

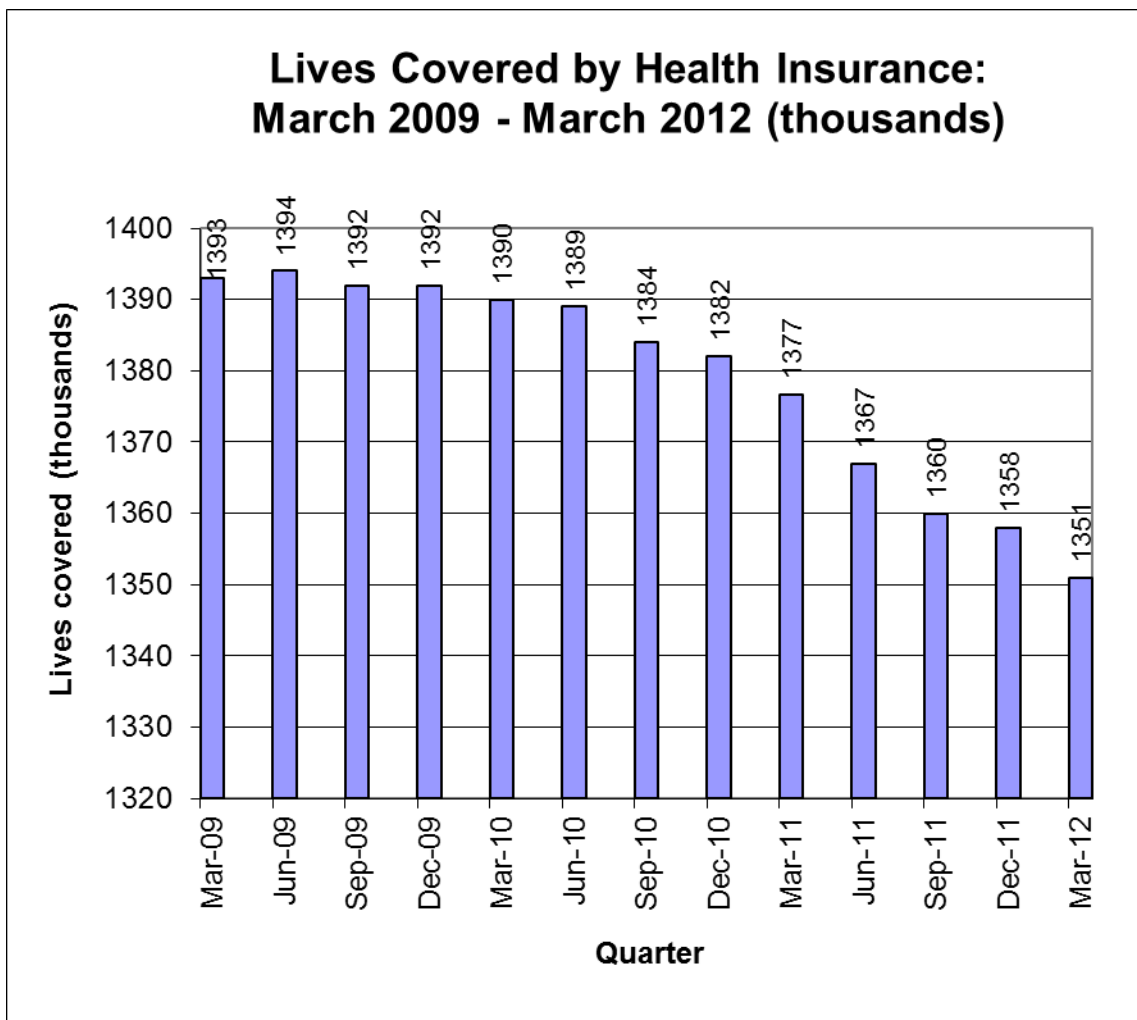
Health Insurance Statistics March 2012



This is a quarterly supplement providing statistical information for the health insurance industry in New Zealand. It contains data on the most recent quarter, ended March 31, 2012.

➤ Lives covered fall 0.5 percent in March quarter

The number of lives covered fell by 7100 (0.5 percent) in the March 2012 quarter, taking total lives covered to 1.351 million. This is a decrease for the full year of 25,700 (-1.9 percent) compared with March 2011.



The past three years from March 2009 to March 2012 has seen a decline of 42,000 lives covered, or 3.0 percent.

➤ **Lives covered by age**

A breakdown of the lives covered by age group indicates the reductions have been spread across most age groups. The year has seen a significant reduction in lives covered among those of working age. The decline in coverage for those aged between 35 and 59 accounts for over half of the total reduction across all age groups.

At the same time, coverage for older age groups has declined, despite the demographic movements and increase in population in older age groups. The year saw a reduction of 2200 (-0.9 percent) in the number of people aged 60 and over with health cover.

The table below shows the overall movements for the year for each five-year age band.

Table: Lives Covered by Age group: March 2011 and March 2012

Age	Mar 2011	Mar 2012	Change	Percent
0-4	74,566	73,136	-1430	-1.9%
5-9	64,855	63,821	-1034	-1.6%
10-14	80,861	80,949	88	0.1%
15-19	88,431	85,958	-2473	-2.8%
20-24	94,419	90,946	-3473	-3.7%
25-29	78,189	77,526	-663	-0.8%
30-34	67,539	66,354	-1185	-1.8%
35-39	80,380	79,487	-893	-1.1%
40-44	103,419	98,611	-4808	-4.6%
45-49	118,566	117,332	-1234	-1.0%
50-54	125,941	121,433	-4508	-3.6%
55-59	123,172	122,374	-798	-0.6%
60-64	111,896	109,422	-2474	-2.2%
65-69	99,282	96,168	-3114	-3.1%
70-74	58,766	60,134	1368	2.3%
75-79	35,718	36,716	998	2.8%
80-84	21,214	20,379	-835	-3.9%
85-89	14,502	13,818	-684	-4.7%
90+	2319	2407	88	3.8%
Total	1,376,619	1,350,942	-25,677	-1.9%

➤ **Premiums paid up 7.1 percent**

Health insurance earned premiums in the March 2012 quarter were \$270 million, up slightly on the \$268 million for the December 2011 quarter. Premium income for the full year ended March 31, 2012, totalled \$1,054 million, an increase of \$70 million or 7.1 percent on the \$984 million in premium income for the March 2011 year. Increased premium income reflects adjustments following rapid growth in claims costs over recent years.

➤ **Claims paid up 2.0 percent**

Health insurance claims paid in the March 2012 quarter totalled \$196 million, taking claims paid in the 12 months to March 2012 to \$844 million. This is an increase of \$16 million, or 2.0 percent, on the total claims paid in the 12 months to March 2011.

Growth in claims costs has been running at a high level over recent years due to increased demand, expansion of services funded, and medical inflation, although the rate of growth has slowed in the last year or two, mainly reflecting the fall in lives covered.

