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MEDIA RELEASE – FOR IMMEDIATE USE

Health insurance market remains steady

The health insurance sector has continued to weather the economic recession well, with the latest quarter showing a small increase in the number of people with health policies, the Health Funds Association of New Zealand (HFANZ) said today.

In the quarter ending June 30, 2009, the health insurance market grew by 700, or 0.1 percent. The total number of people with health insurance now stands at 1.394 million, or 32.3 percent of New Zealanders, up 4500 (0.4 percent) on June 2008.

HFANZ executive director Roger Styles said the figures showed New Zealanders recognised the need for health cover to access expensive elective surgery.

“Health insurance traditionally weathers a recession well. It helps people deal with concerns about the impacts health events can have on a family or individual in uncertain times.”

Mr Styles said the total number of people with health insurance eased slightly in the March quarter – although that was largely anticipated.

“To bounce back into positive territory in the June quarter, albeit by a small margin, is encouraging for the sector.”

ENDS (three-page statistical summary follows).

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Health Insurance Statistics June 2009

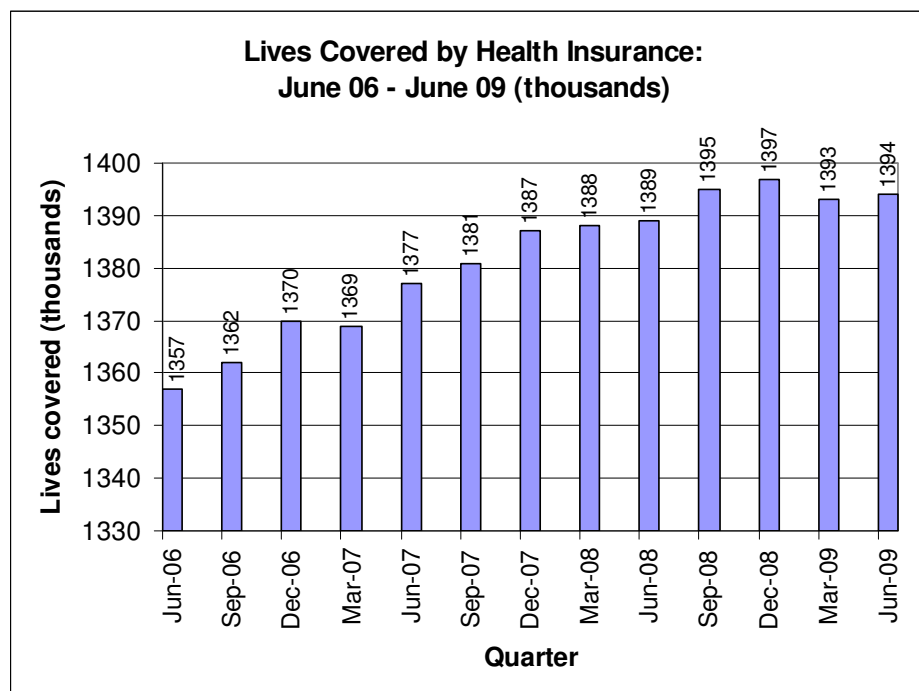


This is a quarterly supplement providing statistical information for the health insurance industry in New Zealand. It contains data on the most recent quarter ended June 30, 2009.

➤ Lives covered up 0.1 percent in June Quarter

The number of lives covered rose by 700 (0.1 percent) in the June 2009 quarter, after dipping 0.2 percent in the March 2009 quarter. In the full year ended June 30, 2009, health insurers reported a net increase in the number of lives covered of 4500 (0.3 percent) taking the total lives covered to 1.394 million.

A significant driver of increased coverage in recent years has been the growth in population and employment. Health insurance numbers are correlated with employment numbers, as many of those insured are members of group health insurance schemes, some of which are part funded by employers.

