

16 December 2015

## New study reveals private health insurance satisfaction levels remain high

Australia's leading health insurance comparison service [iSelect](#) today released the results of a national Ipsos research study which has found an estimated **86 per cent** of Australians with private health insurance are satisfied with their policy, with an estimated **83 per cent** stating they receive peace of mind from their private health cover.<sup>1</sup>

Despite high levels of satisfaction with the product itself, iSelect's survey indicated many Australians are concerned about rising premiums.

Laura Crowden, spokesperson for iSelect, said the survey highlighted that affordability concerns are prompting many Australian households to review the value proposition of their cover.

"Our survey found that over the past 12 months, an estimated **56 per cent** of insured Australians had reviewed their policy. An estimated **17 per cent** changed their health fund and an estimated **9 per cent** changed their policy type but stayed with their existing provider."

The 2015 private health insurance premium increase of 6.18 per cent hit the hip pockets the average policy holder by an average of \$185 last year. Over the last 10 years, health insurance premiums have increased at three times the rate of inflation.

"The survey also found that an estimated **28 per cent** of Australians with private health insurance have considered dropping their private health cover in the past 12 months, with the number one reason being 'to save money' (**65 per cent**)," Laura said.

Laura said that although it has been suggested many Australians are downgrading to cheaper policies with exclusions and higher excesses, the Ipsos research found that just as many people are upgrading their cover.

"Our research indicated that while an estimated **seven per cent** have downgraded their policy during the past year, just as many (**seven per cent**) are estimated to have actually upgraded their policy by adding in more features or benefits," Laura said.

"This suggests that people reviewing their cover are not solely focused on price and downgrading but rather on product features and finding the best value policy."

Other recent Ipsos research commissioned by iSelect in August 2015 suggested the main benefit of private health insurance is the significant reduction in waiting times for non-emergency hospital admission or elective surgery. This study revealed that Australians without private health insurance recall waiting almost nine times longer for non-emergency surgery than private patients.<sup>2</sup>

Laura said that many consumers were mistakenly under the impression that elective surgery referred to surgery people choose to have, such as cosmetic surgery.

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<sup>1</sup> In November 2015 iSelect commissioned a nationally representative consumer research study with Ipsos Australia to assess the attitudes of over 1,200 Australian adults towards private health insurance.

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"Some of the most common elective surgery procedures are knee replacements, hernia and hemorrhoid surgery, and removal of tonsils. While not immediately life threatening, these conditions leave patients in considerable pain and can severely impact quality of life," Laura said.

"You can't put a price on the peace of mind that comes from knowing should you face a significant health problem down the track, you'll be able not only to choose your doctor and hospital but also be treated as soon as possible."

Laura said the recent survey showed that younger Australians were more likely to be reviewing their private health insurance policy, with an estimated **70 per cent** of privately insured Australians under 30 reviewing, compared to the national average which is just **over fifty per cent**.

"Interestingly, an estimated **73 per cent** of those under 30 report positive levels of value in private health insurance, **more than 20 per cent higher** than the rest of Australia," Laura said.

This suggests that older Australians may have fallen into a 'set and forget' mindset over the years, having purchased a policy many years ago but having failed to review and update it as their life stage changes.

"This can result in seniors being covered for pregnancy while not being insured for more likely expenses such as hip-replacements or cataract surgery," Laura said.

"Our goal is to help consumers decode the complexity of their health insurance policy, help them overcome the confusion, and, most importantly, help them make an informed choice about their private health cover, including what is and isn't covered."

iSelect has welcomed the Federal Government's review of the private health insurance industry and is actively participating in the consultation to address affordability and other issues in relation to private health insurance.

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**About iSelect**

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iSelect is Australia's leading multi-channel comparison service, providing Australian consumers with trusted product comparison and advice on more than 12,500 insurance, energy, personal finance and broadband products from over 85 partner providers. With a household brand that attracts over 8 million unique visitors to its website every year, iSelect now distributes 1 in 5 of all private health insurance policies in Australia. Owing to its digitally enabled and customer-centric advice model, iSelect continues to grow its market-leading position in health insurance, energy, life insurance and personal finance comparison.