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87 per cent of Aussies believe private health insurance is expensive

Over 5 million Aussies reviewed their policy in the last 12 months

New research released by health insurance experts' [iSelect](#) today has revealed that Australians have **major concerns about the affordability of private health insurance with 87 per cent describing their current policy as expensive**. This includes **45 per cent of Australians** who describe their health insurance policy as "very expensive."

Despite affordability concerns, the national Galaxy Research study commissioned by iSelect in October¹ found that the overwhelming majority of privately insured Australians still value their cover, with almost **nine out of ten Aussies** with private health insurance believing that it is important to them.

Laura Crowden, spokesperson for iSelect, said that affordability concerns are clearly prompting many Australians to review the cover and explore their options.

"Our research found that **over 5 million insured Australians** took the time to review their cover in the past year in order to make sure they are still getting the best value."

"With premiums rising year on year and both new polices and providers entering the market, it's good to see that Australians are getting into the habit of reviewing their cover regularly in order make sure it still offers them the right level of cover," said Laura.

Worryingly, **less than 50 per cent** of Australians know exactly what they are paying for their policy. Generation X (aged 35 to 49) have the greatest awareness of what their payments are with **52 per cent** knowing their exact payments.

Laura said younger Australians are much less likely to know how much they pay, with just under **one in five** Millennials (aged 18 to 34) having either 'only a rough idea' or 'no idea' of what their policy costs, which may be in part due to the number of parents still paying for adults children's cover.

"Under **a third** of those aged under 24 have their private health insurance policy paid for by their parents, although this drops dramatically once they turn 25 (**only 2 per cent** of those aged 25-34 have their policy paid for by their parents)."

Laura said that when taking out their own policy, young people should take the time to find a policy that is suited to their lifestyle and budget.

"When you turn 25 and can no longer be included on your parents' family policy, don't just automatically stay with the same provider as your parents as they may not offer the best value cover for a young single."

¹ In October 2016 iSelect commissioned a nationally representative consumer research study with Galaxy to assess the attitudes of over 1,000 Australian adults towards private health insurance

Laura encouraged all Australians to review their policy regularly, take note of how much they are paying and speak to a health insurance expert to ensure their policy still matches their life stage.

“Failure to do so can result in things like parents paying for children who have since moved onto their own policy, seniors being covered for pregnancy or young professionals having a policy that includes hip replacements and cataracts... if you don’t need it, don’t pay for it,” Laura said.

“But remember, don’t just opt for the cheapest policy as it could end up costing you a lot more in the long-run if your cover is insufficient when it comes time to claim,” Laura said.

iSelect's top 5 tips for finding the best value Private Health Insurance	
1. Think about your current and future health needs	– consult a private health insurance expert to discuss your life stage. This ensures you take out the right policy that covers you for everything you need and so you are not paying for things you don't need
2. Consider tax benefits	– taking out an extras only policy will not deliver any tax benefits, such as excluding you from the Medicare Levy Surcharge if you are a higher income earner. If you are looking to save on tax, make sure your private health insurance includes hospital cover
3. Review the extras	– if you don't think you'll use them, why pay for them? Also consider flexible extras products that combine your separate extras limits into a single annual limit for you to use across different services
4. Make sure ambulance is covered	– not all private health insurance policies include ambulance cover and it can also vary by state. Make sure your policy includes ambulance cover or you could be left thousands out-of-pocket after an emergency
5. Look for payment discounts	- some providers offer a discount for paying by direct-debit. Similarly, paying 12 months of premiums upfront can see you avoid the annual premium increase

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For further information, please contact:

Laura Crowden

Corporate Affairs Manager | iSelect Limited

Ph: +61 3 9276 8178 | Mob: +61 421 784 254 | Email: lcrowden@iselect.com.au

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