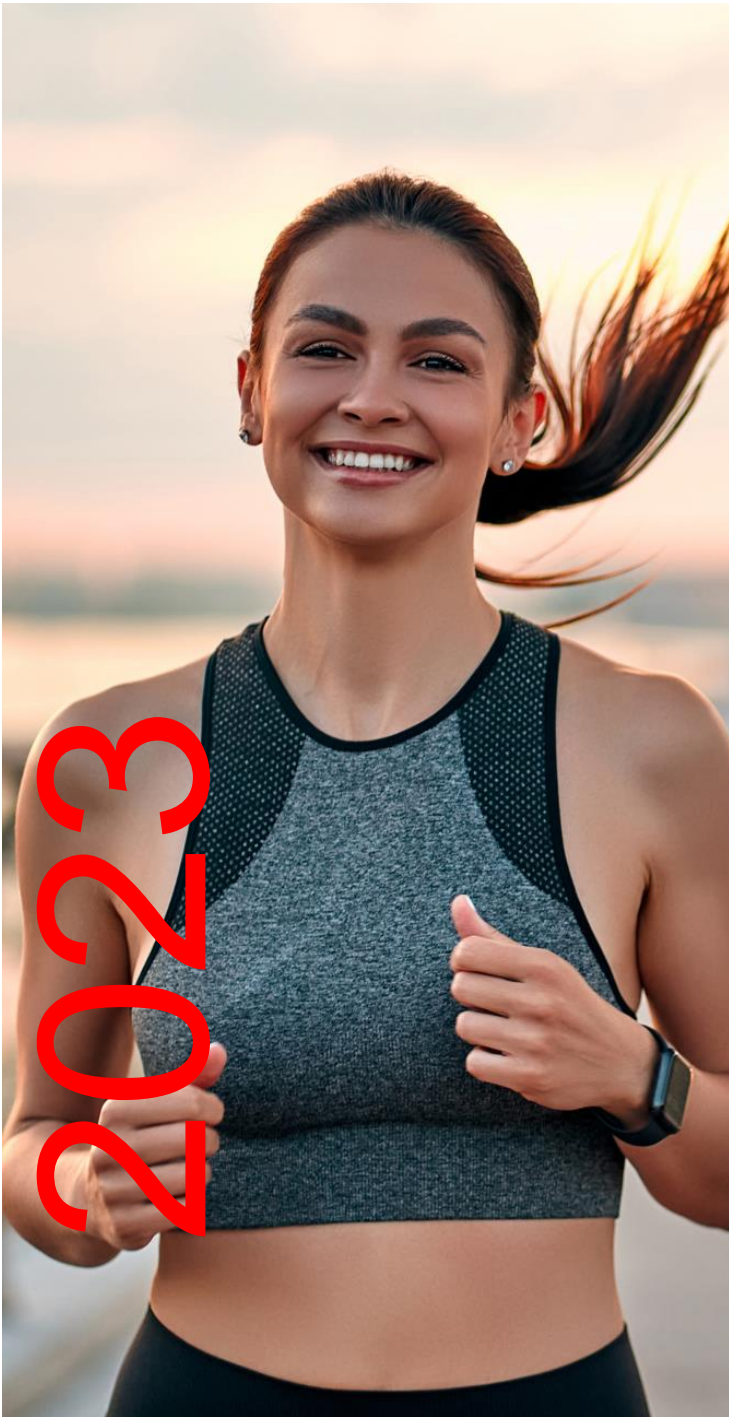




Private Health Insurance Intermediaries Association Inc



# Are Young People Getting a Fair Go From Private Health Insurance?

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survey matters.

Research by Survey Matters  
June 2023

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# Key Findings

## 01

**Affordability is the main reason young people do not take out private health insurance.**

The primary reason people under 35 in Australia do not take out private health insurance is the inability to afford it, as 53% of respondents indicated. A further 15% believe that the public healthcare system meets their needs adequately, while one in ten plans to purchase insurance after turning 30. Some respondents suggested lower premiums and tailored coverage and options to improve the affordability of private health insurance.

