

Quarterly statistical summary: March 2015

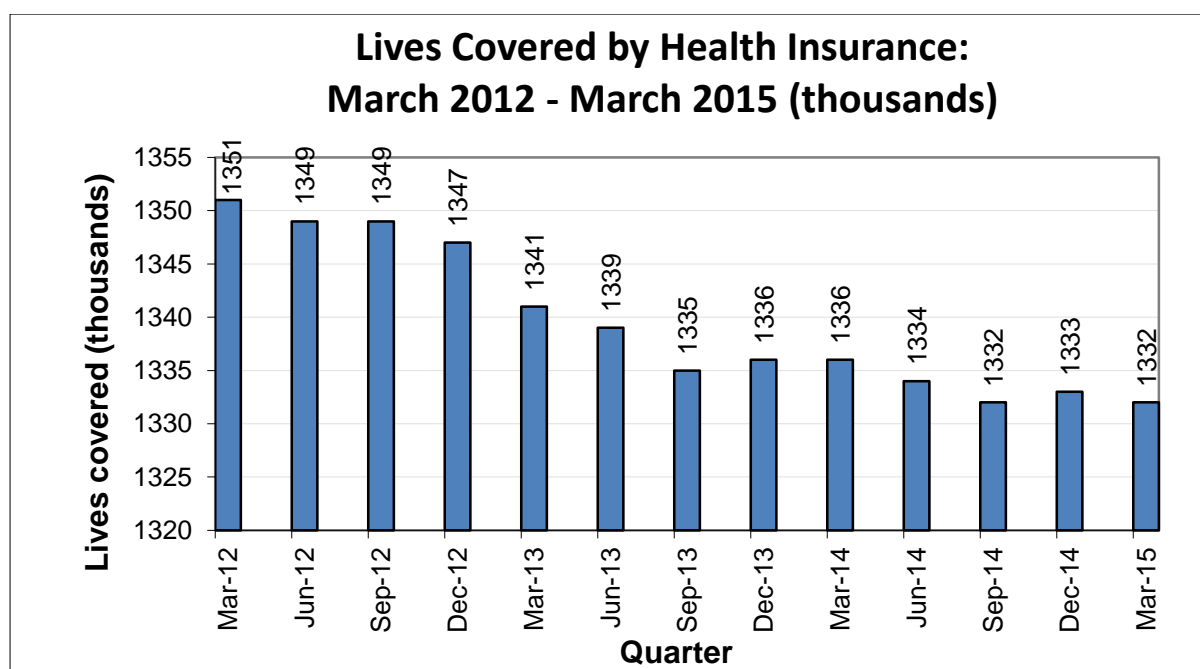
This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

Headline changes

- ▽ Lives covered down 1600 or 0.1 percent for the quarter; reduction of 3700 or 0.3 percent for the year;
- △ Premium income of \$312 million for the quarter, up 0.5 percent on December quarter; annual premium \$1.22 billion, up 6.0 percent on March 2014 year;
- △ Claims paid for quarter of \$229 million, up 10.5 percent on previous March 2014 quarter; annual claims paid for March year of \$1000 million up 3.9 percent on March 2014 year claims.

Lives covered

The change in lives covered was a fall of 1600 lives covered in the March quarter. Total lives covered as at 31 March 2015 stood at 1.332 million. On an annual basis, lives covered declined by 3700, or 0.3 percent over the year ending March 2015. A fall in lives covered in the March quarter is not unusual, and this largely offsets the small rise recorded in the December quarter. The relative stability in lives covered over the past six or so quarters is welcome.



Comprehensive vs Elective Surgical

The past year has seen a decrease in the number of lives covered by comprehensive health insurance (-8800), although there has been an increase in lives covered by elective surgical and specialist policies (+5100). Elective surgical policies continue to increase as a proportion of policies, now accounting for 67.6 percent of lives covered.

Note that this figure is slightly lower than the percentage reported in recent quarters. This is due to the re-classification of around 20,000 lives covered from the elective surgical category to comprehensive in the December 2014 quarter.

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. The overall reduction of 0.3% for the year results from some age groups increasing while others have decreased.

The decline in lives covered in the 35-49 age group over recent years has stopped, with virtually no change in lives covered in this age group over the past year. Of note is the increase of nearly 3000 lives covered in the younger 25-35 age group, possibly attributable to the popularity of a newer category of comprehensive health insurance products which have found favour with this younger demographic.

The ageing population has again meant an increase in lives covered in the over 65 age group – up by around 2800 lives covered to just over 150,000 lives covered.

