

Why do you need Health Insurance?



Ill health and lack of health insurance is one of the five main causes of people going bankrupt¹

Waiting time for heart surgery has more than doubled in the last five years²

An average of 3,684 people per month have been waiting for longer than 6 months for their first specialist assessment through the public health system³

2,471 men were diagnosed with prostate cancer in one year⁴

Sources:

1. Ministry of Economic Development – Insolvency and Trustee Service Statistical Data Report 2006-2007

2. "Waiting time doubles for heart surgery", New Zealand Herald, 9 May 2008.

3. As at July 2008, www.electiveservices.govt.nz

4. Total cases for 2005. New Zealand Health Information Service, Cancer: New Registrations and Deaths report, 2005.

If you were to become unwell, you would want to get back to good health as soon as possible. While New Zealand does have a public health system, you are not always guaranteed fast access to treatment. This means you may be waiting for months in pain, and your condition could even deteriorate.

The reality is that while you may be in good health now, it is likely that you or someone you love will experience a significant health problem. Having faster access and a greater choice of treatment options means you can get back to work faster, so that you can continue to earn an income and pay those important expenses such as your mortgage.

Who claims for health insurance?

- 50% of health insurance claimants are aged 30 – 59
- Spine surgery costing \$72,000 is the largest single claim to date
- The most common procedures for women aged 30-49 are gynaecological eg endometriosis and hysterectomy
- The most common procedures for men aged 30-49 are cancer related eg skin, prostate or colon cancer
- The most common surgical treatment claims for children are tonsils, adenoids and the insertion of grommets into ears
- Two of the largest claims made in one year were for spinal procedures and the claimants were both 15 at the time of claim.

TOWER claims statistics, September 2008.

The cost of claims

The diagram below shows how the cost of claims has increased in the last six years, due to advances in medical technology and other factors. Could you afford to pay if you wanted immediate treatment and didn't have health insurance?

Procedure	2001	2007	% increase between 2001-2007
Hip replacement	\$12,853	\$17,532	36.4%
Knee replacement	\$11,298	\$18,786	66.3%
Prostate surgery	\$7,174	\$12,440	73.4%
Varicose vein repair	\$3,801	\$5,769	51.8%
Nasal septum operation	\$3,145	\$5,306	68.7%
Hysterectomy	\$6,753	\$10,170	50.6%
Heart surgery	\$12,222	\$20,252	65.7%

Sources: TOWER Health & Life claims information as at 31 December 2007

This brochure is not a policy wording. Full terms and conditions are set out in the policy wording and can be obtained at any time from TOWER. The policy wording sets out the benefits, features, any limitations, maximums and exclusions (circumstances where cover is not provided).

"If I didn't have insurance, I wouldn't have been able to walk up the aisle on my wedding day"

Just two months before her wedding, Fiona was diagnosed with a cyst inside her hip joint which fractured the bone, leaving her unable to walk without pain and discomfort. After several specialist visits she was told that she would need surgery to repair the fracture and stabilise the joint.

The danger of her situation was that at any time, the small fracture in her hip could increase – causing a full hip fracture and the need for a total hip replacement at the age of 24.

Because she had health insurance, she was able to have the surgery within weeks of her diagnosis – meaning just enough recovery time to be able to walk unassisted down the aisle on her wedding day.

With the operation costing \$17,000, she would not have been able to afford to go privately, especially as she and her fiancé were saving hard to pay for their wedding. Waiting in the public health system would most probably have meant that she would not have had her surgery before her wedding and would have been on crutches on her wedding day.

"Needing surgery came as a big shock to me. I'm only 24 and in great health so was pretty overwhelmed when they told me the news. Knowing I never have to worry about medical bills gives me such peace of mind – being unwell is stressful enough without worrying about money"

**This case study is taken from a real claims situation. Names and some details have been changed to protect privacy.*

For more information, talk to your adviser or phone TOWER on 0800 754 754.