

## Quarterly statistical summary: September 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.

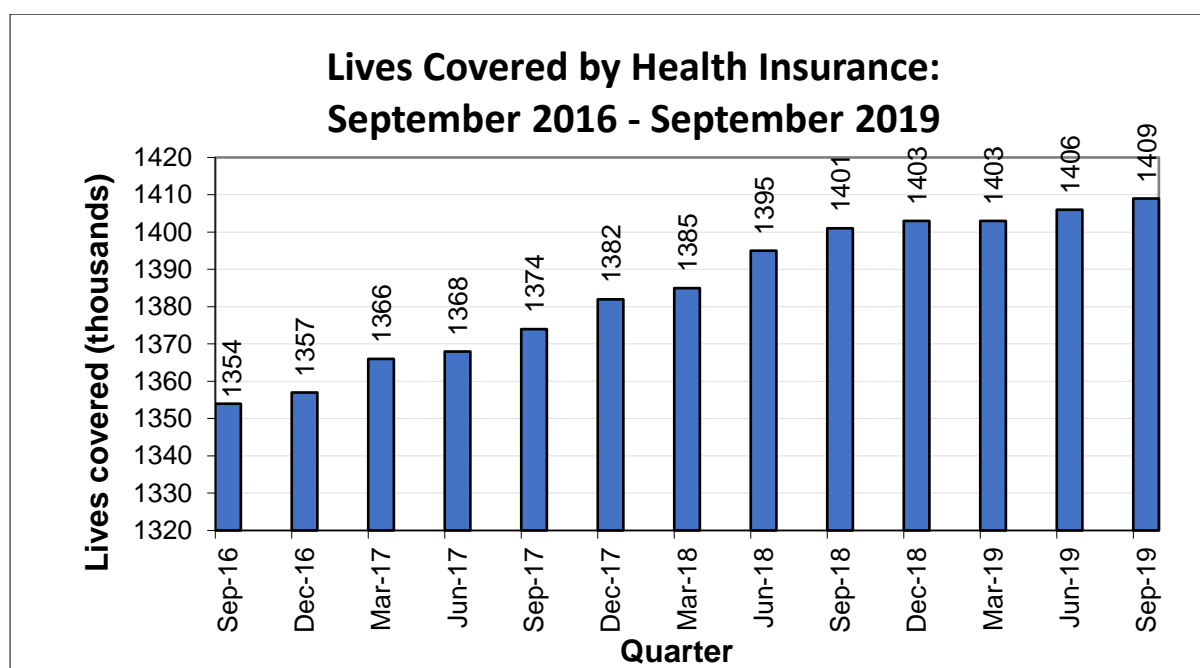
### Headline changes

- △ Lives covered up 2200 for the quarter (0.2 percent); up 7900 or 0.6 percent for the year to 1.409 million;
- △ Premium income of \$428 million for the quarter, up \$9 million (2.3 percent) on June quarter; annual premium \$1.659 billion, up \$143 million (9.3 percent) on September 2018 year;
- △ Claims paid for quarter of \$369 million, up 7.9 percent on previous September 2018 quarter; annual claims paid for September 2019 year of \$1.362 billion up \$98 million (7.8 percent) on September 2018 year claims.

### Lives covered

The September quarter saw a further small rise in terms of lives covered, with growth over the past three quarters showing signs of easing after three to four years of significant sustained growth in lives covered. On an annual basis, lives covered have increased by 7900 or 0.6 percent for the year ending September 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.

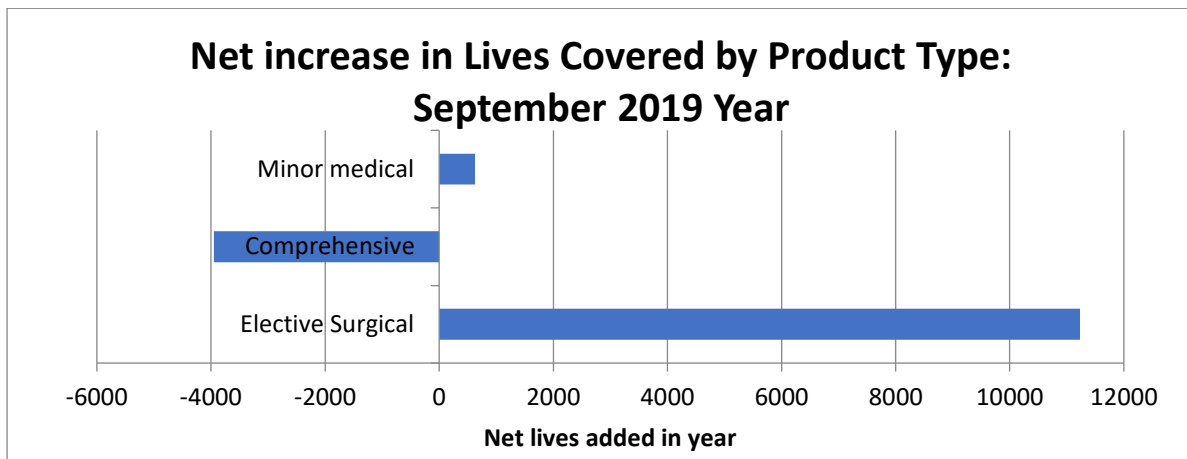
Age	Sep 2018	Sep 2019	Change	Percent
0–4	61,324	60,725	-599	-1.0%
5–9	84,494	83,817	-677	-0.8%
10–14	87,473	88,378	905	1.0%
15–19	84,902	84,769	-133	-0.2%
20–24	78,129	77,670	-459	-0.6%
25–29	82,861	84,557	1,696	2.0%
30–34	95,491	98,498	3,007	3.1%
35–39	102,884	105,776	2,892	2.8%
40–44	107,838	108,096	258	0.2%
45–49	121,542	120,738	-804	-0.7%
50–54	118,327	117,996	-331	-0.3%
55–59	115,720	115,660	-60	-0.1%
60–64	94,941	95,489	548	0.6%
65–69	68,377	68,537	160	0.2%
70–74	44,712	45,469	757	1.7%
75–79	26,755	27,368	613	2.3%
80–84	14,066	14,323	257	1.8%
85–89	7,563	7,390	-173	-2.3%
90+	3,286	3,339	53	1.6%
<b>Totals</b>	<b>1,400,686</b>	<b>1,408,595</b>	<b>7,909</b>	<b>0.6%</b>

Over the past year, it is the working-age population which has accounted for the lion's share of the growth in PHI coverage. The 25-40 year age group accounted for around 7000 lives covered out of the 7900, 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. 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 almost 1700 or 1.0 percent to 166,400 – 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 11,000, while lives covered by comprehensive policies dropped by nearly 4000 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 September 2019 quarter totalled \$428 million – up by \$9 million on the June quarter. Annual premium for the year ended 30 September 2019 was \$1.659 billion, up 9.3 percent or \$143 million on premium income for the September 2018 year.

## Claims paid

Claims paid for the September 2019 quarter were \$369 million up 7.9 percent on the previous September 2018 quarter. Total claims paid for the 12 months ending 30 September 2019 were \$1.362 billion, up 7.8 percent – or \$98 million – on September 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.

