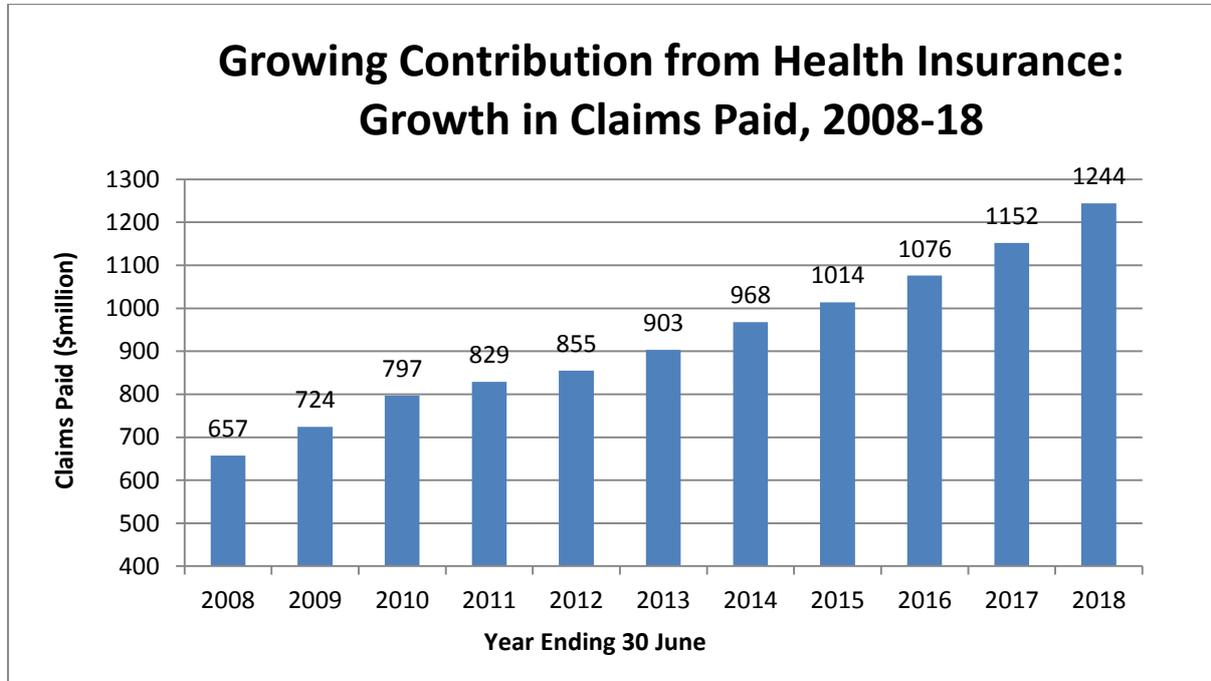
Premium income

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.