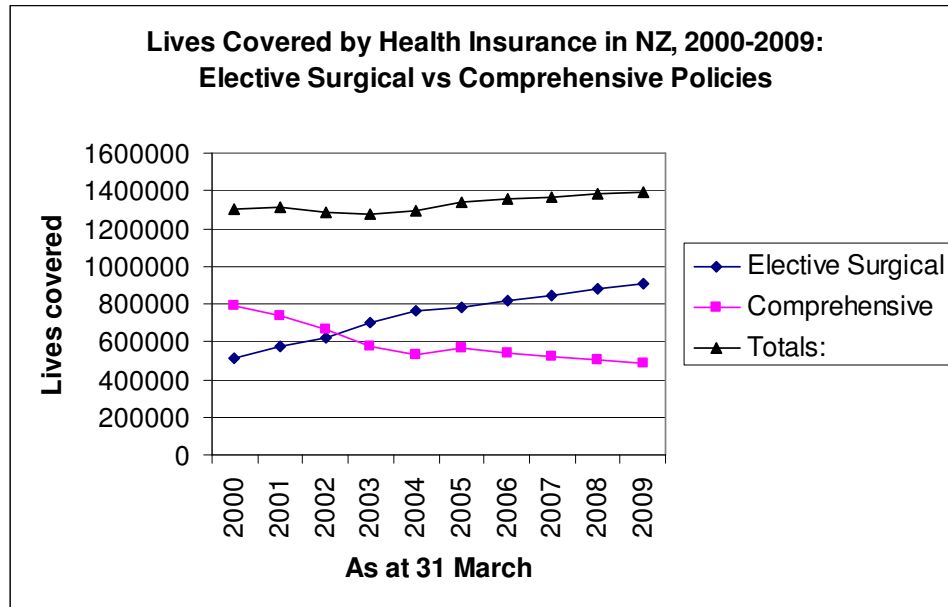


The total growth in lives covered over the three years from June 2006 to June 2009 is 38,000 or 2.8 percent.

➤ Trend to elective surgical cover

The trend away from comprehensive health insurance towards elective surgical and specialist cover continues. Elective surgical and specialist cover now accounts for 910,700 of the 1.394 million lives covered, or 65.3 percent of those covered by health

insurance. Comprehensive health insurance now accounts for just 483,200 lives covered, or 34.7 percent of policies.



➤ **Lives covered by age**

The following table contrasts lives covered by five year age bands for June 2009 and June 2008. There is a notable increase of almost 6000 lives covered in the 60-69 age group, largely attributable to the effects of the aging population.

Age	Jun 2008	Jun 2009	Diff
0-4	64,930	65,524	594
5-9	82,143	82,557	414
10-14	92,991	91,412	-1579
15-19	99,887	99,383	-504
20-24	73,244	74,979	1735
25-29	66,059	67,007	948
30-34	83,258	81,368	-1890
35-39	111,180	110,174	-1006
40-44	120,618	119,406	-1212
45-49	130,872	130,437	-435
50-54	122,037	122,796	759
55-59	114,785	114,022	-763
60-64	93,999	97,599	3600
65-69	56,178	58,315	2137
70-74	31,440	32,750	1310
75-79	21,988	21,867	-121
80-84	15,369	15,437	68
85-89	6438	6880	442
90-94	1710	1742	32

95-99	261	279	18
100+	18	19	1
unknown	31	19	-12
total	1,389,436	1,393,972	4536

➤ **Premiums paid up 5 percent**

Health insurance earned premiums in the June 2009 year totalled \$846 million, an increase of 5 percent on the premium income for the June 2008 year.

➤ **Claims paid up 10.5 percent**

Health insurance claims paid in the June 2009 quarter totalled \$194 million, taking claims paid in the 12 months to June 2009 to \$725 million. This is an increase of \$69 million or 10.5 percent on the total claims paid in the 12 months to June 2008. The increase is attributable to both an increase in the number of claims and an increase in the costs of treatment.

