

Quarterly statistical summary: March 2018

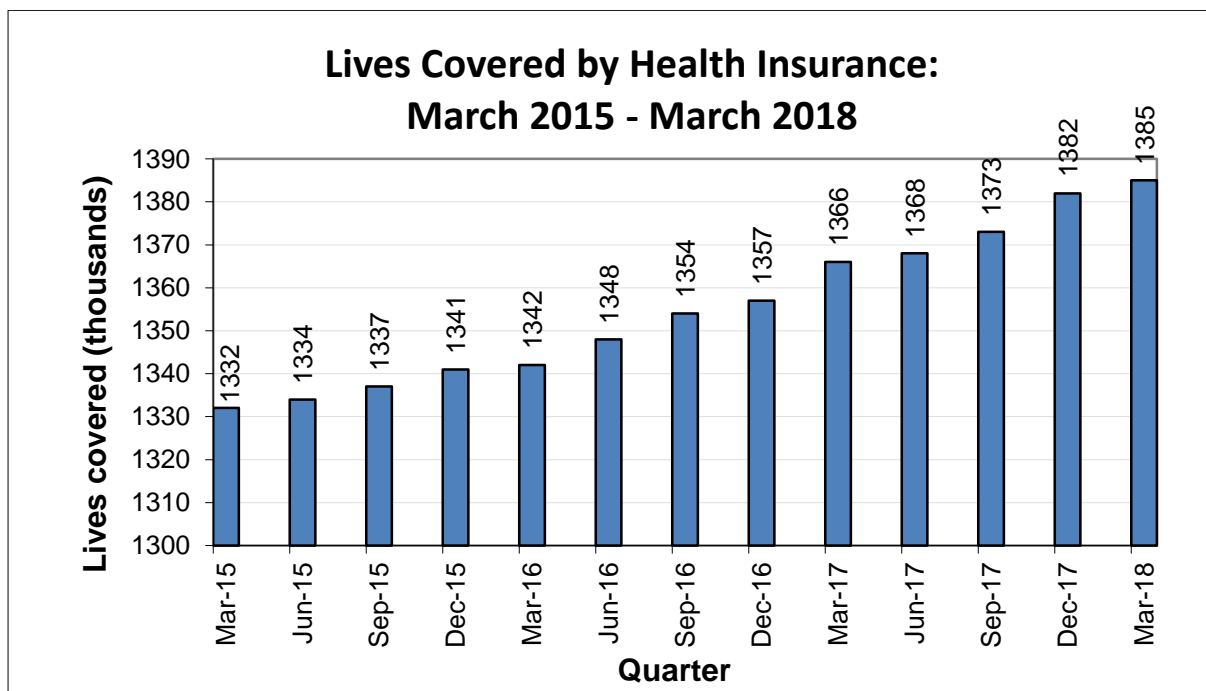
This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

Headline changes

- △ Lives covered up 2400 (0.2 percent) for the quarter; up 20,100 or 1.5 percent for the year;
- △ Premium income of \$373 million for the quarter, up \$4 million on December quarter; annual premium \$1.454 billion, up \$76 million (5.5 percent) on March 2017 year;
- △ Claims paid for quarter of \$281 million, up 8.6 percent on previous March 2017 quarter; annual claims paid for March year of \$1,207 million up \$62 million (5.4 percent) on March 2017 year claims.