Table: Change in lives covered by Age: March 2015 year

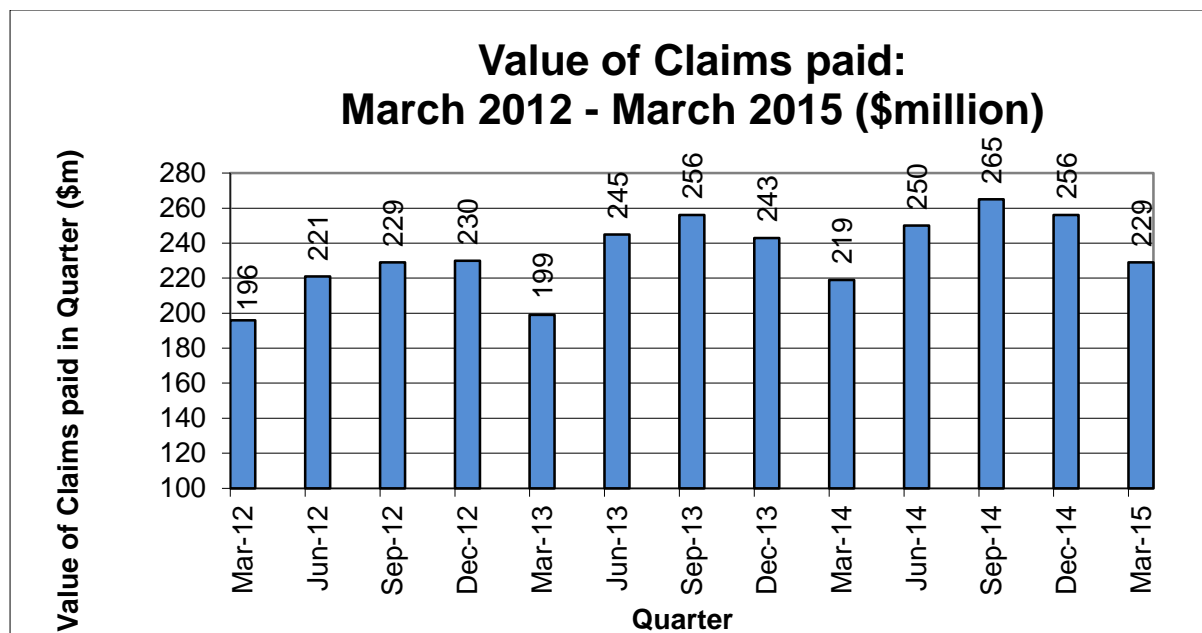
Age	Mar 2014	Mar 2015	Change	Percent
0-4	61,699	61,863	164	0.3%
5-9	82,283	83,124	841	1.0%
10-14	83,782	82,828	-954	-1.1%
15-19	86,794	84,905	-1,889	-2.2%
20-24	77,853	76,781	-1,072	-1.4%
25-29	67,496	69,350	1,854	2.7%
30-34	81,909	83,160	1,251	1.5%
35-39	93,076	92,663	-413	-0.4%
40-44	114,092	112,334	-1,758	-1.5%
45-49	116,709	115,663	-1,046	-0.9%
50-54	121,255	119,527	-1,728	-1.4%
55-59	108,765	108,468	-297	-0.3%
60-64	92,237	90,775	-1,462	-1.6%
65-69	65,264	66,430	1,166	1.8%
70-74	37,776	38,349	573	1.5%
75-79	21,154	22,099	945	4.5%
80-84	13,363	13,294	-69	-0.5%
85-89	7,339	7,398	59	0.8%
90+	2,698	2,816	118	4.4%
Totals	1,335,544	1,331,827	-3,717	-0.3%

Premium income

Premium income for the March 2015 quarter totalled \$312 million. This was up \$1.6 million or 0.5 percent on the December 2014 quarter. Annual premium for the year ended 31 March 2015 was \$1.25 billion, up 6.0 percent or \$70m on premium income for the March 2014 year.

Claims paid

Claims paid for the March 2015 quarter were \$229m, up 10.5% on the previous March 2014 quarter. Total claims paid for the 12 months ending 31 March 2015 were \$1000 million, up 3.9 percent on March 2014 year claims.



The strong growth in claims paid recorded over recent quarters has seen annual claims paid climb to the \$1 billion mark for the first time. This underpins the valuable contribution health insurance makes to healthcare funding – with total claims virtually doubling over the past decade.