## 02

**The most common reason young people purchase private health insurance is to avoid taxes and loadings.**

Just over a quarter (26%) of respondents indicated they took out private health insurance to avoid taxes and loadings associated with not having private coverage. Other reasons include coming off their parents' policy (21%), wanting to bypass public waiting lists for elective surgery (15%), ensuring coverage for their children (13%) or planning to start a family (10%).

## 03

**Hospital and extras are the most common cover taken out by young people, although younger cohorts tend to choose hospital-only policies.**

Overall, three-quarters of survey respondents purchased hospital and extras cover, with 18% choosing hospital only and 7% taking out a stand-alone policy for extras. Consumers aged under 25 were more likely to purchase hospital-only coverage, at 43% than those aged 25 to 35 – four in five of whom chose to take out hospital and extras cover.

## 04

**Accident injury the primary cover needed from private health insurance hospital policies**

Accidental injury cover is a priority for young people, with 74% of respondents nominating accident cover as a key inclusion in an ideal private health insurance policy. Dental surgery performed in a hospital setting follows closely, with 56% of respondents indicating they would include this in a policy they could tailor to their needs. Other notable priorities include back, neck, and spine coverage (51%), cancer treatments (43%), and pain management (42%).

## 05

**Along with strong demand for in-hospital dental surgery, dental the key benefit of extras coverage for young people.**

Given a choice of specific items for inclusion in an extras policy, the top priorities for individuals under 35 would be dental check-ups, cleanings, and related services, with 69% of respondents expressing interest. Ambulance cover follows closely at 65%, highlighting the importance of emergency medical transportation coverage. Other commonly selected items include optical coverage for glasses and contact lenses (47%), and physiotherapy (47%).

## 06

**The inclusion of GP visits, along with mental health care services, would be popular with young consumers**

Over half of the respondents (53%) indicated that they would include GP visits in an extras policy if they could tailor their cover to include services they most likely want or need. A further 48% indicated they would have mental health care services, indicating strong demand by young people to care for their psychological and physical health

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## Summary of suggestions for improvement

Respondents were also asked to provide suggestions for improving private health insurance in Australia, and comments can be summarised into several themes.

### Lowering prices and making it more affordable

There is a strong emphasis on simply lowering prices and making it more affordable. Respondents consistently express the need for reduced premiums and overall lower costs

- "Prices can be reduced"
- "Make it cheaper"
- "Right now the Medicare is cover enough for me and the private health insurance is just too expensive"
- "Have more generous rebates for younger people to incentivise young people to take out cover"
- "Make it more affordable for families"
- "The premiums are extremely high without much included"
- "Stop raising premiums"
- "They can definitely charge a lot less that would help"

### Transparency and clarity

Transparency and clarity are also key concerns, with some respondents calling for clearer policy structures and pricing information. Simplifying policies and making them easier to understand was suggested by some, while other respondents called for more transparency in what is included in coverage.

- "Transparency in policy structure,"
- "Easier to look into prices and what's included,"
- "Make even more clear"
- "Make it more clear between major dental and dental surgery"

### Tailored coverage and options

Tailored coverage and options are suggested as a way to improve private health insurance. Suggestions include offering customisable policies with different tiers, allowing individuals to choose and pay for the specific services they need. Respondents also express the desire for more extras and greater coverage options.

- "Instead of policies being in a package, you should only be paying for what you use only"
- "Some need worker-specific or lifestyle-specific genres"
- "Allow individuals to customise their policy, eg. Based on family issues"
- "Make it more personalised so it can be cheaper"
- "Perhaps make it customisable and have tiers that so if you can't afford the cover that includes things you need, you can opt for the lower tier and just add a couple of things you need covered"
- "The ability to pick and choose services without it being tied to others that aren't needed"

### Better value for money

Respondents also mention the need to provide more benefits, rebates, and extras for the amount being charged. They want private health insurance to offer better value and reduce out-of-pocket costs.

- "More extras benefits"
- "Closing the gap so don't have to pay so much"
- "Cheaper and less waiting periods for major dental"
- "Just pass on all the savings and profits as much as possible to members instead of shareholders"
- "Don't overcharge people" represent this idea.

