

## Growth in health insurance coverage continues

by Anthony Davies | Monday, 12 February 2007

New Zealanders are signing up health insurance policies at the rate of nearly 100 people a day. In the three months to 31 December 2006, health insurers reported a net increase of 8,400 (0.6%) in the number of New Zealanders covered, taking the total number of policyholders to 1.370 million, according to figures released by the Health Funds Association of NZ (HFANZ). Over the 12 months the increase was 15,500 (1.1%).

In addition to more New Zealanders taking out health insurance, they are increasingly favouring major medical over comprehensive cover. The 8,400 net increase over the December quarter represents a 12,900 increase in the number of people covered by major medical policies and a 4,500 decrease in those with comprehensive cover. Commenting on the statistics, HFANZ executive director Claire Austin says the growing increase in insurance coverage is positive.

"Older policyholders are keeping their cover, as they see what is happening with elective services. At the same time, younger age groups and families are increasingly looking to health insurance for peace of mind," she says. She adds she also agrees with Health Minister Pete Hodgson's recent statement that there will never be enough taxpayer money to all the surgery that people want.

"Health insurers paid out \$575 million in claims in the last year. Patients are accessing advanced medical technologies, major surgery and treatment when they need it. The greater number of people covered by health insurance helps spread risk and at the same time helps relieve pressure from the public system."

"We need to recognise that health insurance complements the public health system and look for more ways for the sectors to work more collaboratively for the benefit of all New Zealanders."

Over the December quarter, health insurers paid out \$147 million in claims taking the total for the 12 months to \$575 million, a \$31 million or 6% increase on the previous 12 months.