



June 16, 2009

MEDIA RELEASE – FOR IMMEDIATE USE

Positive year for health insurance

Increasing numbers of policyholders, together with a shift in government emphasis towards better use of the private sector, made the 2008-09 year a positive one for health insurance.

Health Funds Association (HFANZ) executive director Roger Styles highlighted the two aspects in releasing the industry's annual report today.

“To end the March 2009 year with an increase in lives covered is a great result, given the economic backdrop of spending the whole year in recession,” he said.

“This really shows people are valuing the certainty of health insurance and the benefits it brings, especially in uncertain economic times.”

Total lives covered increased by 5700 in the year ended March 31, 2009. While premium income increased 5.9 percent on the previous year to \$838 million, total claims paid by health insurers climbed by 12.9 percent to a record \$712 million.

The increase in claims was the result of rising healthcare costs, more people receiving treatment using their health insurance, and access to new treatment options. Mr Styles said an example of this was the funding of private radiotherapy treatment at Auckland Radiation Oncology which opened in late 2008 – the first private radiotherapy clinic in New Zealand.

Mr Styles said it was pleasing that the new National-led Government had signalled smarter use of the private sector in health. He said the industry was keen to engage constructively to help progress ideas.

“With claims paid of \$712 million this year, and over half of elective surgery funded by health insurers, the health insurance sector already makes a significant contribution and helps to free up resources in the public sector.

“However, New Zealand still lags the OECD average in terms of private sector contribution (in health), and there is plenty of scope for growing the contribution health insurance makes in the future,” he said.

The annual report notes that 33 percent of New Zealanders have health insurance cover, although coverage is less than 25 percent for those aged over 65.

ENDS.

(Note: A full copy of the annual report is available at www.healthfunds.org.nz)

For further information contact:

Executive director Roger Styles ph 04 499 0834 or 027 480 0072

Media advisor Andrea McKay ph 027 555 7783.