## Data Tables

Do you have private health insurance cover?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	302	164	138	83	97	122
Yes, I have my own policy	57%	52%	62%	48%	51%	67%
Yes, I am covered by my parents' family policy	0%	0%	0%	0%	0%	0%
No, I do not have private health insurance	43%	48%	38%	52%	49%	33%

What is the MAIN reason you don't have private health insurance?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	131	78	53	43	48	40
I cannot afford it	53%	60%	43%	58%	35%	70%
The public system provides everything that I need	15%	12%	21%	12%	21%	13%
I plan to purchase private health insurance after I turn 30	10%	8%	13%	2%	23%	3%
I have not had time to look for a suitable policy	8%	6%	11%	9%	4%	13%
The private health insurance items I needed were not available on a policy I could afford	5%	6%	4%	5%	10%	0%
Private health insurance does not offer cover for the things that I am likely to want or need	1%	1%	0%	0%	2%	0%
I decided to pay my medical costs myself / self-insure	1%	1%	0%	0%	0%	3%
Don't know	4%	1%	8%	9%	2%	0%

What is the MAIN reason you decided to purchase private health insurance?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	171	86	85	40	49	82
I came off my parents' policy	21%	20%	22%	30%	27%	13%
To avoid the taxes and loadings	26%	26%	27%	18%	22%	33%
I have health conditions that require ongoing medical attention	6%	7%	5%	8%	6%	5%
I am planning to start a family	10%	6%	14%	5%	12%	11%
I wanted to ensure my children were covered by private health	13%	20%	6%	8%	14%	15%
To avoid the public waiting list for elective surgery	15%	10%	19%	13%	14%	16%
Don't know	4%	5%	2%	13%	0%	1%
Other	6%	7%	5%	8%	4%	6%

Result is significantly *higher* / *lower* than total

What type of private health insurance cover did you purchase?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	171	86	85	40	49	82
Hospital cover	18%	19%	18%	43% ↑	6%	13%
Hospital and extras cover	75%	72%	78%	50% ↓	90% ↑	78%
Extras only	7%	9%	5%	8%	4%	9%

Which tier / level of hospital cover do you have?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	159	78	81	37	47	75
Bronze	31%	27%	35%	22%	40%	29%
Bronze Plus	14%	15%	12%	11%	13%	16%
Silver	16%	17%	15%	19%	15%	15%
Silver Plus	9%	8%	10%	8%	9%	9%
Gold	17%	21%	14%	19%	13%	19%
Don't know / Can't remember	14%	13%	15%	22%	11%	12%

Have you used your private health insurance cover in the last 12 months?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	171	86	85	40	49	82
Yes – Hospital	25%	24%	25%	28%	24%	23%
Yes – Extras	58%	63%	53%	40%	57%	67%
No	30%	29%	31%	38%	35%	23%
Don't know / Can't remember	2%	2%	2%	8%	2%	0%

Result is significantly *higher* / *lower* than total

What hospital cover have you used?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	42	21	21	11	12	19
Dental surgery (In hospital)	19%	24%	14%	18%	25%	16%
Pregnancy, gynaecology, male reproductive system	17%	33%	0%	0%	17%	26%
Accidental injury	14%	5%	24%	18%	8%	16%
Ear, nose & throat, tonsils, adenoids & grommets	14%	5%	24%	27%	0%	16%
Back, neck & spine	10%	0%	19%	9%	17%	5%
Pain management	10%	10%	10%	18%	8%	5%
Breast surgery, plastic & reconstructive surgery	5%	10%	0%	9%	8%	0%
Other (Please specify)	5%	0%	10%	0%	8%	5%
Cancer treatments	2%	5%	0%	0%	0%	5%
Joint & hip replacements	2%	5%	0%	0%	0%	5%
Rehabilitation in hospital	2%	5%	0%	0%	8%	0%

What extras cover have you used?	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	99	54	45	16	28	55
Dental – check-up's, clean etc	46%	43%	51%	44%	36%	53%
Optical (glasses & contact lenses)	20%	20%	20%	6%	21%	24%
Physiotherapy	13%	17%	9%	6%	25%	9%
Chiropractic	4%	4%	4%	6%	4%	4%
Mental health care services	3%	0%	7%	6%	0%	4%
Ambulance cover	2%	0%	4%	13%	0%	0%
Dietetics and nutrition	2%	4%	0%	0%	4%	2%
Home nursing	2%	2%	2%	0%	4%	2%
Occupational therapy	2%	2%	2%	6%	0%	2%
Rehabilitation & remedial massage, gym, swimming	2%	4%	0%	0%	4%	2%
Hearing aids, prothesis aids, glucose monitors etc	1%	2%	0%	6%	0%	0%
Speech therapy	1%	2%	0%	0%	4%	0%