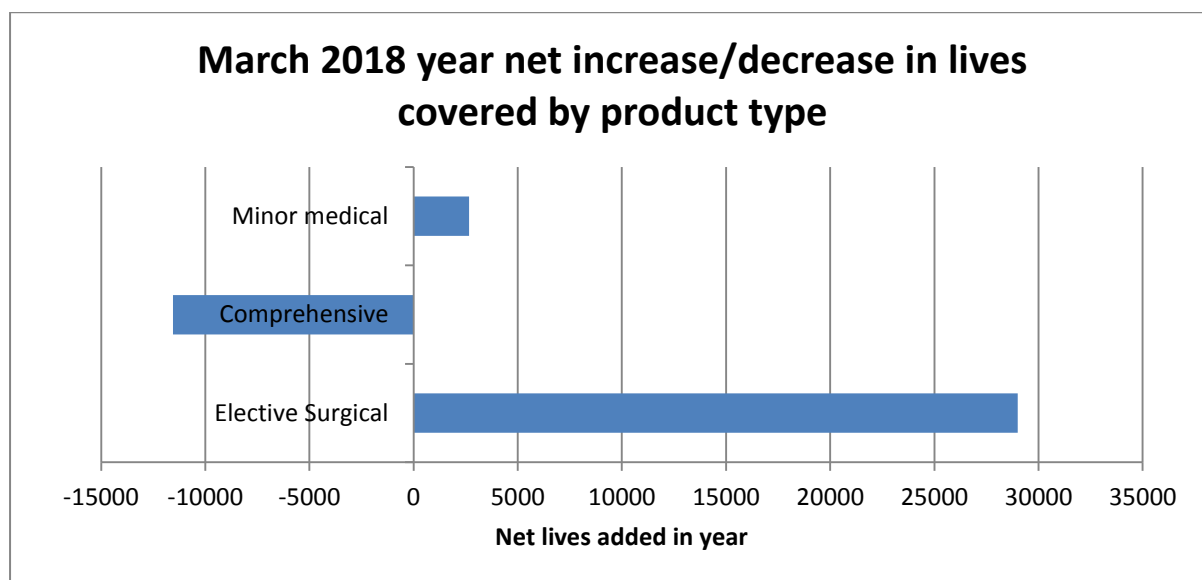
Lives covered

There was an increase of 2400 lives covered over the March 2018 quarter. Total lives covered as at 31 March 2018 stood at 1.386 million. On an annual basis, lives covered have increased by 20,100 or 1.5 percent for the year ending March 2018. This is the twelfth straight quarter of growth in lives covered, with 2017 showing 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

Most of the growth in lives covered over the past year has been in policies providing elective surgical cover. The trend away from comprehensive policies in favour of elective surgical or major medical policies has continued. While the number of people covered by minor medical policies also increased, these remain a relatively small share of overall lives covered at around 4 percent. Net changes by product type are shown in the chart below.



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 | Mar 2017 | Mar 2018 | Change | Percent |
|--------------|------------------|------------------|---------------|-------------|
| 0-4 | 61,008 | 60,600 | -408 | -0.7% |
| 5-9 | 83,746 | 83,709 | -37 | 0.0% |
| 10-14 | 84,667 | 86,145 | 1,478 | 1.7% |
| 15-19 | 84,738 | 84,075 | -663 | -0.8% |
| 20-24 | 77,320 | 77,755 | 435 | 0.6% |
| 25-29 | 78,066 | 81,277 | 3,211 | 4.1% |
| 30-34 | 89,622 | 93,564 | 3,942 | 4.4% |
| 35-39 | 97,268 | 101,059 | 3,791 | 3.9% |
| 40-44 | 109,257 | 107,530 | -1,727 | -1.6% |
| 45-49 | 119,334 | 120,868 | 1,534 | 1.3% |
| 50-54 | 118,417 | 118,006 | -411 | -0.3% |
| 55-59 | 112,150 | 114,506 | 2,356 | 2.1% |
| 60-64 | 91,712 | 93,873 | 2,161 | 2.4% |
| 65-69 | 67,729 | 68,069 | 340 | 0.5% |
| 70-74 | 40,758 | 43,565 | 2,807 | 6.9% |
| 75-79 | 25,526 | 26,351 | 825 | 3.2% |
| 80-84 | 13,418 | 13,783 | 365 | 2.7% |
| 85-89 | 7,660 | 7,636 | -24 | -0.3% |
| 90+ | 3,140 | 3,292 | 152 | 4.8% |
| total | 1,365,536 | 1,385,663 | 20,127 | 1.5% |

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 15,000 of the 20,100 additional lives covered were in the 20-64 age group, with over 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 March 2018 quarter totalled \$373 million – up by \$4 million on the December quarter. Annual premium for the year ended 31 March 2018 was \$1.454 billion, up 5.5 percent or \$76 million on premium income for the March 2017 year.

Claims paid

Claims paid for the March 2018 quarter were \$281 million up 8.6 percent on the previous March 2017 quarter. Total claims paid for the 12 months ending 31 March 2018 were \$1207 million, up 5.4 percent – or \$62 million – on March 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.

