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MEDIA RELEASE – FOR IMMEDIATE USE

## **Health Insurance coverage up 17,000 in 2007**

The number of New Zealanders covered by health insurance jumped by 17,000 in 2007, to 1.387 million people, according to statistics released today by the Health Funds Association of New Zealand (HFANZ).

This follows a similar increase in 2006 of 15,500 people.

HFANZ executive director Roger Styles said today that claims paid out last year totalled a record \$615 million, up from \$574 million in 2006.

He said the majority of policies – 63.4 percent – were for elective surgical and specialist cover, and the majority of claims' cost related to the more than 100,000 elective surgical discharges funded by health insurance in the last year.

“People with health insurance are relieving pressure from an increasingly stressed public system. Those with health insurance have essentially saved the public health system \$400 million for elective procedures for the year,” Mr Styles said.

HFANZ is the body representing the 1.387 million New Zealanders – about a third of the population - with health insurance.

Notably, more policies were being taken out for children aged under four (up 4 percent to 63,600 for the year) and in the 20-29 and 60-74 age brackets. The majority of people with health insurance are aged 35 to 59.

Mr Styles said health insurance coverage had been steadily improving since March 2003 when 1.272 million people had policies.

“In previous decades the number of people insured had dropped after incentives were removed. However, the industry has now stabilised and membership numbers have started to lift again.”

Today’s statistics follow figures released by HFANZ last month showing nearly 60 percent of the country’s elective surgery was carried out by the private health sector in the year to June 2007 - 148,000 surgical discharges compared with the public hospitals’ 113,000.

“Voluntary health insurance is an important part of New Zealand’s overall health system. It helps relieve pressure from the public system, saves tax dollars, encourages capital investment in new facilities, and provides people with greater choice in managing their health risks,” Mr Styles said.

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