Result is significantly *higher* / *lower* than total

If you could tailor your private health insurance to cover specific items that you wanted, which of the following would you INCLUDE in 'Hospital cover'	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	302	164	138	83	97	122
Accidental injury	74%	74%	74%	75%	76%	71%
Dental surgery (In hospital)	56%	63%	48%	47%	62%	57%
Back, neck & spine	51%	52%	50%	42%	54%	55%
Cancer treatments	43%	49%	37%	39%	43%	47%
Pain management	42%	46%	38%	42%	39%	45%
Pregnancy, gynaecology, male reproductive system	42%	57%	25%	42%	40%	44%
Ear, nose & throat, tonsils, adenoids & grommets	41%	42%	41%	36%	39%	47%
Heart, lung & chest	41%	46%	35%	31%	44%	44%
Kidney, bladder, digestive system, including dialysis	36%	43%	28%	30%	33%	42%
Eyes including cataracts	35%	41%	29%	27%	36%	41%
Joint & hip replacements	32%	34%	30%	28%	26%	41%
Rehabilitation in hospital	32%	36%	27%	25%	29%	39%
In-hospital psychiatric services	28%	30%	26%	29%	23%	33%
Hernia & appendix	27%	29%	25%	31%	21%	30%
Breast surgery, plastic & reconstructive surgery	24%	32%	14%	20%	24%	27%
Diabetes management	19%	21%	17%	16%	19%	22%
Weight loss surgery	16%	20%	11%	10%	15%	20%

Result is significantly *higher* / *lower* than total



If you could tailor your private health insurance to cover specific items that you wanted, which of the following would you EXCLUDE from 'Hospital cover'	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	302	164	138	83	97	122
Weight loss surgery	45%	49%	41%	42%	53%	41%
Breast surgery, plastic & reconstructive surgery	29%	23%	36%	24%	37%	26%
Pregnancy, Gynaecology, Male reproductive system	19%	11%	28%	12%	25%	18%
In-hospital psychiatric services	17%	18%	14%	11%	15%	21%
Hernia & appendix	16%	15%	17%	17%	20%	12%
Joint & hip replacements	12%	14%	9%	13%	16%	7%
Eyes including cataracts	11%	10%	11%	17%	9%	7%
Ear, nose & throat, tonsils, adenoids & grommets	10%	13%	7%	12%	8%	11%
Rehabilitation in hospital	8%	7%	8%	7%	10%	6%
Kidney, bladder, digestive system, including dialysis	7%	5%	9%	10%	8%	4%
Back, neck & spine	7%	5%	9%	12%	7%	2%
Dental surgery (In hospital)	6%	5%	7%	6%	7%	6%
Diabetes management	6%	5%	7%	6%	6%	6%
Cancer treatments	5%	2%	9%	8%	6%	2%
Heart, lung & chest	5%	4%	6%	8%	3%	4%
Pain management	4%	2%	6%	2%	4%	5%
Accidental injury	1%	1%	2%	2%	0%	2%
<b>None of the above</b>	<b>23%</b>	<b>25%</b>	<b>20%</b>	<b>25%</b>	<b>18%</b>	<b>25%</b>

