

Quarterly statistical summary: December 2019

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.

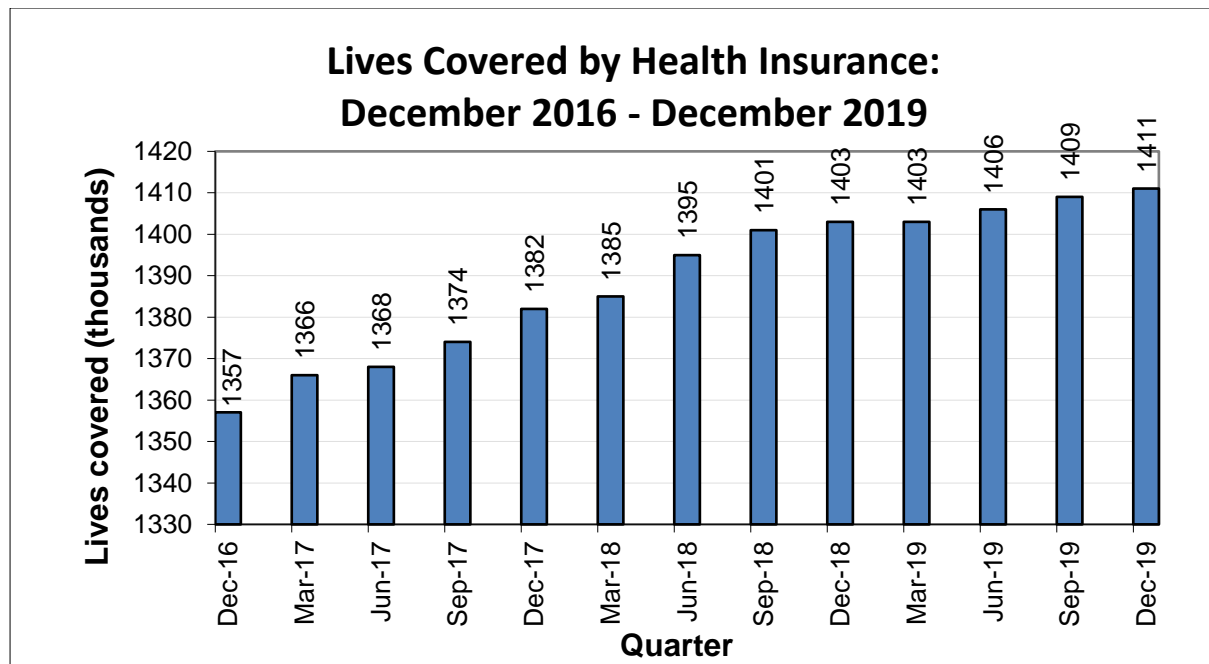
Headline changes

- △ Lives covered up 2800 for the quarter (0.2 percent); up 8600 or 0.6 percent for the year to 1.411 million;
- △ Premium income of \$439 million for the quarter, up \$12 million (2.7 percent) on September quarter; annual premium \$1.695 billion, up \$145 million (9.3 percent) on December 2018 year;
- △ Claims paid for quarter of \$363 million, up 5.2 percent on previous December 2018 quarter; annual claims paid for December 2019 year of \$1.379 billion, up \$80 million (5.8 percent) on December 2018 year claims.

Lives covered

The December quarter saw a further small rise in terms of lives covered, with growth over the past year showing signs of easing after three to four years of significant sustained growth. On an annual basis, lives covered have increased by 8600 or 0.6 percent for the year ending December 2019.

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	Dec 2018	Dec 2019	Change	Percent
0–4	61,268	60,363	-905	-1.5%
5–9	84,271	83,751	-520	-0.6%
10–14	87,626	88,576	950	1.1%
15–19	85,096	84,672	-424	-0.5%
20–24	77,548	77,398	-150	-0.2%
25–29	83,315	84,634	1,319	1.6%
30–34	96,308	99,487	3,179	3.3%
35–39	103,631	106,652	3,021	2.9%
40–44	107,991	108,276	285	0.3%
45–49	121,284	120,498	-786	-0.6%
50–54	118,376	118,053	-323	-0.3%
55–59	115,704	115,828	124	0.1%
60–64	95,038	95,732	694	0.7%
65–69	68,425	68,740	315	0.5%
70–74	45,030	46,009	979	2.2%
75–79	26,889	27,443	554	2.1%
80–84	14,209	14,585	376	2.6%
85–89	7,540	7,378	-162	-2.1%
90+	3,272	3,368	96	2.9%
Totals	1,402,822	1,411,443	8,621	0.6%

Over the past year, it is the working-age population which has accounted for the lion's share of the growth in PHI coverage, although the overall increase in lives covered has slowed somewhat compared to previous years as the growth in employment and inward migration has slowed.

The year has also seen an increase in the number of older New Zealanders with health insurance, as the population ages and older New Zealanders maintain their health insurance – largely in acknowledgement of the increasing difficulty in accessing public-funded healthcare such as elective surgery. The number of people aged 65 and over with health insurance grew by 2200, or 1.3 percent, to 167,000 – around 22 percent of the 65+ population.

Shift towards elective surgical cover

The trend towards elective surgical and specialist cover continued, with an increase over the year in lives covered by these policies of over 14,000, while lives covered by comprehensive policies dropped by 5500 over the year. Lives covered by minor medical policies increased slightly over the year, but still account for a small proportion of total lives covered at just below four percent.

Elective surgical and specialist cover now accounts for 70 percent of lives covered by health insurance in New Zealand.

Premium income

Premium income for the December 2019 quarter totalled \$439 million – up by \$12 million on the September quarter. Annual premium for the year ended 31 December 2019 was \$1.695 billion, up 9.3 percent or \$145 million on premium income for the December 2018 year.

Claims paid

Claims paid for the December 2019 quarter were \$363 million, up 5.2 percent on the previous December 2018 quarter. Total claims paid for the 12 months ending 31 December 2019 were \$1.379 billion, up 5.8 percent – or \$80 million – on December 2018 year claims.

The higher claims growth over the past year reflects a combination of growth in lives insured, medical inflation, and higher utilisation rates. On top of additional healthcare demand expected from demographic changes, there has been a noticeable increase in demand for insurance-funded healthcare treatment in the past year as a result of the disruption in the public health sector and the adverse impact on people's ability to access healthcare through their DHB. Insurers have also reported increased claims costs in the area of diagnostics and imaging, and funding for cancer treatments and drugs, including drugs not funded by Pharmac.