Result is significantly *higher* / *lower* than total

If you could tailor your private health insurance to cover specific items that you wanted, which of the following would you INCLUDE in 'Extras cover'	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	302	164	138	83	97	122
Dental – check-up, clean etc	69%	76%	61%	64%	72%	70%
Ambulance cover	65%	64%	66%	65%	69%	61%
GP Visits	53%	55%	49%	51%	51%	56%
Mental health care services	48%	53%	42%	46%	51%	48%
Optical (glasses & contact lenses)	47%	53%	41%	41%	49%	50%
Physiotherapy	47%	51%	41%	34%	49%	53%
Major dental & orthodontics (braces, crowns etc)	46%	57%	33%	34%	47%	54%
Prescription medicines	44%	53%	34%	45%	43%	45%
Rehabilitation, remedial massage, gym, swimming, pilates, yoga	36%	38%	33%	29%	36%	41%
Consultations with specialists	35%	38%	33%	37%	34%	35%
Chiropractic	30%	28%	33%	24%	38%	29%
Dietetics and nutrition	22%	24%	20%	19%	27%	20%
Podiatry & orthotics	22%	21%	22%	14%	19%	29%
Occupational therapy	21%	25%	17%	18%	22%	23%
Osteopathy	16%	16%	16%	18%	19%	13%
Hearing aids, prothesis aids, glucose monitors etc	16%	18%	13%	12%	12%	20%
Homeopathic, Naturopathic (Alternative medicines)	13%	17%	9%	12%	10%	16%
Speech therapy	11%	16%	5%	11%	8%	13%
Home nursing	10%	9%	12%	7%	10%	12%

Result is significantly *higher* / *lower* than total

If you could tailor your private health insurance to cover specific items that you wanted, which of the following would you EXCLUDE from 'Extras cover'	Total	Female	Male	20-24	25-29	30-35
<b>Sample</b>	302	164	138	83	97	122
Home nursing	36%	35%	36%	28%	44%	34%
Speech therapy	33%	35%	30%	25%	35%	36%
Hearing aids, prothesis aids, glucose monitors etc	29%	31%	26%	27%	30%	30%
Dietetics and nutrition	25%	26%	23%	20%	24%	29%
Chiropractic	23%	21%	25%	24%	19%	25%
Osteopathy	19%	21%	16%	16%	20%	20%
Occupational therapy	15%	14%	16%	12%	16%	16%
Rehabilitation & remedial massage, gym, swimming	14%	17%	10%	12%	23%	8%
Mental health care services	11%	8%	14%	5%	10%	16%
Major dental and orthodontics (braces, crowns etc)	10%	10%	10%	13%	10%	7%
Ambulance cover	10%	9%	11%	10%	8%	11%
Optical (glasses & contact lenses)	9%	9%	9%	10%	10%	7%
Dental – check-up's, clean etc	6%	5%	7%	6%	5%	7%
Physiotherapy	4%	4%	4%	5%	5%	2%
Podiatry and orthotics	0%	0%	0%	0%	0%	0%
<b>None of the above</b>	<b>24%</b>	<b>24%</b>	<b>22%</b>	<b>29%</b>	<b>20%</b>	<b>23%</b>

*Result is significantly **higher** / **lower** than total*

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## Methodology

The 2023 Young People and Private Health Insurance Survey was carried out by Survey Matters on behalf of the Private Health Insurance Intermediaries Association Inc (PHIA).

It was conducted in June 2023 via an online survey, fielded by Pureprofile between 6 and 12 June 2023. A sample of 302 consumers across Australia provided their feedback. The online survey was open to respondents over between the ages of 20 and 35, with an even split of respondents with and without private health insurance.

Data analysis was carried out and high-level summary findings released to PHIA in June 2023

To ensure that no individual is able to be identified in the published results, the survey data has been analysed at an aggregate level.

# About

## PHIIA

The Private Health Insurance Intermediaries Association (PHIIA) is a professional body established in 2002 to establish, implement and monitor standards for independent intermediaries, agents and brokers selling private health insurance in Australia.

The PHIIA Code of Conduct was created to improve the standards of our members and ensure overall quality of service in the industry. The Code was reviewed and updated and Version 2 was launched on 1st July 2015

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## Survey Matters

This report has been prepared on behalf of the Private Health Insurance Intermediaries Association (PHIIA) by Survey Matters.

Survey Matters specialise in providing research services to associations and not-for-profit organisations, their customers, and members. Survey Matters have helped a wide range of associations and member-based organisations understand their value proposition - what is important to members, how the association can help them and how satisfied they are with their associations' performance. We also work with associations to generate and build industry data and knowledge to support advocacy, promotion, industry development and marketing activities.

Survey Matters is a member of the Australian Market and Social Research Society.

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